

paying for public education

Where does the money for public education come from?

This year, 2007-2008, educating the 555,000 kindergarten to Grade 12 students attending school in Alberta's public education system (francophone, public and separate jurisdictions) will be a \$4.6 billion enterprise, excluding capital costs.

The provincial government is the main source of funding for the public education system. The government allocates funding to school boards from two sources – the Alberta School Foundation Fund (ASFF), made up of \$1.4 billion in education property taxes collected by municipalities on behalf of the provincial government, and the General Revenue Fund (GRF), made up of revenue sources such as income tax, royalties, gaming, Federal transfers, and investment income. **Note:** Separate school boards may choose to opt out of the ASFF and requisition property taxes directly from their local taxpayers. This has no impact on the amount of money the school board receives.

The lion's share of provincial funding flows to school boards from Alberta Education, the ministry responsible for education. Another government department – Alberta Finance, allocates money to repay the debt that school boards owe on previous school building projects.

Fees levied by the school board and individual schools on students and parents, the sale of goods and services, investments and local fundraising make up the rest of the funding for public education.

How does Alberta Education decide how much money each school board gets?

In September 2004, Alberta Education introduced a new way to distribute provincial funds to school boards. The objectives of the renewed funding framework are: to fund school boards fairly, consistently and equitably and to give school boards the flexibility to address provincial and local education needs. The funding framework strives to embody the principles of funding predictability, stability, simplicity, and transparency – holding school boards accountable for continuous improvement and attaining provincial education goals and priorities.

With a few exceptions, school boards receive the bulk of their funding from the provincial government unencumbered. School boards have the flexibility to allocate this funding in whichever way they feel best serves students. The allocation of funding is one of the school boards' most important responsibilities.

It is important to note that while the funding framework determines how funds are allocated to school boards, it does not address issues of funding adequacy. The amount of money distributed is determined by the provincial government's budget.

About the renewed funding framework

For detailed information, please see the Funding Manual for School Authorities 2007-2008 School Year, available on Alberta Education's website: www.education.gov.ab.ca/funding/fundingmanual.

Under the funding framework, Alberta Education allocates money to each school board under six categories:

1. Base Instruction funding
2. Differential Cost funding
3. Provincial Priority Targeted funding
4. Other Support funding
5. Transportation funding
6. School Facility funding

A look at the six categories

1. **Base Instruction funding** is for the costs of teaching students in kindergarten to Grade 12 programs and programs for Grade 1 to 12 students with mild or moderate special needs or who are gifted and talented. The government provides extra money for kindergarten special needs programs. School boards also get Base Instruction funding for Outreach programs, Knowledge and Employability (K&E) courses and, at varying rates for Home Education and Blended programs. Base Instruction funding is also to pay for board governance and school and system administration. On average, Base Instruction funding represents about three quarters of the money school boards receive from Alberta Education.

2007-2008 Base Instruction rates:

Kindergarten:	\$2,725 per child
Grades 1 to 9:	\$5,450 per student
Grades 10 to 12:	\$155.71 (K&E - \$249.14) per credit enrolment unit
Outreach:	\$55,724 per site

2. **Differential Cost funding** (often called equity funding) addresses those factors which cause sizeable differences in operating costs between jurisdictions. The amount of money a school board gets under this category depends on factors such as number of special needs students, school size, enrolment changes, location and size of jurisdiction, local costs of goods and services, and funding received prior to 2004.

2007-2008 Special Needs rates:

Students with severe disabilities in Grades 1 to 12

Funding: \$15,751 per profiled student with severe disabilities

Canadian and foreign born kindergarten children and Grade 1 to 12 students with English as a Second Language (ESL) or attending school in a francophone regional authority with insufficient fluency in French

Funding: \$1,093 per eligible student

Immigrant kindergarten children and Grade 1 to 12 students requiring enhanced ESL or Francisation support services

Funding: \$382 per eligible student

First Nations, Métis and Inuit kindergarten children and Grade 1 to 12 students

Funding: \$1,093 per eligible student

Kindergarten children and Grade 1 to 12 students who are socially or economically disadvantaged based on socio-economic status (SES) criteria provided by Statistics Canada

Funding: \$437 per student based on SES incidence rate

Kindergarten children with severe disabilities

Funding: on a Program Unit basis of up to \$23,262 for the first child and up to \$5,771 for each additional child in the Program Unit

Kindergarten children with mild or moderate disabilities/delay or who are gifted and talented

Funding: \$2,308 per eligible child

Small Schools by Necessity funding helps rural and urban jurisdictions operate small schools, which must be kept open because of lengthy travel distances to neighbouring schools. This grant includes a base amount and variable amounts that take into account school enrolment and grade configurations.

