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operating budget for 2015-16 and beyond



budget report
2015-18

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



**Calgary Board
of Education**

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Mission

The Board of Trustees sets as its Mission that “each student, in keeping with his or her individual abilities and gifts, will complete high school with a foundation of learning necessary to thrive in life, work and continued learning.” We therefore know that we must consider each individual student and his or her learning requirements while balancing all student needs against the resources available across the organization.

Values guide our approach

Our approach to the budget development is guided by CBE values:

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

Therefore, we will work to optimize student learning while recognizing the reality of our fiscal constraints.

We do our work within the framework of Alberta Education’s *Inspiring Education*, which sets out the following values for public education: opportunity, fairness, citizenship, choice, diversity and excellence. Balancing those values with the resources at hand takes careful consideration.

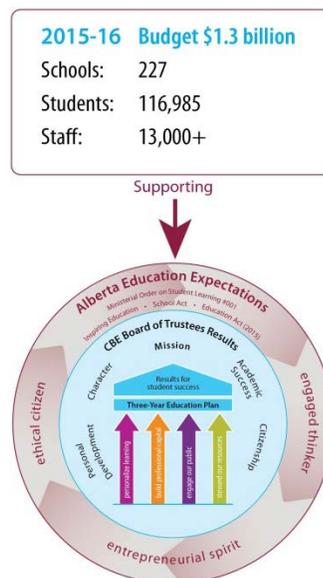
We are also guided by CBE’s Three-Year Education Plan, which focuses attention on personalized learning, building our professional capital, engaging our stakeholders and stewarding our resources. Taken together, these action areas allow us to maximize student learning and achievement.

In tackling the budget exercise we know that public education is a shared responsibility. With our students, families, employees, communities and Alberta Education in mind, we make budgetary decisions knowing we need to work together to build positive learning and working environments. By sharing a common goal of student success, each one of us contributes to make it happen despite the difficult fiscal realities.

Guiding Documents

- *Inspiring Education* – Developing the qualities and abilities of ethical citizen, engaged thinker and entrepreneurial spirit
- *CBE Three-year Education Plan* – Personalize learning, build professional capital, engage our stakeholders, steward our resources
- *CBE Results* – Our Mission, academic success, citizenship, personal development, character
- *Fiscal Plan 2015-20* – the Alberta Government’s choices to stabilize Alberta’s public finances

It is these goals, translated through our values, that ensure s



Summary of proposed budget

The Calgary Board of Education is one of the best public education systems in the world. Outstanding education depends on making wise decisions about how to invest public resources on behalf of 116,985 students. It's an important responsibility. The money we spend educating our youth is one of the most important investments we can make in our society's future.

The CBE's entire system works to support student learning. The 2015-16 budget was prepared, first and foremost, with the objective of honoring our mission, vision and most importantly, our values. The 2015-16 budget puts students first, focuses on learning as our central purpose, and recognizes that public education serves the common good.

Impacts of education funding from the Province of Alberta

On March 26, the Alberta Government tabled Budget 2015 with the promise of ensuring long-term financial stability for Alberta and reducing the Government's reliance on non-renewable resource revenue. Budget 2015 cut grant rates and eliminated funding for enrolment growth. With the subsequent election held in May and change in provincial leadership, Budget 2015 was not passed. On May 28, 2015, the Premier announced that education funding for the 2015-16 year was restored and enrolment growth would also be funded in order to provide needed resources to support student learning.

With that announcement, in 2015-16, the CBE will see per-student funding increase \$300 per student from the prior year. The Government is funding the CBE for enrolment growth as well as rate increases to basic instruction and class size in order to cover the wage increases negotiated in the Teacher Framework Agreement.

The CBE welcomed 2,485 more students (an increase of more than two per cent) in 2015-16. At the same time, inflation, grid movement, and other operating expenses will combine to further increase costs of delivering a basic education to our students.

This CBE budget anticipates that the number of school-based teachers will increase by 114 full time equivalent positions (FTEs) and support staff in schools will increase by 92 FTEs. We are allocating an additional \$31.1 million directly to schools via the Resource Allocation Method (RAM). The funds directed to schools will maintain current student to school-based staff ratios, as confirmed by principal staffing deployment decisions.

The increase in provincial funding allows the CBE to maintain service levels in 2015-16 without reliance on reserves for regular operational expenses. Currently, the design and construction of 24 new schools and 7 major modernizations are underway and it will cost up to \$25 million over the next few years to fit up and commission these schools. The CBE has earmarked the use of reserves to pay for these expenditures, however we will continue discussions with the Province to seek the resources necessary to adequately support our students and their schools.

Balancing the budget

2015-16 Approved Budget

Following the funding announcement made by Alberta's new Government in May, 2015, the CBE prepared a balanced operating budget, meaning that provincial funding increases are sufficient to maintain the same level of services and operations as in the 2014-15 year, with no reliance on reserves to fund regular operations. The increased funding did not allow for new or enhanced programming. This budget was approved by the Board of Trustees on June 18, 2015.

Also in the course of preparing the budget in the spring, student fees continued to be set at a level to fully fund the gap between Alberta Education funding (where applicable) and direct program costs. Despite the need for fees, no student will be denied access to an education due to the inability to pay fees. The CBE has a comprehensive waiver program to support families who are experiencing financial difficulties.

2015-16 Fall Budget Update

The approved budget was based on estimates of expected enrolment for the 2015-16 year. At the Sept. 30, 2015 count date, it was determined that the actual enrolment for the year would be 30 students higher than originally budgeted, and with fluctuations at each of the division levels. As a result, anticipated funding from the provincial Government would be higher and amounts allocated to schools via the RAM would also be higher. These increases have been captured in the Fall 2015-16 Budget Update, which is an update required by Alberta Education. It is also presented to the Board of Trustees for information and accepted as the CBE's budget for the year.

This report provide details of the 2015-16 fall budget, with 2014-15 fall budget information provided as comparatives.

The 2015-16 spring budget was balanced without the use of reserves. Several pressures and initiatives were since identified and have been incorporated as one-time planned spending in the fall budget update. These will be funded by the use of operating and capital reserves and include:

- \$14.5 million increase in temporary certificated salaries and benefits for a one-time initiative to further schools' goals of improving student achievement as outlined in their school development plans.
- \$1.5 million in additional funds will be used to hire high school graduation coaches to support our First Nations, Métis and Inuit students.
- \$15.2 million for the use of budgets carried forward from 2014-15 (operating and capital). These represent projects that have started in the 2014-15 school year but will not complete until the 2015-16 school year.
- Up to \$25.0 million for the commissioning of new schools in 2015-16, 2016-17 and 2017-18.
- Up to \$5.7 million for Career and Technology Studies/Foundations and Fine and Performing Arts equipment upgrades.
- Up to \$7.0 million for wireless upgrades to address capacity issues across all schools.

Looking forward

The provincial budget announced in May, 2015 made it possible for the CBE to maintain services and supports to students in 2015-16 while preparing for the opening of 20 new and replacement schools and modernizations in 2016-17. As 2015 unfolds, the Province of Alberta is still facing a challenging economic environment. We will continue to review our programs and operations and make changes where necessary in order to maximize efficiency and resources.

The new school openings beginning in September 2016 will increase cost pressures. New schools require a principal, assistant principals, administrative assistants, and facility operators. As well, new schools consume additional utilities and require facility maintenance services. Beyond these costs, new schools need teachers, learning assistants, library assistants, as well as other services and supports to maximize student learning. Some of these will transfer over from our existing facilities but most will require additional dollars to support.

The CBE has presented its 2015-16 budget on page 19 with projections for 2016-17 and 2017-18. Although the Province has provided estimates of funding to Education in the upcoming years, there continue to be many unknown factors which make it difficult to prepare balanced projections. Unknowns include union settlements, provincial Government action on reducing parent fees and potential provincial Government grant rate changes. Projections assume that student growth is funded at 2015-16 rates, staffing is increased to maintain school-based staff to student ratios and the additional costs of running new schools are managed within regular funding allocations.

2015-16 Budget at a glance

Budget highlights¹

In consideration of our values and the provincial revenue limitations, the overall expected outcomes for the budget are:

- Funds allocated directly to schools via the Resource Allocation Method have increased by \$31.1 million and are sufficient to maintain the current ratio of students to school-based staff, pending principal deployment decisions.
- \$14.5 million in one-time funding is being allocated to schools to further schools' goals of improving student achievement as outlined in their school development plans.
- \$1.5 million in additional funding will pay for high school graduation coaches to support our First Nations, Metis and Inuit students. We continue to focus on improving these students educational outcomes.
- Fee revenue will be increased by \$2.9 million year-over-year due to enrolment growth.
- Fee revenue for noon supervision and Instructional Supplies and Materials (ISM) will fully fund the gap between targeted Alberta Education funding where available and direct program costs, including waivers and uncollectible accounts. There will be no contribution from the instructional budget to support these fee-based programs and services.
- The transportation program is currently budgeted to run at a deficit of up to \$4.6 million, to be contributed from operating reserves. This decision was made in fall 2015 in response to a need to revisit service levels and route design. Public consultation on how best to provide sustainability to this program will commence during this school year.
- The number of school-based teachers will increase by 114 full time equivalent positions and support staff by 92 full time equivalent positions.
- Non-facility capital project spending is budgeted at \$73.2 million for a combination of regular projects along with one-time projects identified to be funded from other sources including reserves.
- As required by law, the budget for 2015-16 is balanced.

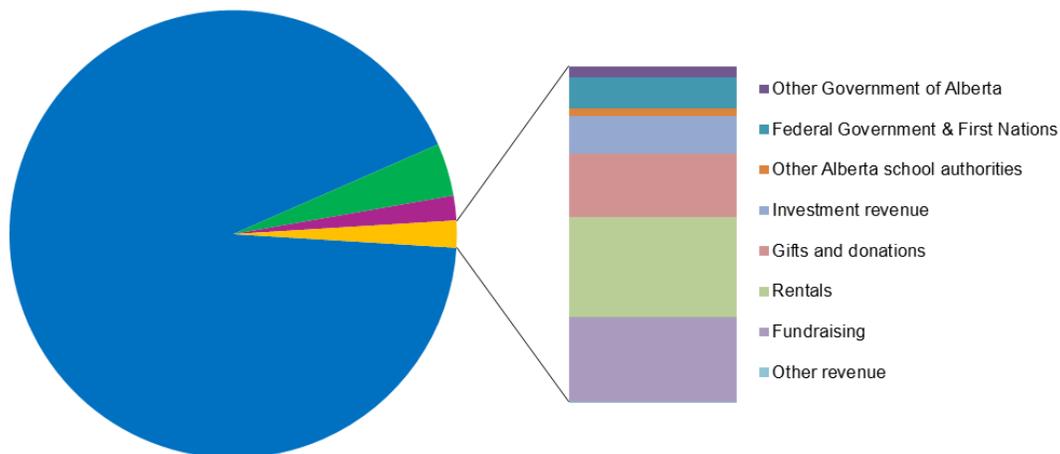
¹Throughout this document, the 2014-15 comparative budget figures presented are from the 2014-15 Fall Update, which was approved by the Board of Trustees on Nov. 25, 2014. Some numbers have been reclassified for comparative purposes.

High-level budget

	Fall Budget Update		Increase/ (Decrease)
	2014-15	2015-16	
	(all figures in \$ thousands)		
Revenues			
Alberta Education	1,136,965	1,204,334	67,369
Other Government of Alberta	1,134	846	(288)
Federal Government & First Nations	2,220	2,393	173
Other sales and services	19,684	23,196	3,512
Fees revenue	46,736	49,651	2,915
Investment revenue	3,026	2,817	(209)
All other revenue	24,082	19,328	(4,754)
	<u>1,233,847</u>	<u>1,302,565</u>	<u>68,718</u>
Expenses			
Salaries and benefits	986,194	1,023,929	37,735
Supplies and services	205,467	237,524	32,057
Other (interest, amortization and uncollectible accounts)	56,830	59,041	2,211
	<u>1,248,491</u>	<u>1,320,494</u>	<u>72,003</u>
Expenses funded through reserves or capital transactions	(14,644)	(17,929)	(3,285)
Proposed use of operating funds	18,772	41,670	22,898
Capital transactions	(4,129)	(23,741)	(19,613)
Net operating surplus / (deficit)	<u>-</u>	<u>-</u>	<u>-</u>

Revenues

	Fall Budget Update		
	2015-16		2014-15
	(in \$ thousands)	%	(in \$ thousands)
Alberta Education	1,204,334	92%	1,136,965
Fees revenue	49,651	4%	46,736
Other sales and services	23,196	2%	19,684
Other	25,384	2%	30,462
Revenues	1,302,565	100%	1,233,847

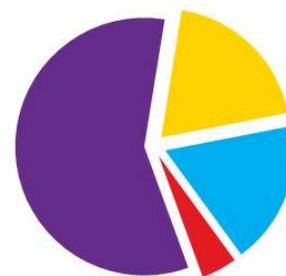


- Alberta Education revenue** – includes grants received based on 2015-16 Sept. 30 enrolment, an increase of 1.8 per cent to the base rate to fund the general Alberta Teachers’ Association wage increase, a one per cent lump sum payment under the Alberta Teachers’ Association collective agreement, and a two per cent increase to Class Size grant rates. All other funding rates have remained the same as in 2014-15.
- Fees** – parent fees collected for transportation services, the supervision of students who stay at school for lunch, instructional materials, field trips, and additional programming.
- Sales and services** – revenue collected from international students attending CBE schools, instruction fees paid by adult learners, and general sales revenue based on cafeteria sales, and the provision of services by students, like cosmetology and automotive.
- Other** – these include donations received, fundraising at schools, investment income and revenues from the rental of facilities.

Expenses

Expenses by type

	Fall Budget Update		
	2015-16		2014-15
	(in \$ thousands)	%	(in \$ thousands)
 Certificated salaries and benefits	767,467	58%	730,184
 Non-certificated salaries and benefits	256,462	19%	256,010
 Supplies and services	237,524	18%	205,467
 Other (interest, amortization and uncollectible accounts)	59,041	4%	56,830
Expenses by type	1,320,494	100%	1,248,491



Expenses by activity

	Fall Budget Update		
	2015-16		2014-15
	(in \$ thousands)	%	(in \$ thousands)
 Service unit supports	320,869	24%	295,937
 Schools and area supports	999,625	76%	952,554
Expenses by activity	1,320,494	100%	1,248,491



Schools and area supports includes amounts allocated directly to schools via the RAM, custodial staff in schools, Area office budgets and centrally held budgets that directly support school operations, such as the Alberta Teachers Retirement Fund (ATRF), School Generated Funds (SGF), central budgets for sick relief in schools, etc.

Service unit supports include direct and indirect supports for students. These supports wrap around each student and improve the quality of learning and access to education. This also includes the cost of service units that operate the CBE's business processes (e.g. payroll, recruiting, procurement, legal services, technology support, etc.) as well as the costs for constructing, operating and maintaining safe and secure facilities, providing student transportation, providing central learning supports and the Board of Trustees budget.

Capital projects

Major Capital Projects – New Schools and Major Modernization

The CBE appreciates that the Government has recognized the incredible growth in our student numbers and is financially supporting the construction of many of the schools required to support the growing educational needs of our students. The Province has committed to financing the 31 major capital projects the CBE currently has underway. Those projects include new school construction, replacement school construction and major modernizations. Information on these projects is available on the CBE's website.

The CBE will incur costs in 2015-16 beyond those provided by the Province for furniture and equipment and to prepare the new schools for the day they open. These costs will include preparing the learning environment with learning materials, sound systems, specialty equipment and technology. Other costs are related to staff time (principals, assistant principals, learning leaders, administrative assistants, etc.) required to engage with the new school communities, develop time-tables, and make pre-school opening curricular decisions.

It will cost the CBE up to \$25 million in the next few years for these supplies and activities, which is currently planned for funding from internal CBE sources, including reserves.

The new school openings beginning September 2016 will further increase operational cost pressures. New schools require a principal, assistant principals, administrative assistants and facility operators. As well, new schools consume additional utilities and require facility maintenance services. Beyond these costs, new schools need teachers, learning assistants, library assistants, as well as other services and supports to maximize student learning. Some of these will transfer over from our existing facilities but most will require additional dollars to deploy. Over the next three years the CBE will support nearly 9,000 additional students.

Non-Facility Capital activities

The CBE will continue to invest resources to ensure that the necessary capital investments are being made today to support the learning environment our students will need in the future. As a result, the CBE is investing \$36.7 million in more than 17 capital projects in addition to the \$11.5 million of projects continuing from 2014-15 and up to \$25 million in new school commissioning for a total of \$73.2 million.

This budget includes projects such as \$3.0 million for the replacement of the student information system, \$7.0 million in wireless access upgrades, \$5.7 million for Career and Technology Studies/Foundations and Fine and Performing Arts equipment upgrades, \$0.6 million to further develop the online fee payment and registration system and more in maintaining technology infrastructure and student safety. Included in the plans are \$3.3 million to support school enhancements which allow us to ensure that our aging facilities continue to meet our student's ever evolving learning needs.

Non-facility capital activities are funded through the cash made available from non-facility amortization expense (a non-cash expense) as well as capital reserves. As part of the budget development, decisions are made on how those amounts will be spent.

Non-facility (sometimes referred to as "board-funded") capital projects should not be confused with the capital activities associated with the building of new schools or major modernizations. Those projects are supported by additional capital grants approved and provided by the provincial Government through a separate capital planning process.

Capital projects (continued)

A summary of board-funded capital plans is shown below with further details provided in Appendix B.

	Fall Update Budget 2015-16 (\$ thousands)	Examples of projects
Strategic projects	4,652	Software asset management, student info system
Enhancement projects	4,877	School enhancements, online fee payments
Maintenance projects	21,390	Technology replacement, wireless upgrades
School enhancements	3,292	Enhance the learning environment
New school commissioning	25,000	
Wireless enhancements	7,000	
Equipment upgrades	5,675	
P3 air conditioning	191	
Performance contracts	1,096	
Total capital projects	73,173	

Support for student success

Students are at the centre of everything we do at the CBE; our budget and spending reflects that. The funding provided to the CBE and the allocation of resources within the CBE supports the organization's achievement of the expectations and results established by the Board.

Our work is guided by our [Three-Year Education Plan](#), which connects each CBE employee to student success. We must create an environment where each student can become an engaged learner, prepared for success in life, work and future learning.

In 2015-16, \$1.0 billion dollars will be spent on instruction, in direct support of the achievement of success for each student. This includes the spending in schools and areas as well as supports that are centrally managed, such as but not limited to: psychologists, braille assistants, deaf and hard of hearing specialists, mental health specialists, occupational and physical therapists, speech language pathologists, multicultural services, school-based technology support, student records and more. Resources have been applied to support the pillars of the Three-Year Education Plan, notably building professional capital, personalized learning and engaging our public.

In addition, costs under the Plant, Operations and Maintenance block are essential for the safe operation of our facilities and providing quality learning environments. In 2015-16, \$166.6 million will be spent in support of the achievement of success for each student in this regard.

About 37,000 students are transported to CBE schools each day using yellow school buses, Calgary Transit or Handi-bus. Some students do not have a community school where they live and need to travel outside of their community to reach their designated school, others choose to attend an alternative program, and others have exceptional learning needs that are best met in special settings. The amount we receive from the Province for transportation does not cover the cost of providing these services; the cost of transportation is \$48.0 million. Regardless of the program, all students travelling by a yellow school bus or Handi-bus are charged the same fees. Parent fees totalling \$8.4 million are charged to supplement the cost of providing transportation.

Finally, Board and System Administrative² costs indirectly support student success by providing core system supports to student learning. These costs are budgeted at \$35.8 million and at 2.7 per cent of operating expenses are well below the Alberta Education cap of 3.6 per cent.

External services (e.g. noon supervision program, adult education), are \$22.7 million in program costs that do not fall within the Early Childhood Services to Grade 12 education mandate and are generally operated on a cost-recovery basis (i.e. offset by related fees or other revenues).

Use of reserves

The 2015-16 budget was balanced without the use of reserves. However, as noted previously, the CBE is planning to draw on \$68.2 million in operating and capital reserves. Several pressures have since been identified for which the use of reserves will be requested. These pressures are all one-time initiatives that support student learning and advancing the CBE's and Government's learning agenda.

Operating pressures

- \$14.5 million increase in temporary certificated salaries and benefits for a one-time initiative to further schools' goals of improving student achievement as outlined in their school development plans.
- \$1.5 million to provide high school graduation coaches to support our First Nations, Metis and Inuit students.
- \$3.7 million for the use of operating budgets carried forward from 2014-15. These represent operating projects that have started in the 2014-15 school year but will not complete until the 2015-16 school year.

Capital pressures

- Up to \$25.0 million for the commissioning of new schools opening the next few years.
- Up to \$5.7 million for Career and Technology Studies/Foundations and Fine and Performing Arts equipment upgrades.
- Up to \$7.0 million for wireless upgrades to a consistent standard in all schools. A further \$7.0 million is planned for spending on wireless upgrades in the following year for a total of \$14.0 million.
- \$11.5 million for the use of capital budgets carried forward from 2014-15. These represent capital projects that have started in the 2014-15 school year but will not complete until the 2015-16 school year.