2007-2008 Small Schools by Necessity rates:

Schools with fewer than 150 students receive a base amount of \$81,979.

Schools with between 150 and 226 students receive a base amount between \$81,979 and \$0 according to a sliding scale.

A variable allocation ranging between \$546 and \$2,733 per student, depending on the small schools' grade configuration (e.g. K – 3, K – 9) and student enrolment.

Enrolment Growth/Decline funding is provided to school boards that experience significant year-to-year changes in enrolment. (Growth: Jurisdiction enrolment increases by more than four per cent; school enrolment increases by more than seven per cent. Decline: Jurisdiction enrolment decreases by more than 1.5 per cent; school enrolment decreases by more than four per cent)

2007-2008 Enrolment Growth rate:

\$591 for each student **over 4 per cent in jurisdictions and 7 per cent in schools**

2007-2008 Enrolment Decline rate:

Jurisdictions where enrolment drops more than 1.5 per cent receive \$3,989 for each student over the 1.5 per cent threshold.

Schools where enrolment drops more than 4 per cent receive \$591 for each student over the 4 per cent threshold.

Intra-Jurisdiction Distance funding is provided to school boards to address the higher costs of providing services in geographically spread out jurisdictions. In rural areas, funding is granted if schools are more than 25 km from their central administration office. In urban areas, funding is granted if schools are more than 15 km from their central administration office.

2007-2008 Intra-Jurisdiction Distance rate:

\$1.09 per student **for each kilometer over 25 km (rural) and 15 km (urban)**

Northern Allowance funding addresses the added costs for goods and services that northern Alberta school boards face. The amount of money a school board receives is based on the number of students attending schools within zones north of the 55th parallel of latitude.

2007-2008 Northern Allowance rates:

Between \$437 and \$984 per student **depending on the zone**

Relative Cost of Purchasing Goods and Services Adjustment (RCPA) funding, recognizes that goods and services are more expensive in different parts of Alberta. Jurisdictions are indexed based on Alberta Economic Development information. This index multiplied by 47 per cent of transportation funding and 20 per cent of all funding that is not targeted or designated for stabilization, transportation, plant operations and maintenance, and capital is the amount of money a board receives.

Stabilization funding ensures that no school jurisdiction loses funding under the renewed funding framework using 2003-2004 as the base year. In 2007-2008 the stabilization allocation provided to eligible boards without changes in student enrolment is 3 per cent more than they received last year.

- 3. Provincial Priority Targeted funding** is for provincial programs like the Student Health Initiative, Alberta Initiative for School Improvement, SuperNet Service, Small Class Size Initiative, and Children and Youth with Complex Needs. Funds designated for these programs must be spent on these programs.

Student Health Initiative (SHI) funding enhances and provides improved access to integrated health and related support services, including service in French to francophone regional authorities, for school children with special health needs. SHI funding is based on an estimated number of students who require health services. Funding for the Student Health Initiative in 2007-2008 totals \$44 million.

Alberta Initiative for School Improvement (AISI) funding is for local projects aimed at improving student learning and performance. In 2007-2008 AISI projects are funded to a maximum of \$132 per FTE child/student with provincial spending totaling \$74 million.

SuperNet Service funding is provided for school sites that are connected to and using the government's high speed network. In 2007-2008, school boards are eligible to receive up to \$503.50 per month for each site.

Small Class Size Initiative funding helps school boards hire and retain additional teachers in order to achieve the Alberta Commission on Learning's class size guidelines. Provincial spending on this initiative in 2007-2008 is \$195 million with boards receiving 3 per cent more funding than last year.

Children and Youth with Complex Needs funding is provided to Regional Integrated Case Management Teams who determine on a case-by-case basis the programs, services, and extraordinary care that children and youth with severe impairments require to participate in education programs.

- 4. Other Support funding** is allocated to school boards for these instructional services:

School boards are contracted to provide education programs for students who reside in **government institutions** such as hospitals, young offender centres, treatment centres, youth assessment centres, women's shelters, and group homes.

School boards are contracted to provide school authorities with subsidized **Regional Educational Consulting Services** for students with special education needs requiring the support of a multidisciplinary educational team.