² Board and System Administration includes the costs of administrative functions and core program supports for the jurisdiction, at the system level. This grouping of costs is a reporting requirement by Alberta Education.

Continuous improvement strategies

The CBE is grateful to the provincial Government for continuing to fund enrolment growth as well as for the wage increases within the Alberta Teachers Association collective agreement. The CBE is committed to using funding prudently and continuing to evaluate its programs, services and operations for improvement and efficiency opportunities. Some of this work that is planned for 2015-16 includes:

- Further integrating the provision of centralized and decentralized specialized supports and services to students, teachers and schools,
- Enhancing and further integrating programs and services provided by CBe-Learn, Chinook Learning Services, Encore, Discovering Choices and our outreach services,
- Making school-based management easier by streamlining the provision of administrative services and supports to schools and moving to further standardization in non-teaching supports,
- Evaluating the current model of the RAM to schools,
- Seeking further operational efficiencies where appropriate.

Budget Background

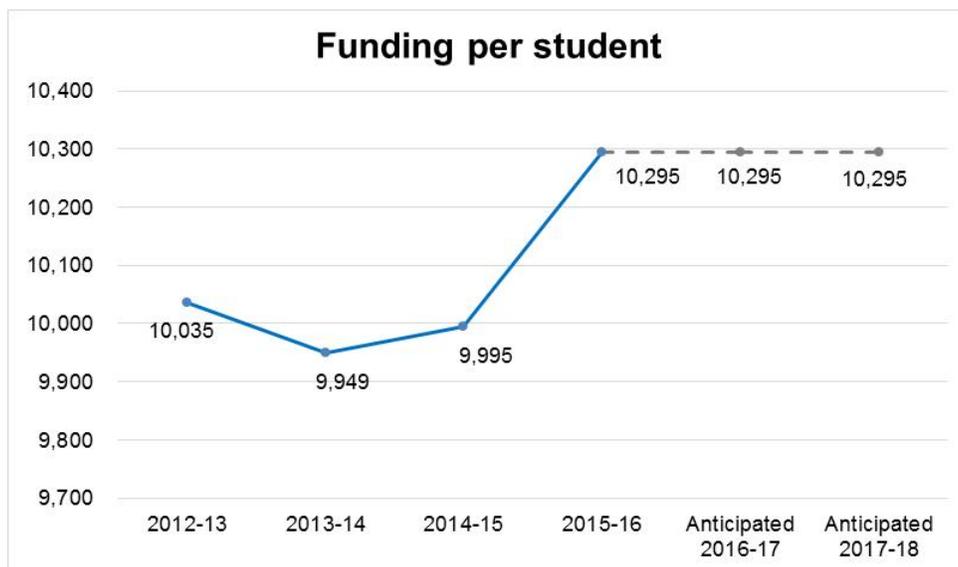
Implications of the provincial budget

The CBE receives 92 per cent of its funding from Alberta Education. As a result of rapidly growing enrolment, increasing student diversity, increasing costs, and high student and parent expectations for educational excellence and choice, the CBE has been a system under strain. Government funding announced for 2015-16 will be sufficient to maintain service levels to students and families at 2014-15 levels.

Overall, funding from Alberta Education will increase by \$67.4 million from 2014-15, or six per cent. Base funding has been increased to fund wage increases for teachers.

Of the \$67.4 million increase, \$40.2 million of the increase is not restricted for a particular use (such as for infrastructure, maintenance and renewal, funding the ATA lump sum payment, etc). Of this, \$31.1 million (78 per cent) has been allocated to schools via the RAM. The remaining \$9.1 million is being used for capital investments and transportation costs. See page 16 for a full breakdown of how the incremental funding is planned for spending.

As a result, Alberta Education revenue per student has increased by \$300 per student since 2014-15.



Factors affecting the budget

Our costs are increasing. Other than for the negotiated teacher wage increases, funding is not provided directly for increased costs. These include, but are not limited to:

- costs related to projected enrolment growth;
- additional workload caused by system growth;
- negotiated salary increases for unionized employees;
- grid movement for unionized employees; and
- inflation.

In addition to increasing costs, a significant portion of CBE expenses are non-discretionary. A non-discretionary cost is a cost over which the CBE has little or no direct control in the short term and which is necessary to maintain our programming, services and supports. Non-discretionary costs include things like amortization, insurance premiums, utility expenses, technology licencing fees, etc. This creates a challenge as it limits available cost reduction options.

This budget will also eliminate all known “conservatism” in estimates and projections. As a result, actual costs may, at the end of the school year, be higher than assumed in this budget. Specific areas of concern include the cost of utilities, wages, insurance premiums and uninsured losses. There is an increased risk that the CBE will end 2015-16 with actual expenses greater than planned. We believe this risk is acceptable as it allows the CBE to maximize the resources available to support student success.

Finally, administration must deliver a balanced budget and this plan does that.

Balancing the budget

Budget assumptions and strategies

On June 16, 2015, CBE Administration provided the Board of Trustees with the Budget Assumptions Report (BAR) for 2015-18 for information. A copy of this report is provided in Appendix H. The values communicated within the BAR and upon which this budget was developed remain the same. These values guided us to provide stable rates in the Resource Allocation Method (RAM), which was distributed to principals in April, 2015 to facilitate the planning process for 2015-16.

Summary of increased resources and use of funds

The following table presents a summary of the increased funding sources from the 2014-15 fall budget and the increased use of these funds.

	Increase / (decrease (\$ thousands)
Source of funding	
Alberta Education	67,369
Fees revenue	2,915
Other revenue (e.g. rental)	(1,566)
Use of reserves	46,056
	114,774
 Use of funding	
Increase to schools via RAM	31,070
One-time funding to schools	16,000
Increase capital investments	18,819
Start-up costs for new schools	25,000
Year over year increased transportation costs	3,307
Increased maintenance spending	16,282
Net other changes	4,296
	114,774

Resources allocated to schools via the RAM increased by over \$31 million in order to maintain staff to student ratios, consistent with 2014-15. One-time funding of \$16 million was provided to schools in the fall of 2015 to further schools' goals of improving student achievement as outlined in school development plans. The additional funds will also pay for high school graduation coaches to support our First Nations, Metis and Inuit students.

Our investment in capital assets has increased by \$18.8 million for projects that were not complete at the end of 2014-15 and carried forward into 2015-16, as well as increased spending plans for wireless upgrades in schools and amounts to upgrade equipment in Career and Technology Studies/Foundations and Fine and Performing Arts.

Maintenance spending is budgeted to increase by \$16.3 million due to additional infrastructure, maintenance and renewal funding received in 2014-15 that was not fully spent during the year and is planned for spending in 2015-16.

The remaining is the net increase in all other budgets. This is a combination of budget reductions reflecting current cost projections (utilities, insurance), increases (long term contracts, wage rates) as well as other organizational changes which include adding school support positions in each Area and establishing funds to build a new approach to public engagement.

Impacts on student learning

CBE provides a world class education program for our students and families. As recently reported by Alberta Education, CBE students continue to lead the Province in [academic achievement](#).

Funding allocations to schools and the investment in capital projects has increased and the CBE has maintained centrally provided service levels. That being said, the funding cannot support everything that we would like to do to support student learning and our staff. Some examples of impacts on student learning include:

- Student engagement and achievement will be advanced through personalized instruction and assessment; however, innovations and supports to respond to student learning interests and needs and the changing face of education will be somewhat constrained.
- Resources have been allocated to support the improvement priorities identified by the Board of Trustees.
- Teachers will have time and opportunity to learn together and build their collective capacity to meet student learning needs and ensure student success.
- Schools will organize for instruction and make choices about the deployment of their resources to best meet the learning needs of students. As schools prioritize for the best use of their resources, some program offerings or services may be enhanced, replaced, modified, or reduced. Staffing levels may be impacted.
- Groups of students who would most benefit from extended early learning experiences will have access to full-day kindergarten.
- Students and teachers will have access to the learning tools, resources, and environments that help create flexible, responsive and personalized learning opportunities and support student success.
- Student learning environments will be impacted as increased costs for supplies and maintenance are not addressed. Costs throughout the system continue to outpace funding.
- The impact of school leaders on student learning is second only to the teacher in the classroom. The leadership strategy provides opportunities for teachers to continuously develop their capacity to lead staff to achieve the goals of the Three Year Education Plan.

Three-year financial plan

Operational Expectation 5: Financial Planning requires a multi-year budget and plan for fiscal soundness when future Government funding commitments have been made. The provincial Government has made a three-year commitment for education funding, however the details of that funding are not currently known and the provincial Governments budget process does not provide for long-term financial certainty. For example targeted funding may be provided to reduce parent fees, which would be a replacement for fees revenue and would not contribute to the paying of expenses. A change such as this would have a material impact on the CBEs budget and operations and in the absence of certainty we have chosen not to build a three-year financial plan with this information.

Year one of the financial plan is the budget for 2015-16. The budgets in **years two and three** projects cost increases resulting from increased enrolment, the opening of new schools and grid movement increases for unionized staff. It projects staffing increases to maintain current student to school-based staffing ratios. We assume that the Government will continue to fund for enrolment growth and have assumed 2015-16 funding rates. The excess of expenses over anticipated revenues is the cost savings to be found in order to balance the budget in those years.

Public engagement

The Calgary Board of Education continually examines its approach to public engagement and participation. The CBE's Education Act Public Engagement Working Group was established in the spring of 2015 to explore what is laid out in the new Education Act legislation and understand opportunities for building a system approach to public engagement.

The CBE recognizes that the public has an important role to play in the education and supporting services i.e. transportation we deliver to our students. We remain committed to consulting with the community on decisions that affect them. During the past year, the CBE provided opportunities for parents and the public to share their thoughts on budget, transportation, assessment and reporting, and school construction/ modernization projects. This is in addition to consultations specific to certain schools.

Any future system-wide consultations and engagements with the public will need to be conducted in a way that is financially responsible and in alignment with our values.

At the time this report is written, the CBE is developing a framework that respects the diversity of our community and supports the CBE in achieving its mission. The framework will:

- Be well understood and accepted by our stakeholders.
- Give stakeholders a clear understanding of their roles and responsibilities, and how their contributions may influence decisions within the CBE.
- Reflect best practices and be applied consistently and effectively across the system.
- Be monitored and evaluated to meet stakeholder needs over time.

We will do this by thinking long-term and actively involving stakeholders in the process of creating the framework. The framework is the first step in making effective system-wide engagement a top priority at the CBE for many years to come.

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Three-year financial plan

	Actuals	Fall Budget Update		Projections	
	2014-15	2014-15	2015-16	2016-17	2017-18
	<i>for the periods 2015-16 to 2017-18 (with comparatives for 2013-14 and 2014-15)</i>				
	(all figures in \$ thousands)				
Revenues					
Alberta Education	1,144,396	1,136,965	1,204,334	1,237,360	1,270,498
Other Government of Alberta	1,108	1,134	846	846	846
Federal Government & First Nations	2,904	2,220	2,393	2,393	2,393
Other sales and services	24,329	19,684	23,196	23,832	24,470
Fees revenue	47,148	46,736	49,651	51,012	52,379
Investment revenue	14,863	3,026	2,817	2,817	2,817
Other Alberta school authorities	832	522	522	522	522
Gifts and donations	7,023	5,034	4,842	4,975	5,108
Fundraising	6,828	11,300	6,400	6,576	6,752
Rentals	6,698	7,226	7,544	7,751	7,958
Gains on disposal	63	-	-	-	-
Other revenue	1,323	-	20	-	-
Total Revenues	1,257,515	1,233,847	1,302,565	1,338,083	1,373,743
Expenses by block					
Instruction: grades 1-12	940,461	953,069	1,000,765	1,050,286	1,086,053
Instruction: early childhood services	49,136	43,011	46,664	50,401	52,118
Board and system administration	33,917	35,779	35,773	38,287	39,591
Transportation	44,336	44,698	48,005	49,717	51,410
Plant operations and maintenance	157,489	148,885	166,578	171,567	177,410
External services	20,814	23,049	22,709	24,163	24,986
Total Expenses	1,246,153	1,248,491	1,320,494	1,384,421	1,431,567
Expenses by object					
Certificated salaries and benefits	728,527	730,184	767,467	796,434	825,702
Non-certificated salaries and benefits	244,700	256,010	256,462	264,368	272,391
Supply and services	217,687	205,467	237,524	243,318	249,240
Amortization expenses	51,644	52,042	52,115	73,211	76,980
Interest and finance charges	2,038	1,619	2,158	2,191	2,224
Other (uncollectible accounts)	1,557	3,169	4,768	4,899	5,030
Total Expenses	1,246,153	1,248,491	1,320,494	1,384,421	1,431,567
Surplus / (deficit)	11,362	(14,644)	(17,929)	(46,338)	(57,824)
Transfers from operating reserves/designated funds	3,760	18,772	41,670	-	-
Add/(deduct) capital items paid by operating funds					
Capital assets acquired	(22,184)	(26,605)	(72,077)	(33,612)	(35,549)
Board funded amortization	21,837	21,832	22,880	33,612	35,549
Debt repayments	(6,633)	(2,750)	(1,096)	-	-
Draw from / (add to) capital reserves	(8,142)	3,394	26,552	-	-
	(15,122)	(4,129)	(23,741)	-	-
Amount to be funded by reserves/costs to be reduced	-	-	-	(46,338)	(57,824)

Understanding the Budget

Revenue

Alberta Education funding

Alberta Education provides funding to school jurisdictions via various grants. In 2015-16, grant funding will continue to be based on enrolment, and some rates have increased in order to cover the wage increases stated in the Alberta Teachers' Association collective agreement.

The table below sets out year-over-year funding changes from 2014-15.

Alberta Education grant	Grant rate change %
Base funding	1.8%
Class size funding	2.0%
Home Education funding	1.8%
All other grant allocations	0%

Of the funding received from Alberta Education, 14 per cent is targeted or restricted for specific use (including student transportation, Alberta Teachers Retirement Fund funding, expended deferred capital revenue, and infrastructure, maintenance and renewal). The remaining amount may generally be used at the CBE's discretion to support student learning.

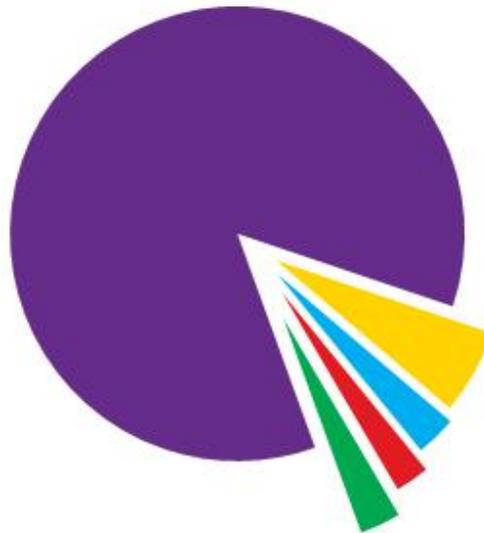
92 per cent of the CBE's funding comes from the provincial Government. The remaining eight per cent is generated through parent fees, adult learning fees, school fundraising activities, rental of facilities and investment income. With the exception of investment income, these other revenue sources are tied directly to spending activities and do not contribute to the delivery of instruction in schools or other school board operations.

Alberta Education funding is virtually the only source of revenue to pay for operating and supporting all aspects of our schools.

Alberta Education funding (cont'd)

Alberta Education funding by grant type is shown in the table below.

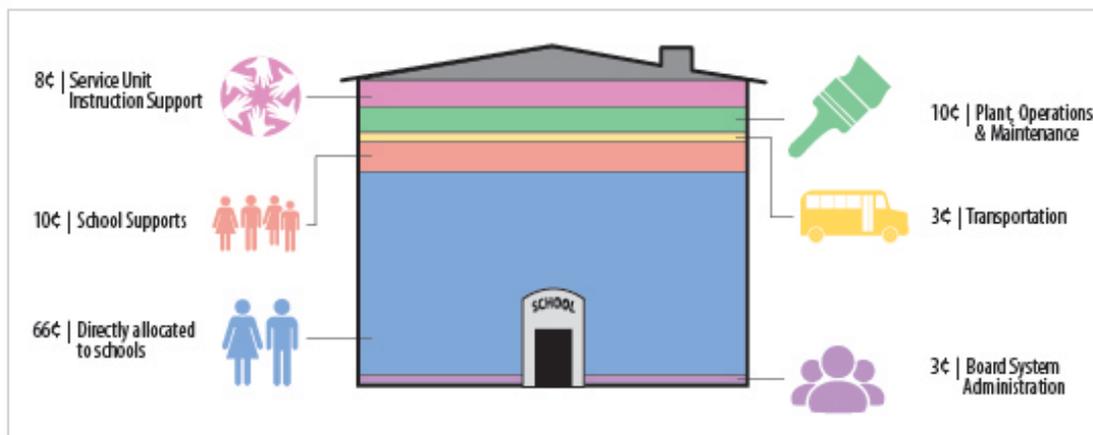
	Fall Budget Update		Increase/ (Decrease)	
	2015-16	2014-15	(\$ thousands)	%
	<i>(in \$ thousands)</i>			
Student funding	1,032,481	982,681	49,800	5%
Alberta teacher retirement funding	72,740	71,531	1,209	2%
Student transportation	34,877	33,825	1,052	3%
Expended deferred capital revenues	29,236	30,210	(974)	-3%
Infrastructure maintenance and renewal funding	35,000	18,718	16,282	87%
Alberta Education funding	1,204,334	1,136,965	67,369	6%



Alberta Education funding (cont'd)

Each dollar of Alberta Education funding is seen in or affects schools.

While the majority of our funding from Alberta Education goes directly to schools, a portion of it is also held centrally. This enables us to give schools the resources they need. For example, each school cannot afford several full-time specialists in different fields. But when specialists are paid for centrally, they can be deployed to schools as needed and shared amongst schools.



66 cents of every dollar goes directly to schools.

Money is provided to schools via a process we call RAM (Resource Allocation Method). Monies allocated through the RAM fund the learning experience in schools, which includes teacher and staff salaries. These funds enable schools to meet our learning outcomes. This method is designed to allocate resources equitably while providing principals and schools with choice in the assignment and deployment of those resources to best meet the unique needs of students within their schools.

This 66 cents also includes custodial services provided in schools which ensure a clean and healthy learning environment.

The remaining 34 cents directly affects schools.

Our entire organization supports student learning. Some specific school and instruction supports are administered on behalf of schools, rather than directly by schools, as it is more efficient and effective to provide these at a system level rather than to duplicate these at individual schools. Central administration relieves schools and principals of administrative burden and allows them to focus on students and their learning. However the majority of funds are allocated directly to schools.

10 cents of every dollar goes to support learning in schools by funding school supports.

This includes the many specialized services for students that are available for principals to access including psychologists, braille assistants, deaf and hard of hearing specialists, mental health specialists, occupational and physical therapists, speech language pathologists, cultural diversity advisors and more.

Alberta Education funding (cont'd)

These central supports are critical to our teachers, particularly to the more than 16,000 students identified with special education needs, and to the over 26,000 students identified as English language learners. These specialists work in various schools supporting learning.

This funding also supports our five area offices, which are needed to manage the needs of our large school system and efficiently support our schools.

While our schools do excellent work day in and day out, our area offices ensure that the entire system of schools remains integrated and coordinated so that our students have a seamless learning experience. Our substitute teachers for long and short-term absences are also funded here.

The largest amount of school support funds go to pay into the Alberta Teachers' Retirement Fund as part of our collective agreement with teachers. This is a contractual obligation over which the CBE has no direct control

8 cents of every dollar goes to service unit instruction support

This funds the instructional and programming support to teachers and schools that is provided by service units.

Support is offered in areas such as Aboriginal education, attendance, suspensions, student records, expulsions, counselling, kindergarten, multicultural services and specialized assessment. Funding provided to service unit instruction support also includes programs such as school health, school nutrition, off-site and off-campus learning programs, outreach programs, community partnerships, home schooling, online learning and high school success initiatives.

This funding also supports our human resources department with teacher recruitment, enabling us to find the best, most qualified candidates for teaching in our classrooms.

10 cents of every dollar goes to plant, operations and maintenance

Schools are safe and secure thanks to funding for plant, operations and maintenance. This also funds facility maintenance and repairs, and provides utilities and insurance for schools.

3 cents of every dollar goes to transportation

Transportation dollars help fund how 37,000 of our students get to school each day. Other transportation needs are also funded in this category: busing aides, charter services, attendants, LPN's (licensed practitioner nurses), Calgary Transit passes and taxis/Handi-Bus services as needed. The revenue generated through transportation fees is not reflected in this summary.

3 cents of every dollar goes to board and system administration

At 2.7 per cent, the CBE has one of the lowest percentages of administrative expenses of metro school boards. These dollars are seen in your schools every day through services provided by the Board of Trustees, Chief Superintendent's office, Human Resources, Technology Services, Financial Services, Legal Services, and Communication Services.

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Non-Alberta Education revenue

	Fall Budget Update		Increase/ (Decrease)	
	2015-16	2014-15	(\$ thousands)	%
	(in \$ thousands)			
Fees revenue	49,651	46,736	2,915	6%
Other sales and services	23,196	19,684	3,512	18%
Investment revenue	2,817	3,026	(209)	(7)%
Federal Government & First Nations	2,393	2,220	173	8%
Other Government of Alberta	846	1,134	(288)	(25)%
Other Alberta school authorities	522	522	-	0%
Gifts and donations	4,842	5,034	(192)	(4)%
Fundraising	6,400	11,300	(4,900)	(43)%
Rentals	7,544	7,226	318	4%
Other revenue	20	-	20	100%
Other revenues	98,231	96,882	1,349	1%

Other sales and services, gifts and donations and fundraising revenues are mainly generated in schools and inherently variable. The changes in these categories are based on prior year actuals and adjusted for enrolment growth.

Fees

In addition to the information provided below relating to fees, please also refer to Appendix E which includes details of the internal fee review and related calculations.

The CBE charges fees for instructional supplies and materials (ISM), transportation, noon supervision and other incidentals. ISM fees are mandatory and charged per student whereas transportation and noon supervision are only charged for students using those services. Fees are set in the spring prior to the school year and are set at a level to cover the estimated cost of providing those services. Any surplus resulting from these programs is added to a related reserve to keep fees at a minimum in future years.

Rapid enrolment growth and a lack of schools close to where students live means that ever more students are being transported and supervised over the noon hour. As well, the growing gap between funding received to support students and the costs of doing so means that we were (prior to 2014-15) spending increasing amounts of instructional dollars to subsidize fee-based programs. While providing transportation and noon supervision have evolved to become part of our modern education system, they are separate from student learning. Reflecting on our values of students come first and learning is our central purpose, a practice was established to eliminate any subsidy to fee programs from instructional funds. This means that we can keep more dollars in the classroom where they can best support students in their learning.

Eliminating any central budget support for fees means that all the costs of providing transportation, noon supervision and instructional supplies and materials are funded by targeted provincial grants and reserves (where available), and parent fees. Costs of providing the services include direct labour and supplies, as well as the cost of fee waivers and uncollectible accounts.

To keep fees as low as possible, the CBE is committed to being as efficient as possible in the provision of services.

In keeping with our values, the CBE is continuing its comprehensive waiver process to ensure that no student is denied access to an education due to the inability to pay some or all fees. Learning is, and remains, our central purpose.

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Fees (cont'd)

2015-16 fees

Noon supervision (see Appendix G for details relating to these services)

There will be small increases to noon supervision fees for the 2015-16 year as a result of increased costs of running the program.

	four day			four / five day			five day		
	2014-15	2015-16	% var	2014-15	2015-16	% var	2014-15	2015-16	% var
Bused and non-bused students	\$ 250	\$ 255	2.0	\$ 270	\$ 275	1.9	\$ 280	\$ 285	1.8

Transportation (see Appendix F for key transportation statistics)

When fees were set in the spring, changes to transportation services were being considered in order to reduce fee levels. In the fall of 2015, further changes were made to respond to concerns from some parents. We added busses and shortened travel distances to yellow bus stops as a result. The fees remained at the lower amount.

Charter rates	2014-15	2015-16
ECS – Grade 9	\$ 330	\$ 300

Instructional Supplies and Materials

ISM fees will remain at 2014-15 levels for the 2015-16 year.

ISM fees	2014-15	2015-16
Kindergarten	\$15	\$15
Grades 1 – 6	\$30	\$30
Grades 7 – 9	\$137	\$137
Grades 10 - 12	\$152	\$152

Daily rate summary

Based on 184 instructional days (185 – 2014-15), the daily fee rates are as shown below. The maximum amount that could be incurred by an individual student is **\$3.34 per day** (a Grade 1 – 6 student taking transportation, staying for noon supervision and paying the ISM fee).

Service	2014-15 Cost per day	2015-16 Cost per day
Noon supervision	\$1.35 - \$1.50	\$1.39 - \$1.55
Transportation	\$1.78	\$1.63
ISM	\$0.08 - \$0.82	\$0.08 - \$0.83

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Program costs and fee breakdown (further details in Appendix E)

The following chart breaks down expenses for each of these programs and sets out how the fees are calculated to recover costs in excess of non-fee revenue and reserves.

	Fall Budget Update 2015-16			
	Transportation	Noon Supervision	Instructional Supplies Materials	Total
	(all figures in \$ thousands)			
Government grants	34,877	-	-	34,877
Reserve funding	122	-	-	122
Available funding	34,999	-	-	34,999
Busing aides	1,390	-	-	1,390
Program delivery	1,343	-	-	1,343
Noon supervision	-	10,626	-	10,626
Salaries and benefits	2,733	10,626	-	13,359
Transportation services	43,647	-	-	43,647
Other supplies and services	202	253	7,930	8,385
Contracts and services	43,849	253	7,930	52,032
Waivers	921	1,153	910	2,984
Uncollectible accounts	502	1,019	263	1,784
	48,005	13,051	9,103	70,159
Funding gap	(13,006)	(13,051)	(9,103)	(35,160)
Fees	8,370	13,051	9,103	30,524
Net (deficit) / surplus	(4,636)	-	-	(4,636)

Consistent with the assumptions disclosed in the June 16, 2015 Budget Assumptions Report, the Transportation program was budgeted at a level so that parent fees fully covered the cost of the program, after Government grants and the planned use of reserves had been applied. Changes to the design of routes were planned at that time in order to reduce costs and, ultimately, parent fees.

In response to parent concerns heard in the fall of 2015, routes have been re-configured, busses added and travel distances to yellow bus stops shortened. This has increased the cost of the program. Parent fees were not increased, and as such, the transportation program is anticipated to be in a deficit. The number of routes and fuel costs will be monitored throughout the year for any changes to the anticipated deficit of \$4.6 million.

Organizational model and allocation of resources

The CBE is organized so that school-based leaders (principals and assistant principals) can devote the maximum amount of time to instructional leadership. This means that many services and supports that directly impact staff and students are provided through supporting service units. Doing this significantly reduces the administrative burden placed on school-based leaders.

Examples of this approach include the provision of specialized learning supports and services for students (psychology, language and curriculum support) where and when required. These services are provided through our Learning service unit. Similarly, facilities operations, staff recruitment practices and information technology infrastructure development and maintenance and a host of other supports are provided through our supporting service units.

The CBE is a large school system and in order to efficiently support our schools, we have divided our school district into five geographic areas. Each Area is led by an Area Director who provides leadership support to principals in 40 – 50 schools. The area office helps deliver system services to its schools, supports principals in school operations and ensures effective collaboration amongst schools where appropriate. All area offices also work collaboratively to ensure consistent leadership and direction for principals and schools across the system.

Each school is led by a principal who is responsible for meeting the learning needs of each student. Resources are allocated to each school via the Resource Allocation Method (RAM), a methodology for allocating funds with the objective of ensuring that resources are allocated equitably in support of student learning. Principals make staffing and deployment decisions using those funds because it is the CBE's belief that school principals, in consultation of their communities, are best positioned to make school-based spending decisions.

Lastly, resources are deployed based on needs and priorities and may not be distributed to schools or on behalf of schools in the same way. For example Infrastructure Maintenance and Renewal (IMR) funds may not be needed by a school that is relatively new, and so projects are prioritized based on need, rather than an equal distribution. Services and supports are available when, and where, needed.

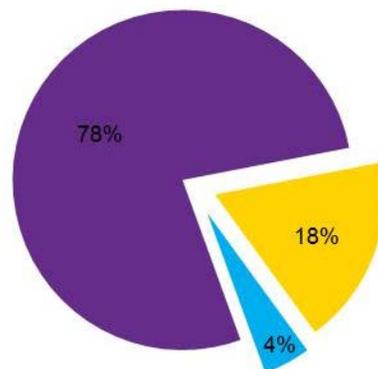
Expenses

Expense details are provided by major expense category and operating unit. Further breakdowns and comparisons to the prior year are provided for each operating unit.

	2015-16 Actual Spending										
	Schools & Areas	Service Unit System Budgets	Learning	Facilities and Environmental Services	Legal	Communications	Finance/Technology Services	Human Resources	Chief Supt's Office	Board of Trustees	Total
FTEs by:											
Superintendent	-	-	1	1	1	1	1	-	2	-	7
Staff (incl ATA, Staff Assn, CUPE, trades)	8,772	42	217	218	3	10	141	44	-	-	9,447
Exempt Staff	10	-	26	50	10	10	48	41	3	-	198
Total FTEs	8,782	42	244	269	14	21	190	85	5	-	9,652
2015-16 Fall Budget Update											
Salaries and benefits	917,517	6,427	32,412	27,963	1,865	2,459	23,969	9,980	919	418	1,023,929
Supplies and services	82,049	18,421	4,856	122,793	137	653	1,960	5,551	236	868	237,524
Other (interest, amortization and uncollectible accounts)	59	49,479	1,400	5,060	14	-	3,014	13	2	-	59,041
	999,625	74,327	38,668	155,816	2,016	3,112	28,943	15,544	1,157	1,286	1,320,494
2014-15 Fall Budget Update	952,554	68,205	40,523	136,667	1,826	2,673	27,642	15,521	1,371	1,509	1,248,491
Increase/ (decrease) ⁽¹⁾	47,071	6,122	(1,855)	19,149	190	439	1,301	23	(214)	(223)	72,003

Significant changes from the 2014-15 budget:

- Schools & Areas increase is due to an increase in funding allocated to schools related to increased enrolment as well as a one-time initiative to improve student achievement and support FNMI students.
- Service Unit System budgets increase is due to an increase in maintenance expenses for schools constructed under the P3 program and an increase in the estimates of uncollectible accounts based on 2014-15 actuals.
- Learning budget reduction is related to a reduction in Chinook Learning certificated staff.
- FES budget increase is related to increased infrastructure, maintenance and renewal spending due to additional funds received in the prior year.
- F/TS budget increase is related to higher amortization expenses where actual amounts capitalized are different from 2014-15 estimates.



**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Schools and Areas

Resource Allocation Method (RAM) Summary by major allocation (in \$ thousands)

	Fall Budget Update		Fall Allocation	
	<u>2015-16</u>	<u># students</u>	<u>2014-15</u>	<u># students</u>
<u>Per-student allocations</u>				
K - Grade 3	\$ 192,718	38,368	\$ 182,302	37,124
Grades 4 - 6	100,200	24,630	94,133	23,779
Grades 7 - 9	95,290	22,754	91,230	22,385
Grades 10 - 12	115,938	28,027	113,211	27,982
<u>Other allocations</u>				
Regular, basic staff allocation	67,341		67,596	
Contract absences, short-term	10,672		10,447	
All other allocations	194,901		187,071	
Total RAM	\$ 777,060		\$ 745,990	
Increase from 2014-15	\$ 31,070			

This table highlights the year-over-year increase in resources allocated to schools via the RAM. This funding supported an additional 114 certificated and 92 non-certificated staff directly in schools.

The allocation through the RAM does not advantage or disadvantage one division or one area over another. Subject to final staff deployment decisions by school principals, funding should maintain student to school based staffing ratios at, or near, 2014-15 levels.

RAM Summary by area (in \$ thousands)

	Fall Budget Update		Fall Allocation	
	<u>2015-16</u>	<u># students</u>	<u>2014-15</u>	<u># students</u>
Area I	\$ 128,047	19,190	\$ 119,330	18,402
Area II	179,160	26,598	172,894	26,024
Area III	146,924	20,721	143,857	20,529
Area IV	130,242	18,031	125,836	17,741
Area V	192,687	29,239	184,073	28,574
Total	\$ 777,060	113,779	\$ 745,990	111,270

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Schools, area supports and custodial supports (cont'd)

	Fall Budget Update		Fall Budget Update		Increase / (Decrease)	
	2015-16		2014-15			
	(in \$		(in \$		(in \$	
	FTEs	thousands)	FTEs	thousands)	FTEs	thousands)
Expenses						
Certificated salaries and benefits	6,126	744,913	6,009	706,994	117	37,919
Non-certificated salaries and benefits	2,656	172,604	2,562	173,705	93	(1,101)
Dues and fees	-	185	-	155	-	30
Maintenance and repairs	-	245	-	320	-	(75)
Insurance	-	10	-	10	-	-
Professional services	-	3,388	-	4,795	-	(1,407)
Utilities	-	12	-	12	-	-
Transportation charges	-	2,045	-	2,145	-	(100)
Travel and subsistence	-	79	-	372	-	(293)
Other supplies	-	65,847	-	53,343	-	12,504
Minor equipment	-	1,983	-	2,182	-	(199)
Textbooks and materials	-	8,255	-	8,457	-	(202)
Amortization expenses	-	9	-	9	-	-
Interest and finance charges	-	50	-	55	-	(5)
Total expenses	8,782	999,625	8,572	952,554	210	47,071

Our students come first and learning is our central purpose. CBE schools live by these words each and every day, and Area offices support them in making it happen. In fact, the recently released Provincial Achievement Test and Diploma Exam results show that our students continue to lead the Province in academic outcomes. This is a strong validation of our commitment to students coming first and learning being our central purpose.

Schools create engaging learning experiences and support students in a variety of ways. They also connect with our families and communities to help ensure students are successful. For many CBE students and families, their experiences with the CBE occur solely through our schools.

Schools make learning meaningful for individual students and their families. They work collaboratively with service units to create and implement system initiatives that enhance learning experiences and honour the hopes of their students and families. Some of the ways this happens in schools:

- Teachers personalize learning for students and communicate with families about student progress and achievement.
- Educational assistants provide valuable support to help students be successful.
- Principals provide leadership to school staff and lead learning at the school. They also work with school councils, parent societies and other groups to implement and communicate priorities and initiatives.
- Office staff communicate with school employees, students and families to ensure there is a common understanding and implementation of processes and procedures.
- Facility operators keep schools clean and safe.

Our schools are organized into five geographic areas. Each area has an administrative office, which is led by a director. Area offices play an important role in helping to deliver system services to their schools, supporting principals in school operations and ensuring effective collaboration amongst schools where appropriate. All area offices also work collaboratively together to ensure consistent leadership and direction for principals and schools across the system.

Schools, area supports and custodial (cont'd)

In keeping with the CBE values that students come first and learning is our central purpose, funding allocated to school budgets via the RAM has increased by \$31.1 million. The total \$47.1 million year-over-year budget increase for schools can be broken down as such:

- \$31.1 million increase across all expense categories to support enrolment growth and salary cost changes in schools.
- \$14.5 million in one-time funding results in an increase to temporary certificated salaries and benefits for an initiative to further schools' goals of improving student achievement as outlined in school development plans.
- \$1.5 million in additional funds to pay for high school graduation coaches to support our First Nations, Metis and Inuit students.
- \$0.4 million and \$0.2 million for cost increases in the Area Offices and custodial services, respectively. Additional support has been added to each Area Office to support teachers and school learning teams to provide programming to meet student needs.
- \$0.6 million net reduction in central school provisions. The reduction is primarily due to union settlements that were centrally budgeted in 2014-15 and distributed through the RAM in 2015-16.

Budget changes have also been made within this service unit to reflect key areas for organizational growth and improvement and to support the improvement priorities identified by the Board of Trustees.

- Achievement of First Nations, Métis and Inuit students
 - Enhanced allocation to schools with more than 10 Aboriginal students to support school-by-school focus on improving results for aboriginal learners through their school development plans and professional learning communities
 - Maintained Area Aboriginal learning leaders and diversity and learning support advisors to build capacity in incorporating indigenous ways of knowing into students learning experiences, instructional tasks and assessment practices, and to support students in schools with fewer than 10 Aboriginal students.
- Achievement of English Language Learners on Grade 9 Provincial Achievement Tests
 - Maintained school-level funding for ELL learners in years six and seven of their education to support each schools' effort to improve results through their school development plans and professional learning communities.
 - Added a Strategist to each Area Learning Team to support teachers and school learning teams to provide programming to meet student needs.

**CALGARY BOARD OF EDUCATION
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Learning

At the beginning of 2015-16, Learning Innovation and Learning Services merged under the direction of a single superintendent. This report reflects the combined operations.

The Learning service unit provides instructional and programming supports and services for school and system personnel to assist all children and students in successfully realizing their learning goals.

It includes both central supports as well as the budget for operating Chinook Learning Services. Both are shown separately below.

Learning (excluding Chinook Learning Services)

	Fall Budget Update 2015-16		Fall Budget Update 2014-15		Increase / (Decrease)	
	(in \$ thousands)		(in \$ thousands)		(in \$ thousands)	
	FTEs		FTEs		FTEs	
Expenses						
Certificated salaries and benefits	68	9,553	65	9,513	3	40
Non-certificated salaries and benefits	101	12,164	101	12,067	1	97
Dues and fees	-	109	-	124	-	(15)
Maintenance and repairs	-	64	-	64	-	-
Insurance	-	12	-	12	-	-
Professional services	-	606	-	674	-	(68)
Utilities	-	52	-	55	-	(3)
Travel and subsistence	-	284	-	310	-	(26)
Other supplies	-	934	-	901	-	33
Minor equipment	-	164	-	210	-	(46)
Textbooks and materials	-	43	-	50	-	(7)
Amortization expenses	-	1,238	-	1,173	-	65
Interest and finance charges	-	89	-	50	-	39
Total expenses	170	25,312	166	25,203	4	109

The Learning service unit (“Learning team”) is made up of professionals who work directly in support of students, staff and principals across the system.

The Learning team works with schools and Alberta Education to support the delivery of the Alberta Programs of Study to students and help with professional development of teachers. The Learning team leads the development of task design, assessment and reporting resources. These resources help teachers, students and parents see and understand student progress and achievement. Staff support schools with the administration of provincial achievement tests and diploma exams and the ongoing maintenance of student records through our student information management system.

Included in this portfolio are international education, as well as continuing education and academic upgrading offered through Chinook Learning Services. In addition, the Learning team manages corporate partnerships, comprehensive school health, school nutrition, noon-hour programs, off-site and off-campus learning programs. On behalf of the system, the Learning team manages outreach programs, community partnerships, home schooling, online learning and high school success initiatives. The Learning team helps students reconnect with their learning if they have left school and wish to complete their education.

The Learning team supports schools in keeping up with the changing world of technology and how our students learn best. These learning tools include D2L, HomeLogic, Iris, Gmail and Google Apps for Education, resources in school libraries, among many others.

Learning (cont'd)

The Learning team works with Principals every day to offer support in the following areas: Aboriginal education, attendance, suspensions, student records, expulsions, counselling, kindergarten, multicultural services and specialized assessment. Many specialized services for students are available for principals to access including psychologists, braille assistants, deaf and hard of hearing specialists, mental health specialists, occupational and physical therapists, speech language pathologists, translators and more. These central supports are critical to our teachers, particularly to the more than 17,500 students identified with special education needs, and to the almost 28,000 students identified as English language learners.

Budget changes have been made within this service unit to reflect key areas for organizational growth and improvement and to advance the strategic priorities of the CBE.

- Achievement of First Nations, Métis and Inuit students
Added a curriculum specialist position to
 - help build professional capacity in relation to incorporating indigenous ways of knowing into student learning experiences, instructional tasks, and assessment practices
 - support work with aboriginal community leaders to understand student learning needs and to build community and school learning supports
 - support principal leadership strategies for improving the achievement of aboriginal students in their schools
- Achievement of English Language Learners on Grade 9 Provincial Achievement Tests
Added strategists to increase system-wide and school-specific support to administrators and teachers in optimizing instruction and assessment practices for English Language Learners.
- Achievement on math and science Grade 9 Provincial Achievement Tests
Maintained specialists with math and science expertise to support system-wide and school-by-school focus on developing learning tasks that address authentic mathematical problems connected to student experiences in and out of school.

**CALGARY BOARD OF EDUCATION
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Chinook Learning Services

	Fall Budget Update		Fall Budget Update		Increase / (Decrease)	
	2015-16		2014-15			
	(in \$ thousands)		(in \$ thousands)		(in \$ thousands)	
	FTEs		FTEs		FTEs	
Expenses						
Certificated salaries and benefits	18	4,433	14	5,918	4	(1,485)
Non-certificated salaries and benefits	56	6,262	58	5,958	(2)	304
Dues and fees	-	2	-	10	-	(8)
Rental equipment and facilities	-	41	-	56	-	(15)
Maintenance and repairs	-	4	-	156	-	(152)
Professional services	-	466	-	518	-	(52)
Utilities	-	55	-	125	-	(70)
Transportation charges	-	-	-	1	-	(1)
Travel and subsistence	-	7	-	24	-	(17)
Other supplies	-	1,568	-	1,831	-	(263)
Minor equipment	-	220	-	203	-	17
Textbooks and materials	-	225	-	430	-	(205)
Interest and finance charges	-	73	-	90	-	(17)
Total expenses	74	13,356	72	15,320	2	(1,964)

Chinook Learning Services supports student success to complete, upgrade or enhance their high school diplomas as they prepare to enter post-secondary institutions or the world of work.