Designated school boards are funded as 'agent' boards for the management of seven regional **professional development consortia**, which help coordinate the development of knowledge, skills, and attributes in schools and their communities. Funding for each consortium in 2007-2008 is \$178,282.

A **Learning Resources Credit** is available to school boards if they purchase their learning resources from the Learning Resources Centre in Edmonton. The Learning Resources Credit in 2007-2008 is \$11.43 per student.

Alberta Education distributes **Federal Francophone Education** funding to francophone regional authorities for French First Language Education and **Federal French Language** funding to school boards that provide French Immersion and French as a Second Language programs. Alberta Education also provides francophone regional authorities with provincial **Francophone Equivalency Access** funding of \$578 per eligible student in support of francophone education.

Alberta Education allocates \$1,051 for each elementary or junior high school in support of their **Daily Physical Activity** programs.

School jurisdictions receive \$10,716 in funding for each **Hutterite Colony School** they operate.

In 2007-2008, school jurisdictions with fewer than 2,000 students receive \$437,217 in **Small Board Administration funding**. School jurisdictions with between 2,000 and 3,000 students receive **Small Board Administration funding** ranging from \$437,217 to \$0 according to a sliding scale.

5. **Student Transportation funding:** Alberta Education provides funding to school boards that operate or contract transportation systems for kindergarten to Grade 12 students.

School boards receive **Rural Transportation funding** based on a formula that takes into account student population density and the distances students are transported. Funding to transport students between schools is provided when students take classes that are not available in the school they attend.

Urban school boards, other than Calgary and Edmonton, are funded for each eligible student they transport. **Urban Transportation rates** in 2007-2008 range from \$499 per student for larger centres to \$584 per student for smaller centres. Funding is also provided for interschool transportation.

School boards in Calgary and Edmonton receive **Metro Transportation funding** based on a formula that estimates the number of students eligible for transportation. In 2007-2008 the metro rate is \$499 per student.

Special Transportation funding is given to school boards to transport students who cannot use regular student transportation because of their disabilities. The 2007-2008 special transportation funding rate is \$5,306 per student for rural school boards and \$2,652 per student for urban and metro school boards.



Donna Engel, director of corporate services, ensures the ASBA's general meetings run smoothly.

A **Boarding Allowance** of \$3,881 is paid for rural and urban students who are directed to educational programs where they must live away from home.

Fuel Price Contingency funding is provided to address higher school bus fuel costs. For rural and urban boards the formula is based on bus route distances, fuel consumption rates, and monthly fuel costs that average over 60 cents per litre. Metro funding is based on kilometres traveled and transit pass costs.

6. **School Facility funding:** Alberta Education allocates funding for school boards to operate, maintain, renew, expand, and retire debt owing on school facilities.

Plant Operations and Maintenance (POM) funding is for the general maintenance and operation of school buildings to ensure they are safe, comfortable, and suitable for student learning. Most of the \$417 million in POM funding in 2007-2008 is allocated on a per student basis:

Grades K to 6:	\$724 per student
Grades 7 to 9:	\$684 per student
Grades 10 to 12:	\$687 per student

School boards may receive additional POM funding of up to 13 per cent based on the jurisdiction's population density (sparsity) and distance from a larger urban centre. A travel time allowance provides for maintenance staff to service outlying schools and a supplemental adjustment funds higher POM costs in small schools by necessity.

Infrastructure Maintenance and Renewal (IMR) funding totaling \$96 million in 2007-2008 is for upgrading or replacing building components to extend the life and quality of school facilities, meet program requirements, and improve energy efficiency. IMR funding is determined using student enrolment (50 per cent), age of building (24 per cent), area of building (21 per cent), geographic location (3 per cent), and other factors (2 per cent).

School Facilities funding is for building new or replacement schools, modernizing existing schools, and adding or relocating modular/portable classrooms. School boards must apply to Alberta Education for capital funding by submitting three year and 10 year capital plans and meeting eligibility criteria for approval. Expansion and modernization funding provides for the costs of capital projects including furniture and equipment, site development, consultant's fees, and project expenses.

As of August 2007 capital funding in 2007-2008 is estimated at just over \$600 million and earmarked for the following:

Infrastructure Maintenance and Renewal (IMR):	\$98 million
Previously announced projects:	\$289 million
Cost escalation of announced projects:	\$23 million
School modernizations in Calgary/Edmonton:	\$100 million
School modernizations rural/urban communities:	\$97 million

Alberta Finance pays **Debt Retirement funding** on behalf of school boards for the principal and interest owing on government-supported school facilities built prior to September 1995.