In 2015-16, the services of Chinook Learning will support student achievement in a several ways. Staff will support students in:

- High school upgrading
- Summer school for students in Grades 10-12
- Off-campus programs and summer band camps
- Adult English Language Learning
- Non-credit continuing education (professional development, personal development & corporate training).

Programming provided to students not eligible for provincial funding and adult learners is provided for a fee, which is included in other sales and services (\$3.4 million). Programming that is not within the ECS – Grade 12 mandate is provided on a cost-recovery basis.

Budget change highlights have been categorized as follows:

- Reorientation of funds to hire permanent staff.
- During the year, the ELL (Continuing Education) program moved to a new location, which realized some efficiencies and reduced expenses.
- The cafeteria at Viscount Bennett had closed and the related expenditures were reduced.

Facilities and Environmental Services

	Fall Budget Update 2015-16		Fall Budget Update 2014-15		Increase / (Decrease)	
	(in \$ thousands)		(in \$ thousands)		(in \$ thousands)	
	FTEs		FTEs		FTEs	
Expenses						
Certificated salaries and benefits	6	900	6	875	-	25
Non-certificated salaries and benefits	263	27,063	263	26,490	-	573
Dues and fees	-	305	-	305	-	-
Rental equipment and facilities	-	9,446	-	9,438	-	8
Maintenance and repairs	-	30,563	-	16,648	-	13,915
Insurance	-	4,605	-	4,949	-	(344)
Professional services	-	5,864	-	5,583	-	281
Utilities	-	19,397	-	20,800	-	(1,403)
Transportation charges	-	43,421	-	40,830	-	2,591
Travel and subsistence	-	275	-	275	-	-
Other supplies	-	8,871	-	6,175	-	2,696
Minor equipment	-	44	-	34	-	10
Textbooks and materials	-	2	-	2	-	-
Amortization expenses	-	5,060	-	4,263	-	797
Total expenses	269	155,816	269	136,667	-	19,149

Facilities & Environmental Services (FES) provides students and employees with quality learning and working environments.

The supports and services provided by FES include the areas of planning for student accommodation and transportation; design, construction, renovation, maintenance and day-to-day operations of school and CBE facilities; internal deliveries; environmental initiatives; and emergency, safety and security services.

It works closely with schools, parents and communities to plan student accommodation and is accountable for the transportation of 37,000 students daily.

To help accommodate students, FES's design and property development team is managing the construction of 31 major capital projects with a value in excess of \$473.4 million, including the construction and commissioning of 24 new schools and seven modernizations to open in the next three years. It works closely with the Province to complete that work.

FES is responsible for maintenance projects such as the replacement of roofs, windows, siding and heating and ventilation plant and components that have failed or have exceeded their life expectancy: 57 percent of CBE schools were built prior to 1970. That means the majority of our facilities are more than 40 years old. The estimate of deferred maintenance costs is \$1 billion, and it is growing at a rate of approximately \$40 million per year.

It manages public use rental access to CBE facilities and its real estate and leasing team provides for the leasing, disposition and management of surplus space and facilities.

FES is also accountable for emergency, safety and security services. Its risk and insurance team provides risk management functions, including asset protection, liability management through contract reviews, insurance program and claims management. Student safety is ensured through expanded safety training opportunities for teachers (welding, science, culinary arts, drama, auto mechanics) and Career and Technology equipment safety inspections.

Facilities and Environmental Services (cont'd)

In all, FES manages 1.8 million square metres of facilities, valued at \$4.3 billion on 269 properties covering 345 hectares.

Included in *Salaries & benefits, Maintenance & Repairs* and *Supplies* is \$35.0 million for Infrastructure, Maintenance and Renewal work which is used to maintain and repair our aging facilities.

Budget change highlights have been categorized as follows:

- Student safety will be ensured through expanded safety training opportunities for teachers. For example: teachers will have opportunities to work directly with safety experts in specific program areas such as welding, science, culinary arts, drama, auto mechanics, etc. Training will also include teacher safety certification. Program safety will extend to safe learning environments and safety training for students.
- No changes to regular, ongoing budgeted positions
- Grid movement for unionized employees
- \$16.6 million increase in maintenance and repairs and other supplies relates to additional planned expenditure on infrastructure, maintenance and renewal work
- \$1.4 million decrease in utility costs due to a combination of decreased rate and volume expected to occur in natural gas and electricity
- \$2.5 million increase to transportation cost as a result of increased routes and buses, as well as rate increases from service providers.
- Amortization decrease of \$0.8 million due to aging assets within the facilities

**CALGARY BOARD OF EDUCATION
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Human Resources and Legal Services

During the 2014-15 year, these two departments have been reorganized under the direction of one Superintendent. The budgets continue to be presented separately, as they are two distinct operating units.

Legal Services

	Fall Budget Update 2015-16		Fall Budget Update 2014-15		Increase / (Decrease)	
	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)
Expenses						
Certificated salaries and benefits	1	157	1	164	-	(7)
Non-certificated salaries and benefits	13	1,708	11	1,517	2	191
Dues and fees	-	23	-	24	-	(1)
Maintenance and repairs	-	2	-	2	-	-
Professional services	-	19	-	18	-	1
Utilities	-	4	-	6	-	(2)
Travel and subsistence	-	19	-	18	-	1
Other supplies	-	42	-	43	-	(1)
Minor equipment	-	22	-	17	-	5
Textbooks and materials	-	6	-	7	-	(1)
Amortization expenses	-	14	-	10	-	4
Total expenses	14	2,016	12	1,826	2	190

Legal Services provides the business functions of law, privacy and access.

The service unit handles CBE's Administrative Regulation development, contract administration, Corporate Secretary and administrative support to the Board of Trustees.

Legal Services supports students, schools and the organization by:

- Delivering important information and training to schools on complex legal and privacy issues
- Managing the legal affairs of the CBE
- Providing or coordinating the delivery of legal services on behalf of the CBE
- Providing risk mitigation oversight
- Managing the CBE's compliance with the FOIP
- Overseeing the CBE's compliance with applicable law, regulations and policies
- Coordinating the development of the CBE's administrative regulations and procedures
- Managing contract processes and standards and maintaining repository
- Providing legal counsel to the Board of Trustees and the Chief Superintendent
- Managing the proceedings of the Board of Trustees
- Maintaining the corporate record of the Board of Trustees proceedings

Budget change highlights include:

- Two FTEs have been transferred in from the Board of Trustees administrative support budget

**CALGARY BOARD OF EDUCATION
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Human Resources and Legal Services (cont'd)

Human Resources

	Fall Budget Update 2015-16		Fall Budget Update 2014-15		Increase / (Decrease)	
	(in \$ thousands)		(in \$ thousands)		(in \$ thousands)	
	FTEs		FTEs		FTEs	
Expenses						
Certificated salaries and benefits	10	1,512	7	1,024	3	488
Non-certificated salaries and benefits	75	8,468	77	8,786	(2)	(318)
Dues and fees	-	121	-	81	-	40
Rental equipment and facilities	-	11	-	6	-	5
Maintenance and repairs	-	8	-	10	-	(2)
Professional services	-	5,119	-	5,350	-	(231)
Utilities	-	24	-	29	-	(5)
Travel and subsistence	-	112	-	139	-	(27)
Other supplies	-	109	-	46	-	63
Minor equipment	-	40	-	30	-	10
Textbooks and materials	-	7	-	7	-	-
Amortization expenses	-	13	-	13	-	-
Total expenses	85	15,544	84	15,521	1	23

During 2014-15, General Counsel assumed responsibility for the leadership of the Human Resources service unit and a Superintendent position was eliminated. The 2015-16 budget reflects this.

Human Resources supports employees with all matters related to their employment relationship with the CBE.

In 2014-15, the work of Human Resources supported students, schools and the organization by:

- Supporting over 13,000 employees while they provide a first-class education to Calgary students.
- Proactively recruit talent while balancing current and future projected needs.
- Supporting continuous learning and leadership development for all employees.
- Overseeing recruitment, total rewards, workforce planning, labour and employee relations, advisory services, employee development, payroll, our human resources management system, the Employee Health Resource Centre, operations and integrated solutions, and organizational development and leadership.

Budget change highlights include:

- FTE for a Superintendent position has been eliminated.
- Three FTEs have been established from funds previously assigned as contracted services.
- One FTE has transferred to the Learning Service Unit.

**CALGARY BOARD OF EDUCATION
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Communications

	Fall Budget Update		Fall Budget Update		Increase / (Decrease)	
	2015-16		2014-15			
	(in \$ thousands)		(in \$ thousands)		(in \$ thousands)	
	FTEs		FTEs			
Expenses						
Non-certificated salaries and benefits	21	2,459	22	2,507	0	(48)
Dues and fees	-	2	-	13	-	(11)
Rental equipment and facilities	-	-	-	3	-	(3)
Maintenance and repairs	-	1	-	5	-	(4)
Professional services	-	592	-	92	-	500
Utilities	-	9	-	2	-	7
Travel and subsistence	-	5	-	12	-	(7)
Other supplies	-	17	-	19	-	(2)
Minor equipment	-	26	-	11	-	15
Textbooks and materials	-	1	-	5	-	(4)
Amortization expenses	-	-	-	4	-	(4)
Total expenses	21	3,112	22	2,673	0	439

Communication Services works primarily to engage and communicate with parents, Government and community stakeholders and staff about what matters most to them. This centralized department allows all schools and teachers access to experienced communications advice and support.

Often, Communication Services is the “first point of contact” for the public, answering questions and directing inquiries through the public information line. This service relieves pressure in individual school offices and ensures that questions are answered in a timely matter. Communication Services also works to provide support for stakeholder engagement projects throughout the CBE, which includes the development of a new system-wide approach to public engagement in 2015-16. As well, Communication Services provides significant and ongoing support to the Board of Trustees in aid of their ongoing advocacy work on behalf of CBE students.

Communication Services manages media relations and social media activity for the system. The team provides emergency and crisis communications (fires, natural disasters, student or staff incidents, matters involving Calgary Police Services) advice and support for schools. This ensures that principals can focus their attention on their most important work: the education and well-being of our students. Communication Services proactively and strategically works to tell good news stories about the work done by every department in the CBE, and clarify facts and respond to negative or critical news stories.

Communication Services works to help support schools through managing the design and content of the CBE website and our internal employee website, called staff insite. On an ongoing basis, the team updates about 200 school websites and a number of multi-jurisdictional websites to create better tools for parents, teachers, students, employees and other audiences.

Communication Services manages the print, design and production of all materials for schools and teachers, such as the report to the community, and the annual education results report, school brochures, course guides and teaching resources such as professional development training videos for teachers. By creating a centralized library of tools, all schools, staff and students across our system can benefit.

Budget change highlights include:

Allocation of resources to support the community engagement project

**CALGARY BOARD OF EDUCATION
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Finance / Technology Services

	Fall Budget Update		Fall Budget Update		Increase / (Decrease)	
	2015-16		2014-15			
	(in \$ thousands)		(in \$ thousands)		(in \$ thousands)	
	FTEs		FTEs		FTEs	
Expenses						
Certificated salaries and benefits	1	144	-	127	1	17
Non-certificated salaries and benefits	189	23,825	187	23,425	2	400
Dues and fees	-	222	-	229	-	(7)
Rental equipment and facilities	-	-	-	1	-	(1)
Maintenance and repairs	-	7	-	22	-	(15)
Professional services	-	1,064	-	1,115	-	(51)
Utilities	-	73	-	70	-	3
Travel and subsistence	-	108	-	133	-	(25)
Other supplies	-	282	-	273	-	9
Minor equipment	-	203	-	232	-	(29)
Textbooks and materials	-	1	-	1	-	-
Amortization expenses	-	2,914	-	1,714	-	1,200
Interest and finance charges	-	100	-	300	-	(200)
Total expenses	190	28,943	187	27,642	3	1,301

Finance/Technology Services is made up of three integrated teams.

The Financial Services group provides financial support and services to ensure resources are available to create a personalized learning environment for students including:

- Preparing the annual budget and related reports.
- Monitoring and reporting on financial performance through the year .
- Supporting sound financial practices in schools and across the CBE.
- Providing financial administration of the school noon supervision services, student transportation, and instructional supplies and materials programs, including waivers and collections.
- Seeking the best deals possible when purchasing goods and service.
- Paying the bills on time.

Information Technology Services (ITS) designs, builds, and supports the CBE's technology infrastructure and protects the integrity of that system against external threats. The CBE's technology infrastructure operates across 230 discrete sites and 235,000 nodes to support students every day, all year long with access to digital resources. ITS also manages the huge volume of information and records, digital and hard-copy, that are generated annually across the CBE.

Client Technology Services (CTS), working directly in our schools and across our system, ensures that computers, tablets and other school-based technology(printers, digital displays, etc.) is available, accessible and appropriate for students and their learning. This group works with teachers, principals, and other school-based staff to develop targeted plans for technology. In helping students learn, CTS empowers students to collaborate, connect, and explore as they personalize their learning through the purposeful use of technology. CTS also supports the myriad of software solutions that are part and parcel of the modern learning environment.

Budget change highlights include:

- Established three (3) permanent positions from temporary budget dollars – two (2) uncertificated staff in Records Management and one (1) certificated position in School Financial Management.
- Increase in amortization expenses for 2015-16
- Increase in interest and finance charges and realignment under Corporate Responsibilities

**CALGARY BOARD OF EDUCATION
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Chief Superintendent's Office

	Fall Budget Update 2015-16		Fall Budget Update 2014-15		Increase / (Decrease)	
	(in \$ thousands)		(in \$ thousands)		(in \$ thousands)	
	FTEs		FTEs		FTEs	
Expenses						
Certificated salaries and benefits	2	636	3	880	(1)	(244)
Non-certificated salaries and benefits	3	283	3	285	-	(2)
Dues and fees	-	21	-	21	-	-
Rental equipment and facilities	-	64	-	54	-	10
Maintenance and repairs	-	2	-	2	-	-
Professional services	-	105	-	85	-	20
Utilities	-	2	-	2	-	-
Travel and subsistence	-	15	-	15	-	-
Other supplies	-	22	-	22	-	-
Minor equipment	-	4	-	4	-	-
Textbooks and materials	-	1	-	1	-	-
Amortization expenses	-	2	-	-	-	2
Total expenses	5	1,157	6	1,371	(1)	(214)

The Chief Superintendent's office leads strategic planning for student success based on the Board of Trustees' values and policies.

- The Chief Superintendent, as both the Chief Executive Officer and Chief Educational Officer, develops the Three Year Education Plan to improve student success and ensures that students and their learning are at the centre of organizational decisions.
- The Deputy Chief Superintendent leads the learning and operations in each of CBE's 227 schools.
- The Chief Superintendent's Office is a key liaison point between all components of the CBE and the many individuals and groups who hold an interest in public education.

There is one change in the budget from 2014-15: the transfer of 1.0 FTE to the Learning service unit.

**CALGARY BOARD OF EDUCATION
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Board of Trustees

	Fall Budget Update 2015-16		Fall Budget Update 2014-15		Increase / (Decrease)	
	(in \$ thousands)		(in \$ thousands)		(in \$ thousands)	
	FTEs		FTEs		FTEs	
Expenses						
Non-certificated salaries and benefits	-	418	2	654	(2)	(236)
Dues and fees	-	252	-	246	-	6
Rental equipment and facilities	-	-	-	2	-	(2)
Professional services	-	572	-	551	-	21
Utilities	-	1	-	1	-	-
Travel and subsistence	-	33	-	34	-	(1)
Other supplies	-	9	-	19	-	(10)
Textbooks and materials	-	1	-	2	-	(1)
Total expenses	-	1,286	2	1,509	(2)	(223)

The Board's job is to represent, lead and serve Calgarians and to govern the CBE. This is done by establishing expectations for organizational results and quality operational performance and then monitoring actual performance against those expectations. This monitoring takes place at public board meetings.

The Board of Trustees works for the best interest of the CBE and its students. As part of their role the Board connects with key stakeholders and advocates the needs of the system with elected officials (MLAs and City Councillors).

The Board of Trustees budget includes all items related to the governance of the organization, including Trustee remuneration, office expenses and travel costs, financial audit fees, election costs, and Alberta School Boards Association fees.

Budget change highlights for the Board of Trustees includes:

- \$0.2 million reduction in Salaries & Benefits due to lower accruals and two positions moving to the Corporate Secretary's office.
- \$0.02 million increase in Professional and Technical related to increased audit fees.
- Other changes are due to some budgets being transferred to the Corporate Secretary's office along with the above noted positions, plus actual budget reductions.

The Board of Trustees budget for 2015-16 was approved by the Board on May 12, 2015.

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Service Unit (Corporate) System Budgets

	Fall Budget Update		Fall Budget Update		Increase / (Decrease)	
	2015-16		2014-15			
	(in \$ thousands)		(in \$ thousands)		(in \$ thousands)	
	FTEs		FTEs		FTEs	
Expenses						
Certificated salaries and benefits	37	5,220	44	4,689	(7)	531
Non-certificated salaries and benefits	6	1,207	9	616	(3)	591
Dues and fees	-	63	-	359	-	(296)
Maintenance and repairs	-	7,426	-	4,095	-	3,331
Professional services	-	1,540	-	1,909	-	(369)
Utilities	-	4,415	-	4,059	-	356
Travel and subsistence	-	5	-	5	-	0
Other supplies	-	4,967	-	3,319	-	1,648
Minor equipment	-	5	-	5	-	0
Amortization expenses	-	42,869	-	44,856	-	(1,987)
Interest and finance charges	-	1,842	-	1,124	-	718
Other (uncollectible accounts)	-	4,768	-	3,169	-	1,599
Total expenses	42	74,327	53	68,205	(11)	6,122

CBE expenditures which are made on behalf of the entire organization are grouped together for budget presentation as 'Corporate'. While certain Service Units may have accountability for the oversight of these budgets, they are not the cost of operating a specific service unit and are therefore presented separately. Examples include Professional Improvement Fund (ATA and non-ATA) leave costs, staff secondments for union activities, legal fees, amortization of facilities, interest expense and bank charges. In some years, these accounts may also include system provisions for severance accruals or retroactive payroll costs due to union settlements.

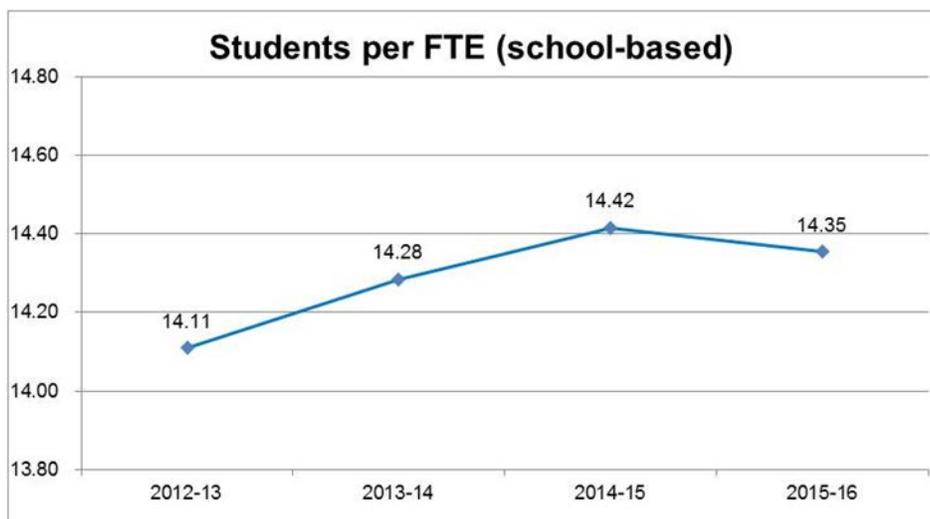
Budget change highlights include:

- A reduction in school building amortization. Amortization decreases as assets become fully amortized in the absence of newly acquired assets. The reduction of school building amortization is the result of the hiatus in new school construction over the last number of years. As the 31 major new capital projects come into service school building amortization will increase.
- An increase in uncollectible accounts expense based on 2014-15 projected actuals. As fee revenue increases there will be a proportionate increase in the number and amount of uncollectable accounts.
- Resources have been allocated to support a number of reviews and evaluations designed to allow us to continue enhancing program and service delivery.
- Curriculum Development Prototyping work has concluded and the related reports have been submitted to Alberta Education as required under our contract for services with them. Dollars allocated to support this work have been eliminated.
- Reductions related to the transition of Regional Educational Assessment & Consultation Services (REACH).

Staffing and Full-Time Equivalents (FTEs)

The CBE spends the greatest proportion of the budget (78 per cent) on salaries and benefits with certificated staff (teachers) making up the majority of that total. The provincial grant rate increase in recent years has not been sufficient to keep up with enrolment growth and to cover the negotiated rate increases and movement up the salary grid for teachers and support staff. As a result, the number of FTEs has not been increasing at a rate equal to enrolment growth. For the 2015-16 year, due to the increase in funding from the Government, that ratio will not increase.

The following table shows the average number of CBE students per full-time equivalent staff position.



More than 13,000 people work for the CBE, which equates to 9,652 full time equivalent (FTE) positions budgeted in 2015-16.

Each one of our employees plays an important role in providing personalized learning. Teachers, principals and school-based employees work with students to unlock their passions and potential. They are supported by knowledgeable employees who work in a variety of other departments.

At the time of printing this report, RAM spring staffing decisions had been made and are reflected in the FTEs disclosed in this report. Actual positions filled and staffing deployment fluctuates throughout the year as student populations and needs ebb and flow.

Student enrolment

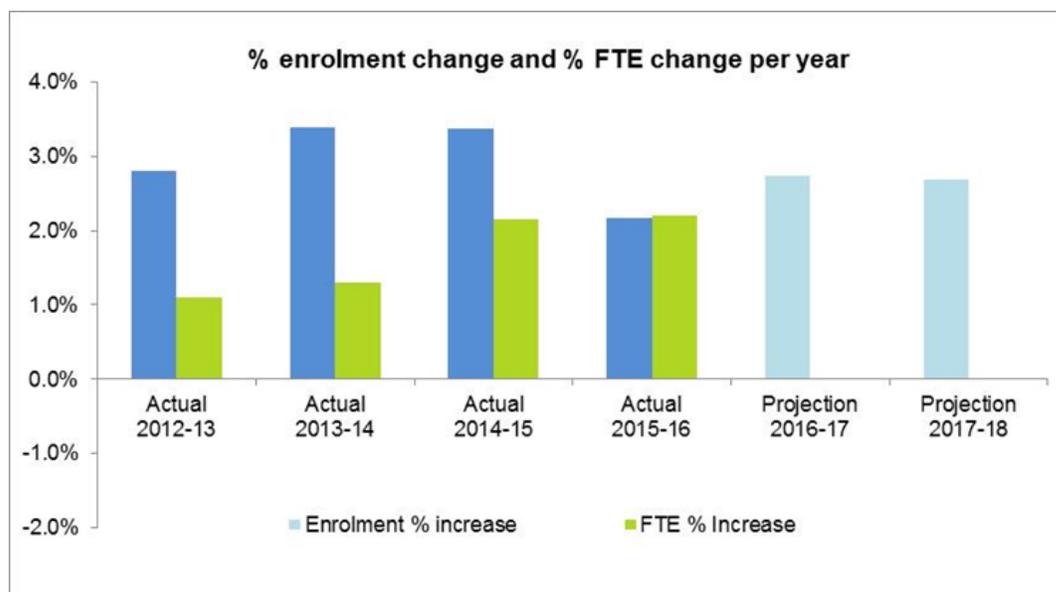
Enrolment for 2015-16 was counted at Sept. 30, 2015 and projections are made for the next two years. These projections are based on City of Calgary population changes, market share, and student retention rates. It is expected that student enrolment will continue to increase 2.7 per cent annually.

Student enrolment by year

Enrolment by program	Fall Update 2014-15	Fall Update 2015-16	Projection 2016-17	Projection 2017-18
Pre-K and Kindergarten	9,377	9,389	10,015	10,270
Grades 1-6	51,239	53,329	55,390	57,025
Grades 7-9	22,251	22,624	23,535	24,545
Grades 10-12	26,432	26,375	25,940	26,175
Unique Settings	690	676	768	796
Home Education	248	270	263	272
Outreach Programs	1,281	1,384	1,282	1,329
Chinook Learning Services	2,393	2,327	2,400	2,400
Cbe-Learn	589	611	600	600
Total	114,500	116,985	120,193	123,412
Total annual change		2,485	3,208	3,219
Total % change		2.2%	2.7%	2.7%

Given the nature of education, there is a strong link between the student population and staffing. As enrolment counts change, the number of positions, both in schools and centrally provided services and supports, should change in relation in order to support student learning.

The chart below shows that the rate of change in enrolment is generally greater than the rate of change in staffing. This means that over time, the ratio of students to full-time equivalent staff has increased and will continue to increase.



Non-facility capital

Overview

Consistent with our values and with a focus on supporting student learning, the CBE makes decisions every year on needed non-facility capital investments. Those investments focus on enhancing the CBE's learning environment for students and maintaining key CBE systems and infrastructure.

The determination of which projects are funded is based on the direction provided by *Inspiring Education* and informed by the CBE's Three-Year Education Plan and related strategic imperatives. Decision making is delegated to the Capital Planning Council which is headed by the Superintendent, Facilities and Environmental Services. The council is co-chaired by the Chief Financial Officer and has representation from across the organization. Three school-based principals also participate on the council. The council evaluates and prioritizes all non-facility capital projects and makes a recommendation to the Chief Superintendent via the superintendents' team. The recommended projects then form part of the CBE's non-facility capital budget for the year.

The CBE will continue to invest resources to ensure that necessary capital investments are being made today that will support the learning environment our students will need in the future. As a result, the CBE is investing \$36.7 million in more than 17 capital projects in addition to the \$11.5 million of projects continuing from 2014-15 and up to \$25 million in new school commissioning for a total of \$73.2 million. Note: the CBE does not receive explicit funding from Alberta Education for these capital projects. Rather, the CBE must accumulate funds over time from its annual funding. This explains, in part, why operating and capital reserves are so important to the operation of the CBE.

This budget includes projects such as Career and Technology Studies/Foundations and Fine and Performing Arts equipment upgrades, wireless upgrades to a consistent capacity standard in all schools and the implementation of a new student information system. These investments that we are making today will allow us to maintain and enhance the learning environment that supports student success into the future.

Background

The budget for capital acquisitions (or non-facility capital) includes technology, furniture, equipment, vehicles and all other non-facility assets.

These capital acquisitions do not reflect capital needs for school buildings and related facility infrastructure. School building and related facility infrastructure are supported by additional capital grants provided by the provincial Government through a separate capital planning process.

Non-facility capital needs are funded from in-year operating grants or targeted funds, if any. The budget is generally established based on the non-facility amortization expense for the year. The anticipated funding available from amortization for non-facility capital in 2015-16 is \$22.9 million. Reserves may also be used to fund capital activities. In 2015-16, we plan on drawing \$26.5 million from capital reserves and \$41.7 million from operating activities in order to fund all the capital activities that are planned.

As noted above, the CBE's Capital Budget Council categorizes, assesses, and recommends for approval non-facility capital projects based on the business and strategic value that they deliver. The categories used are: strategic, enhancement, and maintenance. This allows us to monitor non-facility capital investment mix to ensure that sufficient resources are allocated to maintain and enhance existing capital investment to meet the technological requirements for student learning. Further, we also ensure that the extent of new investment matches the organization's ability to maintain its assets in the future.

Funding may be provided for projects for a single year or over several years, depending on the nature and size of the project and the availability of funding.

Funds to prepare for the opening of new schools are included in the board-funded capital budget and will be funded through the use of reserves. These costs will include preparing the learning environment with learning materials, sound systems, specialty equipment and technology. Other costs are related to the staff time (principals, assistant principals, learning leaders, administrative assistants, etc.) required to engage with the new school communities, develop time-tables, and make pre-school opening curricular decisions. A summary of these costs are included in Appendix K.

Details relating to capital acquisition budgets are included in Appendix B.

Reserves

The CBE is required to balance its budget every year. As described throughout this document, we have diligently evaluated services and implemented strategies to achieve this balance while remaining true to our values. To help with this work, we can use our accumulated savings, which we call reserves.

	Reserve balance Sept 1, 2015	Planned use of reserves	Reserve balance Aug 31, 2016
Accumulated operating reserves			
<u>Available for use reserves</u>			
Chinook Learning Services fee stabilization	1,593	(1,593)	-
Utility expense stabilization	5,007	(5,007)	-
Snow removal budget stabilization	200	(200)	-
Administrative systems renewal	890	(890)	-
General instruction	3,000	(3,000)	-
Fiscal stability	10,464	(10,464)	-
System transformation	2,000	(2,000)	-
Operating lease	14,577	(14,577)	-
Total available for use reserves	37,731	(37,731)	-
<u>Restricted reserves</u>			
Transportation fee stabilization	122	(122)	-
Changes in accounting policy	(10,164)	-	(10,164)
Unrealized investment gains and losses	-	-	-
Total operating reserves	27,689	(37,853)	(10,164)
Designated operating funds			
School decentralized budgets	2,275	(2,275)	-
Instructional and service unit initiatives	1,440	(1,440)	-
Education_Matters	1,679	-	1,679
Total designated funds	5,394	(3,715)	1,679
Endowments	3,520	-	3,520
Remeasurement gains and losses	9,680	-	9,680
Unrestricted surplus	104	(104)	-
Total operating reserves and designated funds	46,387	(41,672)	4,715
Capital reserves			
Building reserve	18,212	(15,018)	3,193
Other capital reserves ⁽¹⁾	17,206	(11,534)	5,672
Plant, operations and maintenance asset replacement	798	-	798
Total designated funds	36,216	(26,552)	9,663

(1) Included in Other Capital Reserves is Designated Capital Funds - capital funds carried forward for projects that were in progress and will continue into 2015-16. The Designated Capital Funds balance at Aug 31, 2015 is \$11.5 million.

Organizational Risks

Given the choices made during the budget process, there will be impacts on student learning, the most significant of which include:

Budget Risks

As part of the budget development process, budget risks have been identified where there are circumstances that may result in financial pressures that cannot be completely estimated at this time. These include:

- Long-term decline in per-student provincial funding

The CBE appreciates the Government's commitment to Education and the increase in per-student funding for 2015-16. We remain hopeful looking forward, however, with ever increasing costs and funding uncertainty, there is a risk that funding will be insufficient to support existing levels of programming, services and supports and changes will impact negatively on student learning. To date the CBE has managed to largely maintain the integrity of programming and services. Continued funding declines increase the risk that those programs and services will be negatively impacted.

To mitigate this risk the CBE will be undertaking a comprehensive review of all programming, services and supports with the goal of identifying and eliminating redundancy, inefficiency, and duplication. At the same time the CBE will undertake a comprehensive public engagement program that will assist with identifying the changes and adjustments necessary to continue to achieve above average results for our students while respecting the financial resources provided by the taxpayers of Alberta.

- Future cost escalation

A number of collective agreements come up for negotiation in 2015-16. This budget follows the lead of the provincial Government and has made no provisions for wage rate increases, with the exception of projected grid movement. As a result, there are two broad risks. One is that future settlements may exceed available funding, putting core programming and services in jeopardy. The second risk is that an inability to reach a negotiated settlement may impact CBE operations as a result of labour action.

To mitigate this risk the CBE has an experienced and competent labour negotiation team and maintains effective working relationships with all associations and unions. For other costs, hedging strategies will be deployed to assist in managing cost variability.

Risks (cont'd)

- School commissioning

Start-up costs associated with new schools are the responsibility of the school jurisdiction. This includes furniture and equipment, musical instruments, customizations for programming, etc. These costs will create an additional budget pressure in that year and will be funded by reserves. In addition, the construction of new schools which are slated to come into service in 2016, increases the pressure on the CBEs systems and processes. This increases the risk that those systems and processes may fail in whole or in part.

This risk is mitigated by the school development projects being a standing item on administration's agenda. Also, the CBE is working closely with Alberta Education and Alberta Infrastructure through the school development process.

- Systemic health – technology, infrastructure, volume, etc.

To operate effectively and efficiently the CBE must continue to invest in its core systems, processes and infrastructure. Due to significant funding shortfalls over the last few years there is an increased risk that core infrastructure, systems and processes will fail, either completely or in part. Similarly, there is a higher risk that our technology infrastructure will not be able to accommodate the rapid enrolment growth forecasted and our ever changing environment.

This risk is mitigated to an extent by careful assessment of the most critical investments necessary to maintain operations and student success. To the extent resources are available they are allocated to those critical systems, infrastructure and processes.

- Elimination of all budget conservatism

This budget has eliminated all known "conservatism" in estimates and projections. In some cases, more aggressive assumptions were made in order to minimize budget projections. An example of this is the amount of staffing turnover anticipated in the calculation of average salary costs.

There is an increased risk of an overall negative variance between the budget plan and actual results at the end of 2015-16. Should this occur, the CBE would seek provincial approval for an additional draw on reserves.

Glossary of terms³

<p>Accumulated Operating Surplus</p> <p>The school jurisdiction's residual interest in assets after deducting liabilities. Definition provided by Alberta Education.</p>
<p>Alberta Education revenue</p> <p>All funds received from Alberta Education, including amortization of Alberta Education-funded facilities. This is sometimes referred to as provincial funding.</p>
<p>Amortization</p> <p>Amortization expenses for both supported and unsupported capital assets ("unsupported" capital assets are non-facility; "supported" capital assets are funded by externally restricted capital funding/contributions).</p>
<p>Base provincial instruction grants (Alberta Education)</p> <p>Kindergarten to Grade 9 students are funded on a per-student basis and students in grade 10 to 12 are funded based on a high school credits formula. Base funding is the largest component of funding and is provided for each eligible student, regardless of other factors that drive additional funding.</p>
<p>Non-facility (board-funded) capital</p> <p>The acquisition of all capital assets other than those specifically funded by Alberta Education. This includes technology, maintenance equipment, furniture and fixtures, musical instruments, and other capital purchases.</p>
<p>Capital assets</p> <p>These are goods that are acquired that have a useful life that extends beyond one year and are of more than minor value. For example, computers, most musical instruments, furniture, machinery, etc.</p>
<p>Classroom complexity</p> <p>The variety of different needs of the students in a classroom</p>
<p>Collective agreement</p> <p>An agreement between a union or association that sets out terms and conditions of employment including general wage increases, benefits, grid movement, and other employment terms.</p>
<p>Deferred maintenance</p> <p>The practice of postponing repair and maintenance activities to property (such as school buildings) in order to save costs and/or meet budget funding levels.</p>
<p>EducationMatters</p> <p>EducationMatters is a charitable trust that funds innovative public enhancement programs. It is governed through a Trust Indenture by an independent Board of Governors, which includes two appointed CBE Trustees.</p> <p>In accordance with generally accepted accounting principles, the CBE is required to consolidate the financial activities of EducationMatters for year-end reporting purposes. The budget for EducationMatters has not been considered for consolidation for the purposes of this report, however their year-end financial information is provided in Appendix J for information purposes.</p>
<p>Enhancement (capital-related)</p> <p>Projects that improve or extend the functionality of existing systems, technologies and processes.</p>

³ Some terms are defined by Alberta Education

<p>Enrolment</p> <p>The total number of students attending CBE schools, including those that are federally funded or pay fees as international students. Funded enrolment (as required in the Budget Report to Alberta Education) refers to only those students who qualify for funding by Alberta Education.</p>
<p>Exempt employee</p> <p>Employees who are not covered by a collective agreement (approximately 200 positions). Exempt employees do not experience grid movement. Superintendents and directors make up the minority of this group. Approximately 86 per cent of the exempt group are staff who are not in senior leadership positions. This group of employees includes, but is not limited to: administrative assistants; human resources, communications and finance personnel; business analysts; engineers; and managers and supervisors from various service units.</p>
<p>Fixed cost</p> <p>A cost that will not change based on fluctuations in activity.</p>
<p>Grid movement</p> <p>The increase in the salary paid to an employee based on movement through progressive salary grid levels. The movement is based on the passage of time. Employees covered by a collective agreement may benefit from grid movement.</p>
<p>Inspiring Education</p> <p>Alberta Education's vision for education</p>
<p>Interest and charges</p> <p>Interest expenses charged for both supported and unsupported debenture debt and all other interest charges.</p>
<p>Maintenance (capital-related)</p> <p>Projects that are required to maintain current systems and keep them working in good conditions.</p>
<p>Non-discretionary costs</p> <p>Specific costs that are difficult to regulate in the short term, such as contractual obligations, utilities, and insurance premiums.</p>
<p>Operational Expectations</p> <p>Policies established by the Board of Trustees by which the Chief Superintendent's performance and successful operation of the organization is evaluated</p>
<p>Reserves</p> <p>Reserves are like the CBE's equity. They are dollars that have been accumulated from prior years' surpluses that are available to support current year projects, programs and services. Reserves can be restricted by board motion or external parties.</p>
<p>Resource Allocation Method (RAM)</p> <p>Refers to the process and formulas by which resources for schools are calculated and distributed to schools. Principals make staffing decisions for their school based on their RAM allocation.</p>
<p>Student Outcome measures</p> <p>Measures against which Alberta Education accumulates data to evaluate achievement of a School Jurisdiction, including student learning achievement, safe and caring schools, preparation for lifelong learning, world of work, citizenship, parental involvement, continuous and improvement and ACOL measure. For more information, see our Annual Education Results Report</p>

System administration

The overall management, administration and educational leadership of the CBE at the system level. Also includes Board of Trustees remuneration and office budgets. Examples include functions in human resources, finance, information technology, legal and communications that provide system-level support.

Salaries & Benefits

- Consists of both certificated and non-certificated salaries and benefits.
- Certificated salaries refer to all salaries paid or accrued for those employees of the jurisdiction who possess a valid Alberta Teaching Certificate, or its equivalent (i.e., certified teachers, principals and superintendents).
- Certificated benefits refer to the employer share of amounts paid on behalf of employees possessing an Alberta Teacher Certificate or equivalent for statutory and pension contributions, and medical and insurance benefits. It also includes allowances which are taxable payments made to (or on behalf of) employees for sabbatical leave, advanced study and training, and for negotiable or board-authorized allowances including automobile, subsidized housing, relocation, retirement, and supplementary unemployment benefits.
- Non certificated salaries are salaries and wages paid or accrued for all other employees, who do not possess an Alberta Teaching Certificate or equivalent.

School-Generated Funds

School-Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)

Strategic (capital-related)

Projects that open up new horizons, learning methods, organizational models, and value propositions that cut across the organization or physical facility.

Total revenue

All funds received from Alberta Education plus all other revenues.

Appendix A

Fall 2015 budget update: Use of reserves and Alberta Education submission

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report to
Board of Trustees

**First Quarter Budget Variance Report, Fall 2015 Budget Update
and 2014-15 Use of Reserves**

Date	December 1, 2015
Meeting Type	Regular Meeting, Public Agenda
To	Board of Trustees
From	David Stevenson, Chief Superintendent of Schools
Purpose	Decision and Information
Originator	Brad Grundy, Superintendent, Chief Financial Officer and Corporate Treasurer
Governance Policy Reference	Operational Expectations OE-5: Financial Planning OE-6: Financial Administration
Resource Persons	Carla Male, Director, School Financial Management Donna Rogers, Manager, Corporate Planning and Reporting Sharyn Tut, Lead, Corporate Budgets

1 | Recommendations

It is recommended:

- THAT the Board of Trustees approve the recommended reserve transfers pertaining to the year ended Aug. 31, 2015 (Attachment II).
- THAT the Board of Trustees approve the planned 2015-16 use of reserves and designated funds (Attachment III) for a total of \$41.7 million and \$26.6 million in capital reserves.
- THAT the Board of Trustees receives the Fall 2015 Update to the 2015-16 Operating Budget (Attachment VI), reflecting total planned spending of \$1,320.5 million, an increase of \$37.2 million, and authorize submission to Alberta Education.



Calgary Board
of Education

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2 | Issue

Operational Expectation OE-6: Financial Administration requires that the Chief Superintendent will not transfer monies between reserves or committed operating surplus without Board approval. This report seeks approval for the 2014-15 reserve transfers as well as approval for the planned use of reserves in 2015-16.

OE-6 further requires that quarterly variance reports are prepared and provide explanations for variances in excess of 1% and \$500,000. This report serves as the first quarter report for the 2015-16 fiscal year.

Alberta Education requires a Fall 2015 Budget Update to the 2015-16 Operating Budget, which was approved by the Board of Trustees on June 18, 2015. This update includes forecasted changes related to enrolment and other known adjustments.

3 | Background

2014-15 reserve transfers

Each spring the Calgary Board of Education prepares its operating and capital budgets for the following fiscal year. Quarterly and annual reports are presented to the Board of Trustees to provide updates on the status of the results of financial activity. These results are compared to the approved Operating and Capital Budgets to meet the monitoring requirements of OE 6: Financial Administration.

When the year-end actual financial results are known, funds are transferred out of or into reserves as required. The Board has approved terms and conditions for various operating and capital reserves which include conditions for additions and withdrawals that are subject to Board approval consistent with OE 6: Financial Administration.

Practice at the Calgary Board of Education has permitted unspent budgeted funds pertaining to one-time programs to be carried forward for use in the following year. These are called Designated Funds.

On April 1, 2014, the Board of Trustees approved, in principle, the use of all operating reserves to balance the 2014-15 budget. For 2014-15, the Calgary Board of Education began the fiscal year with operating reserves (all types) of \$53.6 million, with \$37.3 million available to balance the 2014-15 budget. With better 2014-15 operating information available with the Fall Budget Update, planned usage for 2014-15 was \$18.8 million.

Due to a number of factors that will be detailed with the 2014-15 year-end financial statements, Administration is anticipating a surplus for the year ended August 31, 2015, which is favourable when compared against the budgeted deficit. There are several factors contributing to this difference including investment gains and higher revenues than projected. As a result, the actual draw on reserves required is smaller than planned.

If the proposed transfers are approved, the operating reserves balances at Aug. 31, 2015 totals \$46.4 million, of which \$37.8 million is available to fund operations in future years (Attachment II). As reported in the 2015-16 Budget on June 18, 2015, the 2015-16 budget is balanced without the use of reserves. The CBE is committed to working collaboratively with the Government of Alberta regarding the use of available reserves to support student learning and advancing the CBE's and government's learning agenda. Since the approval of the 2015-16 Budget on June 18, 2015, several budget pressures have been identified and are summarized in the Analysis section below to be recommended for funding by reserves.

2015-16 budget and use of reserves

The approved 2015-16 Operating Budget was prepared using a consultative process and focused resources on achieving the vision as articulated in the Results Statements, the Three-Year Education Plan and Inspiring Education.

The Board approved the Operating Budget on June 18, 2015 and documentation was submitted to Alberta Education. The approved budget was based on enrolment projections for 2015-16, which drives provincial grant funding and school spending.

Enrolment numbers for the school year are counted at Sept. 30 and those are the official enrolment numbers which drive actual funding and resources deployed to schools for the school year. Alberta Education requires an update to the approved 2015-16 operating budget which includes a revised estimate of funding, expenditures, number of students eligible for provincial funding and an estimate of full-time equivalents (FTEs). This is the Fall 2015 Update to the 2015-16 Operating Budget shown in Attachment VI. It is important to note that the estimate of FTEs is based on the resource deployment by school principals as at Oct. 2015. Actual FTEs will vary from this and fluctuate throughout the year.

Once this Fall 2015 Update is approved by the Board of Trustees, it will be immediately submitted to Alberta Education for use in their financial forecasting and preparing for any Provincial budget submissions for the subsequent fiscal year.

Also included in this report is the first quarter operating budget variance analysis in Attachment I. This report is prepared for the Board of Trustees and varies slightly in presentation from the Fall 2015 Update, which is prepared for Alberta Education. The budget changes and updated deficit amounts in both reports are the same.



4 | Analysis

2014-15 reserve transfers

The following provides details to support all requests for Operating and Capital Reserve transfers for the year ended August 31, 2015.

Restricted Reserves (Attachment II)

1. Transportation Fee Stabilization Reserve

Administration monitors all external fee revenues, grant funding and expenses under the Transportation funding block. The net result at year-end was a deficit of \$2.2 million.

The *School Act* requires that any surplus resulting from transportation fees must be used to subsidize the cost of transporting students in future years and as such, the entire transportation deficit is covered by a draw from the reserve. At August 31, 2015, there is a balance of \$122,491 available. This reserve is not available to fund non-transportation costs.

Sept 1, 2014	Transfers in / (out)	Aug 31, 2015
\$ 2,291,106	\$ (2,168,615)	\$ 122,491

2. Unrealized Investment Gains/Losses Reserve

Fluctuations in the fair value over the cost of investments are reported as Remeasurement Gains/Losses in the financial statements. This account has historically been reported under the Unrealized Investment Gain/Losses Reserve for internal CBE reporting, but in the future will be removed from the internal reserve report to demonstrate consistent reporting with public sector accounting standards as Remeasurement Gains/Losses. This reserve is not available to fund CBE operations.

Sept 1, 2014	Transfers in / (out)	Aug 31, 2015
\$ 16,548,409	\$ (6,867,399)	\$ 9,681,010

3. Endowment Fund

Under public sector accounting standards, it has been determined that the CBE is required to consolidate the financial results of EducationMatters¹ for financial reporting purposes. The Endowment Fund represents principal amounts contributed to EducationMatters for the benefit of third-parties which must be held in perpetuity in

¹ EducationMatters is a charitable trust that funds innovative public enhancement programs. It is governed through a Trust indenture by an independent Board of Governors, which includes two appointed CBE Trustees.

accordance with stipulations placed by the contributor. This fund is not available to support CBE operations.

Sept 1, 2014	Transfers in / (out)	Aug 31, 2015
\$ 3,292,000	\$ 227,970	\$ 3,519,970

Designated Operating Funds (Attachment II)

Operating budgets are prepared on an annual basis and relate to the Calgary Board of Education’s fiscal year of September 1 to August 31. Past practice at the Calgary Board of Education has been to permit unspent budgeted funds pertaining to projects initiated in the year that are not yet fully complete to be carried forward for use in the following year. If not approved, these expenditures would need to be funded from 2015-16 resources.

In addition, the operating and flow through funds relating to the activities of EducationMatters are restricted for its use only, and the CBE has included its operating surplus as a designated fund.

Available for use reserves (Attachment II)

1. Administrative Systems Renewal Reserve

The Administrative Systems Renewal Reserve was created in 2004-05 to set aside funds for information system projects that would generate future savings or efficiencies.

The funding source for this reserve is the rebates received by the CBE related to strategic sourcing. \$461,019 is recommended for transfer into the reserve for rebates received during the year.

Sept 1, 2014	Transfers in / (out)	Aug 31, 2015
\$ 429,345	\$ 461,019	\$ 890,364

Capital Reserves (Attachment II)

1. Other Capital Reserves

Other Capital Reserves includes the carry forward of unspent budgeted funds from the previous year as well as other specific capital reserves established such as for capital leases, relocations, etc. Similar to Operating Designated funds, unspent budgeted funds pertaining to projects initiated in the year that are not yet fully complete are recommended for carry forward for use in the following year.

The same guidelines for both operating and capital are used to determine which requests are considered appropriate for carryforward. See Attachment II.

Sept 1, 2014	Transfers in / (out)	Aug 31, 2015
\$9,064,244	\$8,141,000	\$17,205,244

2015-16 Budget and use of reserves

The 2015-16 First Quarter Operating Budget Variance Report (Attachment I) and Fall 2015 Update (Attachment VI) reflects the budget impacts of changes in student enrolment from what was estimated during the budget preparation in the spring, and the Sept. 30, 2015 count.

Attachment I summarizes the forecasted changes to the budgeted revenues and expenses. Explanations have been provided for variances above 1% of reported line items in accordance with Operational Expectations 6. This includes:

REVENUE

Total revenue has increased by \$19.3 million, which includes an increase in Alberta Education revenue of \$19.4 million. This is comprised of:

- \$2.0 million increase in base instructional funding due to enrolment growth different from projections.
- \$0.3 million increase in capital allocation revenue due to higher amounts capitalized in 2014-15 for provincially supported assets than what was estimated in the approved budget.
- \$14.6 million increase in infrastructure maintenance and renewal funding due to revised estimate of anticipated spending in the year. The corresponding cost increase has been included in the expenses.
- \$2.5 million increase in maintenance expenses for schools constructed under the Alberta Schools Alternative Procurement (ASAP) program. This increase was a result of better estimates which were not known at the time 2015-16 budget was prepared. The corresponding cost increase has been included in the expenses.

A decrease of \$0.4 million in other sales and services relating to a revised estimate of foreign student enrolment.

An increase of \$0.3 million in fees revenue related to the changes in enrolment from what was projected in the spring to Sept. 30th actual counts.

EXPENSES

Total expenses have increased by \$37.2 million. This is comprised of:

- \$11.4 million increase in certificated salaries and benefits, which is the combined impact of:
 - \$14.5 million increase in temporary certificated salaries and benefits for a one-time initiative to further schools' goals of improving student achievement as outlined in their school development plans.
 - \$1.5 million in additional funds will be used to hire high school graduation coaches to support our First Nations, Metis and Inuit students.
 - (\$5.0) million decrease in certificated salaries and benefits due to revised estimate of anticipated average wage rates.
 - \$0.4 million for projects that were incomplete at the end of 2014-15 and the budget has been carried forward for completion in 2015-16.
- \$1.8 million increase in non-certificated salaries and benefits which is the increase in resources allocated to schools via the RAM due to the changes in enrolment and for one additional position added to each Area Office. Also includes increase for projects that were incomplete at the end of 2014-15 and the budget has been carried forward for completion in 2015-16.
- \$24.3 million increase in supply and services due to:
 - \$14.6 million increase in infrastructure maintenance expenses due to revised estimate of anticipated spending (offsetting revenue increase noted above).
 - \$4.9 million increase in transportation expenses, which is the best estimate at the time this report was written, for the impact of revised route configuration. As the year progresses, the number of routes and fuel costs will fluctuate. We will track these changes in detail and provide updated forecast information in the second and third quarterly reports.
 - \$2.5 million increase in maintenance expenses for schools constructed under the P3 program (offsetting revenue increase noted above).
 - \$1.8 million for projects and schools budgeted in 2014-15 that were incomplete or unspent at year-end and the budget will be carried forward to 2015-16.
 - \$0.5 million increase for enhanced community engagement requirements. The additional resources are expected to be expended on professional and technical services.
- \$0.5 million net decrease in amortization due to lower amounts capitalized in 2014-15 for board funded assets (decrease of \$0.8 million) less higher amounts capitalized for the provincially supported assets increase of \$0.3 million.
- \$0.2 million increase in other expenses due to a revision of estimated uncollectible fees.

OPERATING DEFICIT

The planned deficit is \$17.9 million.

USE OF RESERVES

Transfer from operating reserves/designated funds shows the forecasted use of \$41.7 million of operating reserves and \$26.6 million of capital reserves in order to fund the \$17.9 million operating deficit and increased capital activities.

Further details are provided in Attachment III - first quarter use of reserves and designated funds.

CAPITAL ACTIVITIES

The 2015-16 first quarter capital budget status report (Attachments IV and V) highlights variances between the current approved budget and estimated capital expenditures for the year ended August 31, 2016.

Capital assets acquired has increased by \$45.4 million, which is \$7.5 million more carried forward from 2014-15 to fund projects budgeted in 2014-15 that were not complete by August 31, 2015 as well as \$37.9 million in planned spending for one-time initiatives and enhancements:

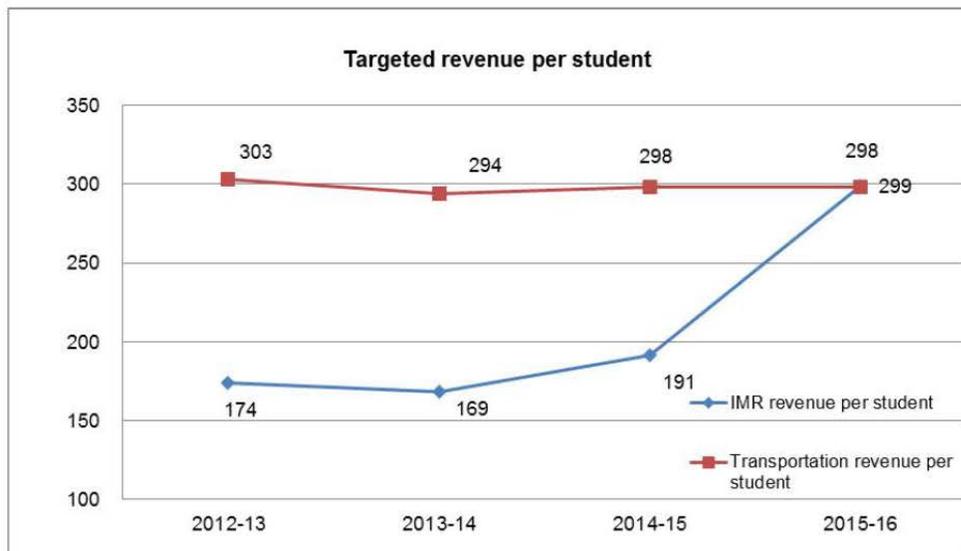
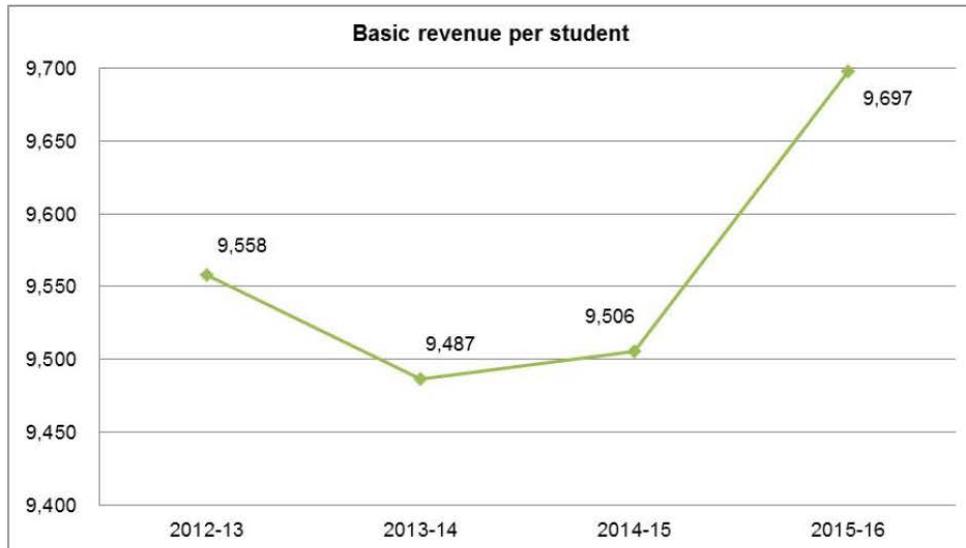
- Up to \$25.0 million for new school fit-up and commissioning over the next few years
- Up to \$5.7 million for CTS/CTF and Fine and Performing Arts equipment upgrades
- Up to \$7.0 million for wireless upgrades in schools
- \$0.2 million for air conditioning units in P3 schools (approved in 2014-15 but to be completed in 2015-16)

This is reflected as an increase in the use of capital and operating reserves.

Amortization for board-funded assets decreased \$0.8 million as noted above.

6 | Funding Impacts

Alberta Education basic funding per student has increased by \$191 per student since 2014-15 due to the commitment from the provincial government to fully fund enrolment increases as well as the ATA wage increases per the collective agreement.



The following table provides additional information as to the planned spending between schools and service units. Expense and FTE details are provided by major expense category and operating unit.

Summary:

	2015-16 Actual Spending										
	Schools & Areas	Service Unit System Budgets	Learning	Facilities and Environmental Services	Legal	Communications	Finance/Technology Services	Human Resources	Chief Supt's Office	Board of Trustees	Total
FTEs by:											
Superintendent	-	-	1.0	1.0	1.0	1.0	1.0	-	2.0	-	7.0
Staff (incl ATA, Staff Assn, CUPE, trades)	8,772.2	42.4	217.0	217.6	3.0	10.9	141.0	44.2	-	-	9,448.2
Exempt Staff	10.0	-	25.5	50.0	10.0	9.5	48.0	41.0	3.0	-	197.0
Total FTEs	8,782.2	42.4	243.5	268.6	14.0	21.4	190.0	85.2	5.0	-	9,652.2
2015-16 Fall Budget Update											
Salaries and benefits	917,517	6,427	32,412	27,963	1,865	2,459	23,969	9,980	919	418	1,023,929
Supplies and services	82,050	18,425	4,854	122,793	137	652	1,961	5,549	235	868	237,524
Other (interest, amortization and uncollectible accounts)	59	49,479	1,400	5,060	14	-	3,014	13	2	-	59,041
	999,626	74,331	38,666	155,816	2,016	3,111	28,944	15,542	1,156	1,286	1,320,494
2015-16 Approved Budget	984,490	70,842	39,945	136,301	2,002	2,621	29,292	15,441	1,126	1,204	1,283,264
Increase/ (decrease) ⁽³⁾	15,136	3,489	(1,279)	19,515	14	490	(348)	101	30	82	37,230

⁽³⁾ Significant changes from the approved 2015-16 budget are explained as follows:
(a) Schools & Areas increase is due to the one-time initiative to improve teacher practice
(b) Service Unit System budgets increase is due to an increase in maintenance expenses for schools constructed under the P3 program
(c) Learning budgets reduction is related to amortization expense where actual amounts capitalized are different from estimates
(d) Facilities and Environmental Services budgets are related to an increase in maintenance due to revised anticipated spending

7 | Financial Impact

2014-15 year-end financial statements

For the year ended Aug. 31, 2015, the Calgary Board of Education's unrestricted surplus is \$0.1 million after accounting for the reserve provision requests identified in this report.

The complete Financial Statements with the signed Audit Report will be presented to the Board of Trustees on Dec. 1, 2015 for final adoption and approval. At the time of writing this report, the audit is in progress. Any changes required as a result of audit findings could amend the year end position for the CBE.

The Financial Statements will include disclosure of planned reserve transfers and the reserved designated funds with full disclosure in the 2014-15 year-end Audited Financial Statements and this disclosure will be consistent with previous Board of Trustees motions.

2015-16 budget and use of reserves

The 2015-16 budget was balanced without the use of reserves. Several pressures have since been identified for which the use of reserves will be requested: These pressures are all one-time initiatives that support student learning and advancing the CBE's and government's learning agenda.

Operating pressures

- \$14.5 million increase in temporary certificated salaries and benefits for a one-time initiative to further schools' goals of improving student achievement as outlined in their school development plans.
- \$1.5 million in additional funds will be used to hire high school graduation coaches to support our First Nations, Metis and Inuit students.
- \$3.7 million for the use of operating budgets carried forward from 2014-15. These represent operating projects that have started in the 2014-16 school year but will not complete until the 2015-16 school year.

Capital pressures

- Up to \$25.0 million for the commissioning of new schools in the next few years.
- Up to \$5.7 million for Career and Technology Studies/Foundations and Fine and Performing Arts equipment upgrades.
- Up to \$7.0 million for wireless upgrades to a consistent standard in all schools.
- \$11.5 million for the use of capital budgets carried forward from 2014-15. These represent capital projects that have started in the 2014-15 school year but will not complete until the 2015-16 school year.

These are summarized in Attachment II & III for a total of \$68.2 million in planned draws on both operating and capital reserves in 2015-16.

It should be noted that the use of available operating and capital reserves for purposes other than those approved in the reserve's creation, means that reserve funds are not available in the event funds are needed. For example, if the Operating Lease Reserve funds are used for the pressures identified above, future budgets will need to address the increases in operating leases going forward.

8 | Conclusion

Reserve transfers approved for the 2014-15 year will be reflected in the financial statements for the year ended August 31, 2015.

A draft copy of the Fall 2015 Update to the 2015-16 Operating Budget will be submitted to Alberta Education by Nov 30, 2015, and the approved report will be submitted following Board of Trustee approval.

DAVID STEVENSON
CHIEF SUPERINTENDENT OF SCHOOLS

Attachments

Attachment I: 2015-16 first quarter operating budget variance analysis
Attachment II: recommended reserve transfers pertaining to the year ended Aug. 31, 2015
Attachment III: first quarter planned use of reserves and designated funds
Attachment IV: 2015-16 first quarter capital budget status report, summary of board funded capital investment
Attachment V: 2015-16 first quarter capital budget status report – projects funded by the Province of Alberta
Attachment VI: Fall 2015 update to the 2015-16 operating budget

GLOSSARY – Developed by the Board of Trustees

Board: Board of Trustees

Governance Culture: The Board defined its own work and how it will be carried out. These policies clearly state the expectations the Board has for individual and collective behaviour.

Board/Chief Superintendent Relationship: The Board defined in policy how authority is delegated to its only point of connection – the Chief Superintendent – and how the Chief Superintendent's performance will be evaluated.

Operational Expectations: These policies define both the nonnegotiable expectations and the clear boundaries within which the Chief Superintendent and staff must operate. They articulate the actions and decisions the Board would find either absolutely necessary or totally unacceptable.

Results: These are our statements of outcomes for each student in our district. The Results policies become the Chief Superintendent's and the organization's performance targets and form the basis for judging organization and Chief Superintendent performance.

Attachment I: 2015-16 first quarter operating budget variance analysis

Q1 Budget Variance Report
(in \$ thousands)

	Approved Budget 2015-16 ⁽¹⁾	Fall Budget Update 2015-16	Increase / (Decrease)	%
Revenues				
Alberta Education	1,184,939	1,204,334	19,395	2%
Other Government of Alberta	846	846	-	0%
Federal Government & First Nations	2,393	2,393	-	0%
Other sales and services	23,628	23,196	(432)	-2%
Fees revenue	49,313	49,651	338	1%
Investment revenue	2,817	2,817	-	0%
All other revenue	19,328	19,328	-	0%
	1,283,264	1,302,565	19,301	1%
Expenses by object				
Certificated salaries and benefits	756,039	767,467	11,428	1%
Non-certificated salaries and benefits	254,658	256,462	1,804	1%
Supply and services	213,191	237,524	24,333	10%
Amortization expenses	52,665	52,116	(549)	-1%
Interest and finance charges	2,157	2,157	-	0%
Other (uncollectible accounts)	4,554	4,768	214	4%
	1,283,264	1,320,494	37,230	3%
Annual surplus / (deficit)	-	(17,929)	(17,929)	100%
Transfer from operating reserves/designated funds				
Transfer from operating reserves	-	37,956	37,956	100%
Transfer from designated funds - schools	-	2,275	2,275	100%
Transfers from designated funds - service units	-	1,439	1,439	100%
	-	41,670	41,670	100%
Add/(deduct) capital items paid by operating funds				
Capital acquisitions	(26,677)	(72,077)	(45,400)	63%
Board funded amortization	23,773	22,880	(893)	-4%
Debt repayments	(1,096)	(1,096)	-	0%
Use of capital reserves	4,000	26,552	22,552	85%
	-	(23,741)	(23,741)	0%
Net operating surplus / (deficit)	-	-	-	0%

⁽¹⁾ Approved by the Board of Trustees on June 18, 2015. Some numbers have been reclassified for comparative purposes.

Attachment II: recommended reserve transfers pertaining to the year ended Aug. 31, 2015

	Reserve balance Sept 1, 2014	Fall Update planned transfers from reserves	Recommended actual transfers to/(from) reserves	Reserve balance Aug 31, 2015
Accumulated operating reserves				
<u>Available for use reserves</u>				
Chinook Learning Services fee stabilization	1,593	-	-	1,593
Utility expense stabilization	5,007	(5,007)	-	5,007
Snow removal budget stabilization	200	-	-	200
Administrative systems renewal	429	(429)	461	890
General instruction	3,000	-	-	3,000
Fiscal stability	10,463	(7,311)	-	10,463
System transformation	2,000	(2,000)	-	2,000
Operating lease	14,577	-	-	14,577
Total available for use reserves	37,270	(14,747)	461	37,730
<u>Restricted reserves</u>				
Transportation fee stabilization	2,291	(1,425)	(2,169)	122
Changes in accounting policy	(10,164)	-	-	(10,164)
Unrealized investment gains and losses	3,195	-	(3,195)	-
Total operating reserves	32,592	(16,172)	(4,903)	27,688
Designated operating funds				
School decentralized budgets	596	(596)	1,679	2,275
Instructional and service unit initiatives	2,004	(2,004)	(565)	1,439
Education_Matters	1,755	-	(76)	1,679
Total designated funds	4,355	(2,600)	1,038	5,393
Endowments	3,292	-	228	3,520
Remeasurement gains and losses	13,353	-	(3,672)	9,681
Unrestricted surplus	-	-	104	104
Total operating reserves and designated funds	53,592	(18,772)	(7,206)	46,386

Attachment II (cont'd): recommended reserve transfers pertaining to the year ended Aug. 31, 2015

	Reserve balance Sept 1, 2014	Fall Update planned transfers from reserves	Recommended actual transfers to/(from) reserves	Reserve balance Aug 31, 2015
Capital reserves				
Building reserve	18,212	-	-	18,212
Other capital reserves ⁽²⁾	9,064	-	8,141	17,205
Plant, operations and maintenance asset replacement	798	-	-	798
Total designated funds	28,074	-	8,141	36,215

(1) Approved by the Board of Trustees on November 25, 2014

(2) Included in Other Capital Reserves is Designated Capital Funds - capital funds carried forward for projects that were in progress and will continue into 2015-16. The Designated Capital Funds balance at Aug 31, 2015 is \$11.5 million.

Attachment III: first quarter planned use of reserves and designated funds

	Reserve balance Sept 1, 2015	Planned use of reserves	Reserve balance Aug 31, 2016
Accumulated operating reserves			
<u>Available for use reserves</u>			
Chinook Learning Services fee stabilization	1,593	(1,593)	-
Utility expense stabilization	5,007	(5,007)	-
Snow removal budget stabilization	200	(200)	-
Administrative systems renewal	890	(890)	-
General instruction	3,000	(3,000)	-
Fiscal stability	10,463	(10,463)	-
System transformation	2,000	(2,000)	-
Operating lease	14,577	(14,577)	-
Total available for use reserves	37,730	(37,730)	-
<u>Restricted reserves</u>			
Transportation fee stabilization	122	(122)	-
Changes in accounting policy	(10,164)	-	(10,164)
Unrealized investment gains and losses	-	-	-
Total operating reserves	27,688	(37,852)	(10,164)
Designated operating funds			
School decentralized budgets	2,275	(2,275)	-
Instructional and service unit initiatives	1,439	(1,439)	-
Education_Matters	1,679	-	1,679
Total designated funds	5,393	(3,714)	1,679
Endowments	3,520	-	3,520
Remeasurement gains and losses	9,681	-	9,681
Unrestricted surplus	104	(104)	-
Total operating reserves and designated funds	46,386	(41,670)	4,716



Attachment III (cont'd): first quarter use of reserves and designated funds

	Reserve balance Sept 1, 2015	Planned use of reserves	Reserve balance Aug 31, 2016
Capital reserves			
Building reserve	18,212	(15,018)	3,193
Other capital reserves ⁽¹⁾	17,205	(11,534)	5,671
Plant, operations and maintenance asset replacement	798	-	798
Total designated funds	36,215	(26,552)	9,663

(1) Included in Other Capital Reserves is Designated Capital Funds - capital funds carried forward for projects that were in progress and will continue into 2015-16. The Designated Capital Funds balance at Aug 31, 2015 is \$11.5 million.

Attachment IV: 2015-16 first quarter capital budget status report, summary of board funded capital investment

Capital Budget											
	Budget Sept 1, 2015	Approved Carry Forward and Revision	Total Approved Budget and Carry Forwards (A)	Costs to Date	Forecast Costs to Complete	Total Costs	Total Forecast	Variance Favorable / (Unfavorable)	Variance >1% & \$500k Note	Estimate 2016-17	Estimate 2017-18
								(\$)	%		
Capital Lease Payments (Contracts)											
Performance Contracts	1,096	-	1,096	-	1,096	1,096	1,096	-	-	-	-
Total Capital Lease Payments (Contracts)	1,096	-	1,096	-	1,096	1,096	1,096	-	-	-	-
Non-Facility Related Projects											
Strategic	3,800	852	4,652	-	4,652	4,652	4,652	-	0.0%	633	1,644
Enhancement	2,360	1,792	4,152	-	4,152	4,152	4,152	-	0.0%	1,970	2,870
Maintenance	19,517	2,598	22,116	-	22,116	22,116	22,116	-	0.0%	29,509	33,585
Total Non-Facility Related Projects	25,677	5,242	30,919	-	30,919	30,919	30,919	-	0.0%	32,112	38,099
Capital Reserve Projects											
Wireless Enhancements	-	7,000	7,000	-	7,000	7,000	7,000	-	0.0%	-	-
CTS/CTF Upgrades	-	5,675	5,675	-	5,675	5,675	5,675	-	0.0%	-	-
New School Commissioning	-	25,000	25,000	-	25,000	25,000	25,000	-	0.0%	-	-
Air Conditioning for P3 Modulars	-	191	191	-	191	191	191	-	0.0%	-	-
Total Capital Reserve Projects	-	37,866	37,866	-	37,866	37,866	37,866	-	0.0%	-	-
School Enhancements	1,000	2,292	3,292	-	3,292	3,292	3,292	-	0.0%	1,500	1,500
Total Non-Facility Capital Expenditures	27,777	45,400	73,177	-	73,177	73,177	73,177	-	0.0%	33,612	39,599
Financed by the Following:											
Contribution from/(to) operating activities	-	23,741	23,741	-	-	-	23,741	-	-	-	-
Total Amortization Expense (non-cash)	23,773	(893)	22,880	-	-	-	22,880	-	-	33,612	39,599
Designated Capital Funds	4,000	7,534	11,534	-	-	-	11,534	-	-	-	-
Capital Reserves	-	15,018	15,018	-	-	-	15,018	-	-	-	-
Total Non-Facility Capital Financing	27,777	45,400	73,177	-	-	-	73,177	-	-	33,612	39,599

Definitions:

Strategic - Projects that open up new horizons, learning methods, organization models, and value propositions that cut across the organization or physical facility.

Enhancement - Projects that improve or extend the functionality of existing systems, technologies, and processes.

Maintenance - Projects that are required to maintain current systems and keep them in good working condition.



Attachment V: 2015-16 first quarter capital budget status report – projects funded by the Province of Alberta

	Total Approved Budget and Carry Forwards	Estimated Capital Expenditure	Forecast Variance
(in thousands)			
Ongoing Capital Projects - Funded by Alberta Education			
Phase One-2011 Announcement			
Chinook Learning Centre Modernization (Booth Centre)	\$ 10,500	10,500	-
Phase Two-2013 Announcements			
Auburn Bay School	14,307	14,307	-
Christine Meikle School - Modernization/Replacement	16,377	16,377	-
Copperfield School	14,353	14,353	-
Evanston School	14,353	14,353	-
Harold W. Riley (Aboriginal Family Community) School - Modernization	10,499	10,499	-
New Brighton School	14,353	14,353	-
Panorama Hills School	14,307	14,307	-
Tuscany School	14,307	14,307	-
Sub-total Elementary Schools	112,856	112,856	-
Evergreen Middle	24,237	24,237	-
McKenzie Towne Middle	24,237	24,237	-
New Brighton - Copperfield Middle	24,237	24,237	-
Royal Oak - Rocky Ridge Middle	24,201	24,201	-
Saddle Ridge Middle	24,201	24,201	-
Sub-total Middle Schools	121,113	121,113	-
Bowness High - Modernization	16,882	16,882	-
Jack James High - Modernization	11,729	11,729	-
Northeast High	-	-	-
Sub-total High School	28,611	28,611	-
Total Phase Two Announcements	262,580	262,580	-
Phase Three-2014 Announcements			
Aspen Woods School	6,700	6,700	-
Martindale School	750	750	-
Saddle Ridge School	6,700	6,700	-
Silverado School	750	750	-
Glenmeadows School - Portable (B)	-	2,800	-
Sub-total Elementary Schools - Portable	14,900	17,700	-
Cranston Middle	6,700	6,700	-
West Springs/Cougar Ridge Middle	6,700	6,700	-
Springbank Hill/Discovery Ridge Middle	750	750	-
Sub-total Middle Schools	14,150	14,150	-
James Fowler High - Modernization	750	750	-
Lord Beaverbrook High	750	750	-
Southeast High - design	1,000	1,000	-
Sub-total High School	2,500	2,500	-
Total Phase Three Announcements	31,550	34,350	-
Flood Relief			
Elbow Park School	16,500	16,500	-
National Sports School			
	3,000	3,000	-
Total Capital Projects - Funded by Alberta Education	\$ 324,130	326,930	-

The following attachments are templates provided by Alberta Education and updated with the CBE's 2015-16 first quarter forecast information.

These will be submitted to Alberta Education following Board of Trustees approval. While the totals are the same, some groupings may be different in some cases due to Alberta Education reporting requirements.

3030 Calgary School District No. 19				
School Jurisdiction Code and Name				
FALL 2015 UPDATE TO THE 2015/2016 BUDGET				
	Fall 2015 Update to the Budget 2015/2016	Spring 2015 Budget Report 2015/2016	Variance	% Variance
OPERATIONS (SUMMARY)				
Revenues				
Alberta Education	\$1,204,333,933	\$1,184,939,162	\$19,394,771	1.6%
Other - Government of Alberta	\$846,443	\$846,443	\$0	0.0%
Federal Government and First Nations	\$2,392,591	\$2,392,591	\$0	0.0%
Other Alberta school authorities	\$522,000	\$522,000	\$0	0.0%
Out of province authorities	\$0	\$0	\$0	0.0%
Alberta Municipalities - special tax levies	\$0	\$0	\$0	0.0%
Property taxes	\$0	\$0	\$0	0.0%
Fees	\$49,650,827	\$49,313,027	\$337,800	0.7%
Other sales and services	\$23,195,948	\$23,628,426	(\$432,478)	-1.8%
Investment income	\$2,816,882	\$2,816,882	\$0	0.0%
Gifts and donation	\$4,842,000	\$4,842,000	\$0	0.0%
Rental of facilities	\$7,542,752	\$7,542,752	\$0	0.0%
Fundraising	\$6,400,000	\$6,400,000	\$0	0.0%
Gain on disposal of capital assets	\$0	\$0	\$0	0.0%
Other revenue	\$20,000	\$20,000	\$0	0.0%
Total revenues	\$1,302,563,376	\$1,283,263,283	\$19,300,093	1.5%
Expenses By Program				
Instruction - ECS	\$46,663,989	\$46,663,988	\$1	0.0%
Instruction - Grade 1 - 12	\$1,000,763,993	\$986,721,479	\$14,042,514	1.4%
Plant operations and maintenance	\$166,578,383	\$149,215,131	\$17,363,252	11.6%
Transportation	\$48,005,481	\$42,904,456	\$5,101,025	11.9%
Board & system administration	\$35,773,466	\$35,049,461	\$724,005	2.1%
External services	\$22,708,768	\$22,708,768	\$0	0.0%
Total expenses	\$1,320,494,080	\$1,283,263,283	\$37,230,797	2.9%
<i>Annual Surplus (Deficit)</i>	<i>(\$17,930,704)</i>	<i>\$0</i>	<i>(\$17,930,704)</i>	100.0%
Accumulated Surplus from Operations (Projected)				
Accumulated Surplus from Operations - Aug.31, 2015	\$69,403,000	\$29,296,000	\$40,107,000	136.9%
Accumulated Surplus from Operations - Aug.31, 2016	\$1,179,296	\$29,296,000	(\$28,116,704)	-96.0%
Expenses by Object				
Certificated salaries & wages	\$626,601,666	\$616,256,185	\$10,345,481	1.7%
Certificated benefits	\$140,865,031	\$139,733,830	\$1,131,201	0.8%
Non-certificated salaries & wages	\$203,566,657	\$202,022,400	\$1,544,257	0.8%
Non-certificated benefits	\$52,895,452	\$52,684,790	\$210,662	0.4%
Services, contracts and supplies	\$237,523,743	\$213,190,746	\$24,332,997	11.4%
Amortization expense	\$52,116,316	\$52,664,817	(\$548,501)	-1.0%
Interest on capital debt	\$356,443	\$356,443	\$0	0.0%
Other interest and finance charges	\$1,800,537	\$1,800,537	\$0	0.0%
Losses on disposal of tangible capital assets	\$0	\$0	\$0	0.0%
Other expenses	\$4,768,235	\$4,553,535	\$214,700	4.7%
Total Expenses	\$1,320,494,080	\$1,283,263,283	\$37,230,797	2.9%
Certificated Staff FTE's				
School based	6,092.8	6,092.8	-	0.0%
Non-school based	135.1	135.1	-	0.0%
Total Certificated Staff FTE's	6,227.9	6,227.9	-	0.0%
Non-Certificated Staff FTE's				
Instructional	2,098.4	2,079.3	19.1	0.9%
Plant Operations & Maintenance	824.1	824.1	-	0.0%
Transportation	42.5	42.5	-	0.0%
Non-instructional	416.9	417.9	(1.0)	-0.2%
Total Non-Certificated Staff FTE's	3,381.8	3,363.7	18.1	0.5%
Eligible Funded Students				
Early childhood services (ECS headcount)	9,402.0	9,759.0	(357.0)	-3.7%
Grades 1 to 9 (headcount)	76,341.0	76,113.0	228.0	0.3%
Grade 10 to 12 (FTE)	29,479.0	29,219.0	260.0	0.9%
Total Eligible Funded Students	115,222.0	115,091.0	131.0	0.1%
Attestation of Secretary-Treasurer/Treasurer:				
This information was formally received by the Board of Trustees at the meeting held on :			December 1, 2015	

Attachment VI (cont'd): Fall 2014 Update to the 2015-16 Operating Budget

3030 Calgary School District No. 19 <small>School Jurisdiction Code and Name</small>
FALL 2015 UPDATE TO THE 2015/2016 BUDGET
<p>Comments/Explanations of changes from original Spring 2014/2015 Budget Report:</p> <p>Explain any changes in revenue items >5% (any highlighted items in cells S10-S24). If fee projections have changed, specify types of fees affected:</p> <p>An increase in fees revenue related to the changes in enrolment from what was projected in the spring to September 30th actual counts. The increase was made to the the ISM fees (\$117,000) and transportation fees (\$220,800).</p> <p>Explain any changes in program expenses >5% (any highlighted items in cells S27-S32):</p> <p>Plant operations & maintenance program changes are related to a \$14.6m increase in infrastructure maintenance and renewal spending due to additional funding received in the prior year and deferred at year-end and \$2.5 million increase in maintenance expenses for schools constructed under the P3 program. The corresponding cost increases for both have been included in the expenses.</p> <p>Transportation Block changes are related to a \$5.1m increase in expenses are to due to revised route configuration</p> <p>Explain any changes in projected Accumulated Operating Surplus as at August 31, 2015 or August 31, 2016 by >5% (highlighted items in cell S37 or S38):</p> <p>The 2015-16 budget was balanced without the use of reserves. Several pressures have since been identified for which the use of reserves will be requested: These pressures are all one-time initiatives that support student learning and advancing the CBE's and government's learning agenda.</p> <ul style="list-style-type: none"> - \$14.5 million increase in temporary certificated salaries and benefits for a one-time initiative to further schools' goals of improving student achievement as outlined in their school development plans. - \$1.5 million in additional funds will be used to hire high school graduation coaches to support our First Nations, Metis and Inuit students. - \$3.7 million for the use of operating budgets carried forward from 2014-15. These represent operating projects that have started in the 2014-16 school year but will not complete until the 2015-16 school year. - Up to \$25.0 million for the commissioning of new schools in the next few years. - Up to \$5.7 million for Career and Technology Studies/Foundations and Fine and Performing Arts equipment upgrades. - Up to \$7.0 million for wireless upgrades to a consistent standard in all schools. - \$11.5 million for the use of capital budgets carried forward from 2014-15. These represent capital projects that have started in the 2014-15 school year but will not complete until the 2015-16 school year. <p>Explain any changes in expenses by object >5% (any highlighted items in cells S41-S50):</p> <p>\$14.6 million increase in infrastructure maintenance expenses due to revised estimate of anticipated spending (offsetting revenue increase noted above).</p> <p>\$4.9 million increase in transportation expenses to revise route design.</p> <p>\$1.8 million for projects and schools budgeted in 2014-15 that were incomplete or unspent at year-end and the budget will be carried forward to 2015-16.</p> <p>\$2.5 million increase in maintenance expenses for schools constructed under the P3 program (offsetting revenue increase noted above).</p> <p>\$0.5 million increase for enhanced community engagement requirements. The additional resources are expected to be expended on professional and technical services.</p> <p>Explain change in total certificated staff >3% (if cell S56 highlighted):</p> <p>Immaterial variance.</p> <p>Explain change in total non-certificated staff >3% (if cell S63 highlighted):</p> <p>Immaterial variance.</p> <p>Explain change in enrolment >3% (if cell S69 highlighted):</p> <p>Immaterial variance.</p>
<p>Attestation of Secretary-Treasurer/Treasurer: This information was formally received by the Board of Trustees at the meeting held on : December 1, 2015</p>

Appendix B

Capital Budget Detail

	Capital Budget		
	Total Budget 2015-16	Estimate 2016-17	Estimate 2017-18
	(000)	(000)	(000)
Capital Lease Payments (Contracts)			
Performance Contracts	1,096	-	-
Total Capital Lease Payments (Contracts)	\$ 1,096	-	-
Non-Facility Related Projects			
Strategic	4,652	633	1,644
Enhancement	4,877	1,970	2,870
Maintenance	21,390	29,009	29,035
Total Non-Facility Related Projects	\$ 30,919	31,612	33,549
Capital Reserve Projects			
Wireless Enhancements	7,000	-	-
CTS/CTF Upgrades	5,675	-	-
New School Commissioning	25,000	-	-
Air Conditioning for P3 Modularity	191	-	-
Total Capital Reserve Projects	\$ 37,866	-	-
School Enhancements	\$ 3,292	2,000	2,000
Total Non-Facility Capital Expenditures	\$ 73,173	33,612	35,549
<hr/>			
Financed by the Following:			
Total amortization expense (non-cash)	22,880	33,612	35,549
Designated Capital Funds	11,534	-	-
Contribution from/(to) operating activities	23,741	-	-
Capital Reserves	15,018	-	-
Total Non-Facility Capital Financing	\$ 73,173	33,612	35,549

	Capital Budget		
	Total Budget 2015-16	Estimate 2016-17	Estimate 2017-18
	(000)	(000)	(000)
Strategic			
Integrated Workplace System 5yr Plan	661	633	644
Iris	329	-	-
Media Design Centre Lab	168	-	-
Software Asset Management	394	-	-
Student Information System (Carryforward)	3,100	-	1,000
Total Strategic - Non-Facility Related	\$ 4,652	633	1,644

	Capital Budget		
	Total Budget 2015-16	Estimate 2016-17	Estimate 2017-18
	(000)	(000)	(000)
Enhancement			
Corporate Performance Management (Hyperion)	745	695	1,580
Fees Central	580	580	580
Musical Instrument Evergreening	641	695	695
D2L/SIS Integration	130	-	15
CLASS Application Replacement Initiative	295	-	-
Eyewash & Chemical Storage	170	-	-
Eyewash Stations for Elementary Schools	70	-	-
School Portal Solution	361	-	-
Spring Staffing Tool Integration	118	-	-
CTS/CTF Equipment	460	-	-
Specialized School Equipment	100	-	-
Security Cameras (Phase 3)	53	-	-
CCTV at Lord Shaughnessy	55	-	-
Irrigation at Central Memorial	25	-	-
Water Fountain Replacement	175	-	-
Bowness Robotics Lab	675	-	-
Windows 10 Upgrade	136	-	-
Online Application System for Global Learning	88	-	-
Total Strategic - Non-Facility Related	\$ 4,877	1,970	2,870

	Capital Budget		
	Total		
	Approved	Estimate	Estimate
	Budget	2016-17	2017-18
	2015-16	2016-17	2017-18
	(000)	(000)	(000)
Maintenance			
Program Moves and Expansions	1,236	1,100	1,100
Wireless Upgrades	1,366	-	-
Client Access Technology Refresh	2,195	8,245	8,200
Infrastructure Maintenance & Growth	1,560	2,427	2,306
Edge Switch Replacement	2,524	2,552	2,971
Intrusion Alarm System Replacement	600	650	650
Occupational Health & Safety Solution	282	-	-
Genie Lift	11	-	-
Storage Sheds for Gas Powered Equipment	13	-	12
School Entryway Matting System	380	240	-
MFP for Legal Services	10	-	-
Filenet Replacement	91	-	-
Welding Truck	35	-	-
Sewer Camera	11	-	-
Overhead Doors	62	-	-
Warehouse Floor	27	-	-
Rooftop Heating/Cooling Units	13	-	-
Records and Archive Centre Modernization	750	-	-
Auto Scrubbers	7	220	220
Ride-On Auto Scrubbers	-	78	60
Burnishers	-	21	30
Facility Operator Equipment	5	-	-
Ride-On Tractor	-	37	36
Vehicle Replacement (Services Vans)	36	132	34
Vehicle Replacement (Trucks)	-	-	280
Four MFPs for Finance	20	-	-
Future Projects	10,156	13,307	13,137
Total Strategic - Non-Facility Related	\$ 21,390	29,009	29,035

Appendix C

Alberta Education block coding criteria flowchart

Summary of Block Coding Review Process

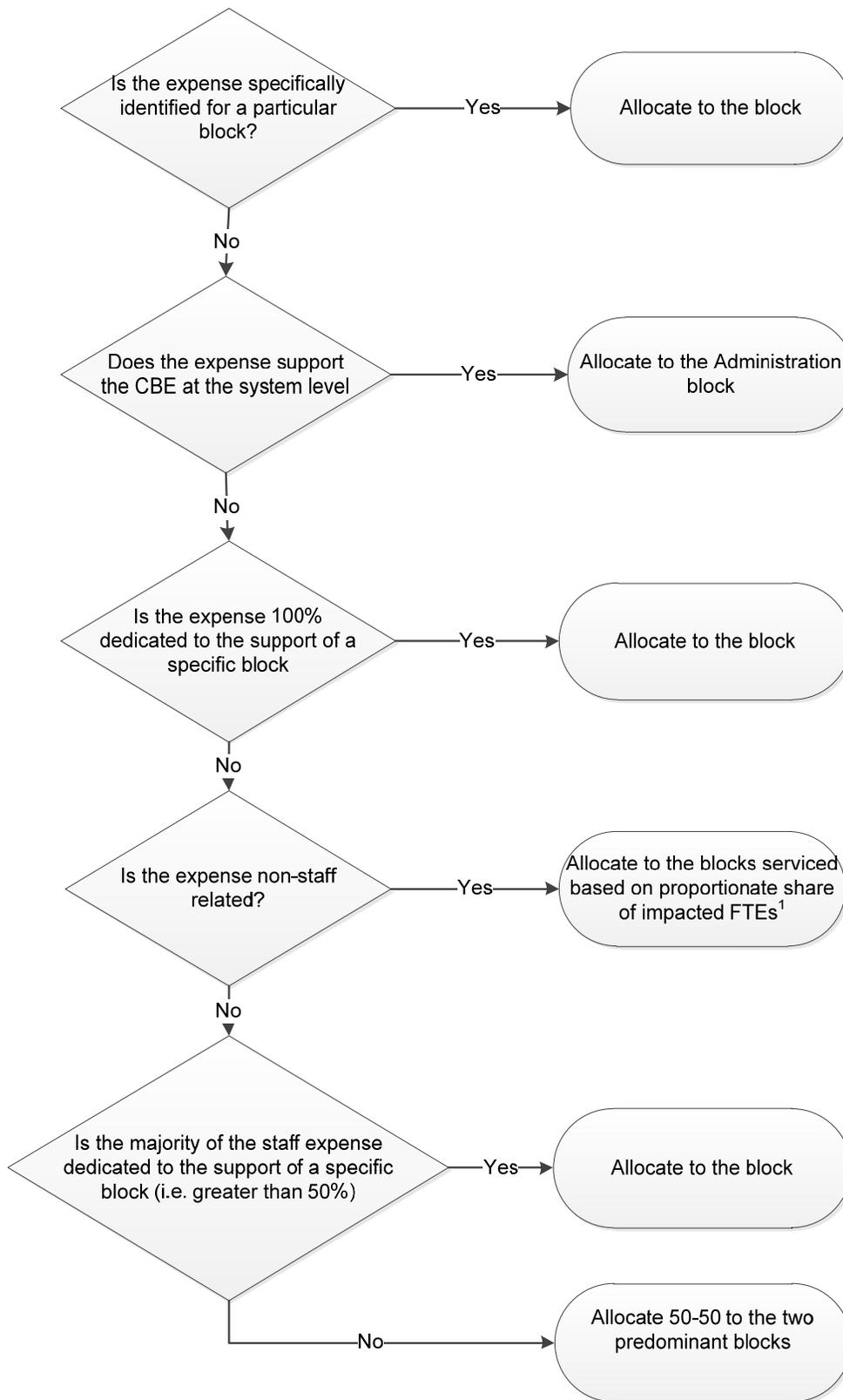
The CBE periodically reviews its expenses to ensure they are categorized in accordance with the program allocation guidelines set out by Alberta Education. The five programs are:

1. ECS – Grade 12 Instruction (Instruction)
2. Operations & Maintenance of Schools and Maintenance Shops (PO&M)
3. Transportation
4. System Administration and Board Governance (Administration)
5. External Services

For reporting to Alberta Education, the CBE uses the term 'block' to refer to the programs defined by Alberta Education.

The CBE follows the guidelines set out by Alberta Education to track budget and actual expenses. Within those guidelines, some examples of block expenses are explicitly stated and some are more general and require the application of criteria in order to allocate consistently. The CBE also consults with other metro school boards in Alberta to ensure consistent interpretation of the guidelines.

In consultation with Service Units, Corporate Finance allocated expenses to blocks based on the criteria set out below:



FTEs refer to a full-time equivalent staff position

The following are some examples of the application of the criteria:

Criteria	Example of expense allocation	Block
Is the expense specifically identified for a particular block	Teachers, principals and administrative staff working in schools	Instruction
	Cleaning and janitorial activities and supplies	PO&M
	Transport of students to and from school	Transportation
	Board of Trustees remuneration and administration, costs for the Office of the Chief Superintendent	Administration
	Providing courses and programs to adult learners	External Services
Does the expense support the CBE at the system level	Staff expenses responsible for the CBE financial planning and reporting.	Administration
Is the expense 100% dedicated to the support of a specific block	Clerical staff that administer the scheduling of cleaners and facility operators	PO&M
Is the expense non-staff related	Proportion of building lease or amortization costs that pertain to instruction activities (allocated based on Instruction FTEs working in the building)	Instruction
Is the majority of the staff expense dedicated to the support of a specific block	Human Resources staff responsible for supporting staff in both Instruction and Administration and spends approximately 50% of time on both. Expense is allocated 50 – 50.	Instruction
		Administration

Appendix D

Budget detail by Alberta Education block coding

Schools and Areas

	Instruction: grades 1-12	Instruction: early childhood services	Board and system adminstration	Transportation	Plant operations and maintenance	External services	Total
(in \$ thousands)							
Expenses							
Certificated salaries and benefits	715,839	29,074	-	-	-	-	744,913
Non-certificated salaries and benefits	108,885	14,649	30	1,390	37,634	10,015	172,604
Dues and fees	185	-	-	-	-	-	185
Maintenance and repairs	115	-	-	-	130	-	245
Insurance	10	-	-	-	-	-	10
Professional services	3,301	75	-	-	12	-	3,388
Utilities	12	-	-	-	-	-	12
Transportation charges	1,295	750	-	-	-	-	2,045
Travel and subsistence	49	30	-	-	-	-	79
Other supplies	64,336	67	-	-	1,444	-	65,847
Minor equipment	1,856	-	-	-	127	-	1,983
Textbooks and materials	8,135	120	-	-	-	-	8,255
Amortization expenses	9	-	-	-	-	-	9
Interest and finance charges	50	-	-	-	-	-	50
Total expenses	904,077	44,765	30	1,390	39,347	10,015	999,625
Fall Budget Update 2014-15	861,174	41,156	29	1,395	39,150	9,651	952,554
Increase / (decrease) from 2014-15	42,904	3,609	1	(4)	197	364	47,071

Corporate Accounts

	Instruction: grades 1-12	Board and system adminstration	Transportation	Plant operations and maintenance	External services	Total
(in \$ thousands)						
Expenses						
Certificated salaries and benefits	5,219	-	-	-	-	5,219
Non-certificated salaries and benefits	647	(15)	11	526	38	1,207
Dues and fees	55	8	-	-	-	63
Maintenance and repairs	3,693	981	-	2,718	34	7,426
Professional services	474	962	-	104	-	1,540
Utilities	4,338	49	-	35	-	4,422
Travel and subsistence	-	5	-	-	-	5
Other supplies	5,672	(590)	-	(115)	-	4,967
Minor equipment	4	1	-	0	-	5
Amortization expenses	11,472	2,154	-	29,229	6	42,861
Interest and finance charges	138	257	202	1,036	209	1,842
Other (uncollectible accounts)	1,173	-	1,423	-	2,172	4,768
Total expenses	32,885	3,812	1,636	33,533	2,459	74,325
Fall Budget Update 2014-15	29,604	3,467	1,091	32,063	1,980	68,205
Increase / (decrease) from 2014-15	3,281	345	545	1,470	479	6,120

Learning

	Instruction: grades 1-12	Instruction: early childhood services	Board and system adminstration	External services	Total
	(in \$ thousands)				
Expenses					
Certificated salaries and benefits	8,952	-	272	329	9,553
Non-certificated salaries and benefits	9,640	1,886	91	547	12,164
Dues and fees	105	-	4	-	109
Maintenance and repairs	63	-	1	-	64
Insurance	12	-	-	-	12
Professional services	601	5	-	-	606
Utilities	52	-	-	-	52
Travel and subsistence	284	-	-	-	284
Other supplies	904	6	24	-	934
Minor equipment	164	-	-	-	164
Textbooks and materials	43	-	-	-	43
Amortization expenses	1,215	-	23	-	1,238
Interest and finance charges	89	-	-	-	89
Total expenses	22,124	1,897	415	876	25,312
Fall Budget Update 2014-15	21,713	1,853	701	936	25,203
Increase / (decrease) from 2014-15	411	44	(286)	(60)	109

Chinook Learning Services

	Instruction: grades 1-12	External services	Total
	(in \$ thousands)		
Expenses			
Certificated salaries and benefits	3,948	484	4,432
Non-certificated salaries and benefits	2,428	3,834	6,262
Dues and fees	1	1	2
Rental equipment and facilities	1	40	41
Maintenance and repairs	-	4	4
Professional services	219	247	466
Utilities	31	24	55
Travel and subsistence	2	5	7
Other supplies	1,049	518	1,567
Minor equipment	175	45	220
Textbooks and materials	76	149	225
Interest and finance charges	64	11	75
Total expenses	7,994	5,362	13,356
Fall Budget Update 2014-15	8,985	6,335	15,320
Increase / (decrease) from 2014-15	(991)	(973)	(1,964)

Facilities and Environmental Services

	Instruction: grades 1-12	Board and system administration	Transportation	Plant operations and maintenance	External services	Total
(in \$ thousands)						
Expenses						
Certificated salaries and benefits	600	-	119	181	-	900
Non-certificated salaries and benefits	1,356	376	697	23,725	908	27,063
Dues and fees	14	7	3	277	5	305
Rental equipment and facilities	5,245	2,605	-	184	1,412	9,446
Maintenance and repairs	1	27	1	30,513	23	30,563
Insurance	853	76	-	3,677	-	4,605
Professional services	2,027	1,313	40	1,693	790	5,864
Utilities	753	267	1	18,376	1	19,397
Transportation charges	-	-	43,421	-	-	43,421
Travel and subsistence	18	1	2	252	2	275
Other supplies	22	105	174	8,559	13	8,871
Minor equipment	-	1	7	35	1	44
Textbooks and materials	-	-	-	2	-	2
Amortization expenses	-	11	-	5,049	-	5,060
Total expenses	10,888	4,789	44,463	92,522	3,154	155,816
Fall Budget Update 2014-15	10,761	4,706	41,714	76,457	3,029	136,667
Increase / (decrease) from 2014-15	127	83	2,749	16,065	125	19,149

Human Resources

	Instruction: grades 1-12	Board and system adminstration	Plant operations and maintenance	Total
(in \$ thousands)				
Expenses				
Certificated salaries and benefits	1,335	176	-	1,511
Non-certificated salaries and benefits	1,702	6,383	383	8,468
Dues and fees	13	108	-	121
Rental equipment and facilities	10	2	-	12
Maintenance and repairs	2	6	-	8
Professional services	889	4,230	-	5,119
Utilities	2	22	-	24
Travel and subsistence	37	75	-	112
Other supplies	35	74	-	109
Minor equipment	10	30	-	40
Textbooks and materials	3	4	-	7
Amortization expenses	-	13	-	13
Total expenses	4,038	11,123	383	15,544
Fall Budget Update 2014-15	3,922	11,226	373	15,521
Increase / (decrease) from 2014-15	116	(103)	10	23

Legal Services

	Instruction: grades 1-12	Board and system adminstration	Total
	(in \$ thousands)		
Expenses			
Certificated salaries and benefits	-	157	157
Non-certificated salaries and benefits	193	1,514	1,707
Dues and fees	-	23	23
Maintenance and repairs	-	2	2
Professional services	-	19	19
Utilities	-	4	4
Travel and subsistence	-	19	19
Other supplies	-	43	43
Minor equipment	-	22	22
Textbooks and materials	-	6	6
Amortization expenses	-	14	14
Total expenses	193	1,823	2,016
Fall Budget Update 2014-15	194	1,632	1,826
Increase / (decrease) from 2014-15	(1)	191	190

Communications

	Instruction: grades 1-12	Board and system adminstration	Total
	(in \$ thousands)		
Expenses			
Non-certificated salaries and benefits	774	1,685	2,459
Dues and fees	-	2	2
Maintenance and repairs	1	-	1
Professional services	510	82	592
Utilities	-	9	9
Travel and subsistence	1	4	5
Other supplies	12	5	17
Minor equipment	25	1	26
Textbooks and materials	1	0	1
Total expenses	1,324	1,788	3,112
Fall Budget Update 2014-15	827	1,846	2,673
Increase / (decrease) from 2014-15	497	(58)	439

Finance / Technology Services

	Instruction: grades 1-12	Instruction: early childhood services	Board and system adminstration	Transportation	Plant operations and maintenance	External services	Total
(in \$ thousands)							
Expenses							
Certificated salaries and benefits	144	-	-	-	-	-	144
Non-certificated salaries and benefits	13,953	-	8,106	515	720	531	23,825
Dues and fees	58	-	164	-	-	-	222
Maintenance and repairs	-	-	7	-	-	-	7
Professional services	282	-	523	-	-	260	1,065
Utilities	42	-	31	-	-	-	73
Travel and subsistence	81	-	27	-	-	-	108
Other supplies	118	2	112	-	-	50	282
Minor equipment	151	-	52	-	-	-	203
Textbooks and materials	-	-	1	-	-	-	1
Amortization expenses	2,373	-	474	-	66	-	2,913
Interest and finance charges	-	-	100	-	-	-	100
Total expenses	17,202	2	9,597	515	786	841	28,943
Fall Budget Update 2014-15	15,846	2	9,337	499	843	1,115	27,642
Increase / (decrease) from 2014-15	1,356	0	260	16	(57)	(274)	1,301

Chief Superintendent's Office

	Instruction: grades 1-12	Board and system administration	Total
	(in \$ thousands)		
Expenses			
Certificated salaries and benefits	-	637	637
Non-certificated salaries and benefits	-	283	283
Dues and fees	-	21	21
Rental equipment and facilities	22	42	64
Maintenance and repairs	-	2	2
Professional services	21	83	104
Utilities	-	2	2
Travel and subsistence	-	15	15
Other supplies	-	22	22
Minor equipment	-	4	4
Textbooks and materials	-	1	1
Amortization expenses	-	2	2
Total expenses	43	1,114	1,157
Fall Budget Update 2014-15	42	1,329	1,371
Increase / (decrease) from 2014-15	1	(215)	(214)

Board of Trustees

	Board and system administration	Total
	(in \$ thousands)	
Expenses		
Non-certificated salaries and benefits	418	418
Dues and fees	252	252
Professional services	572	572
Utilities	1	1
Travel and subsistence	33	33
Other supplies	9	9
Textbooks and materials	1	1
Total expenses	<u>1,286</u>	<u>1,286</u>
 Fall Budget Update 2014-15	 <u>1,509</u>	 <u>1,509</u>
 Increase / (decrease) from 2014-15	 <u>(223)</u>	 <u>(223)</u>

Appendix E

Fees report for Budget 2015 - 2018

cbe.ab.ca

notes

School Fees for 2015-16

Date: April 30, 2015

Issue & Background:

The CBE charges fees for system wide services, namely Transportation, Instructional Supplies & Materials (ISM), and Noon Supervision. Other fees are charged for specific programs and services like courses at Chinook Learning Services, or the education of international students.

Fees are a small portion of overall revenue for the CBE (approx. 4%), however, a loss of fees would have significant consequences to the operations of the system as 4% represents an estimated \$52.5 million for Budget 2015-16.

The charging of fees is governed by the *School Act* and its regulations (specific references are provided with each fee type) and by the CBE's Administrative Regulation 7005: Student Fees. Further, the calculation of CBE fees is informed by the Report to the Minister dated October 2012 submitted by Keates and van Tamelen (known as "the Ministerial Report on Fees").

The charging of fees is guided by the CBE's values:

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

These values result in the CBE directing the maximum amount of dollars towards student learning during its budget process. Also, the CBE ensures that no child is denied access to an education due to the inability to pay fees.

Since the 2012-13 budget year, CBE administration has been delegated responsibility for establishing the various fee rates by the Board of Trustees. The Board's approval of fees is done through the approval of the annual budget.

Information included in this Note supports Operational Expectation 5: Financial Planning.



Calgary Board
of Education

Historical levels for the system wide fees have been:

	2014-15	2013-14	2012-13	2011-12	2010-11
(in \$)					
Noon Supervision Fees					
Non bused students	250 - 280	200 - 220	185 - 230	240 - 295	230 - 280
Bused students	-	135 - 145	65 - 80	-	-
Transportation Fees – Charter Buses					
Kindergarten	330	215	215	215	200
Elementary	330	295	295	295	200
Junior High	330	295	295	335	200
ISM					
Kindergarten	15	15	15	15	15
Elementary	30	30	30	30	30
Junior High	137	105	105	105	105
Senior High	152	132	132	132	132

Fees are an area which attracts a great deal of public interest and scrutiny. The ramifications of the high level of public concern on fees are:

- the increased need for communication around why fees are charged and the amounts,
- the increased need for transparency on how they are calculated,
- the pressure on decision makers to keep fees low, and
- the necessity for a waiver program that is equitable and well communicated and understood.

Analysis:

Fees Calculation & Reporting

The three fees that the CBE centrally manages and reports on are noon supervision; transportation; and ISM. The setting of these fees takes into consideration the full costs associated with the program or service including the costs of unpaid fees and waivers and the number of students projected to participate in the programs or services. The setting of the fees also takes into account the intangible costs to the parent population.

Waivers

The CBE provides parents and independent students with a mechanism to waive the centrally managed fees. The availability of waivers meets the CBE value that no child be denied access to an education due to the inability to pay fees.

Fees can be waived for two reasons. The first reason is for a low family income and this must be demonstrated in one of four ways:

- parents receive provincial social assistance;
- parents are refugees;

- parents are low income; or,
- student is independent.

The second reason a parent or independent student can receive a waiver is hardship. Hardship is assessed and acknowledged by the respective principal. Forms are available for parents/independent students to apply for waivers. If they are not able to demonstrate their eligibility for a waiver, fee clerks suggest that the parent/independent student approach their principal for a principal approved waiver.

Unpaid Fees & Collections

For the unpaid amounts for Transportation, Noon Supervision, and ISM fees, schools will be centrally supported and their individual budgets will not be directly impacted.

The accounts of parents who owe Transportation, Noon Supervision or ISM fees and any charges related to payments resulting in non-sufficient funds (NSF) are sent to collections. The minimum amount that needs to be outstanding before an account is sent to collection varies by fee. For ISM it is \$15, for Noon Supervision and Transportation it is \$25.

An external collection agency is contracted by the CBE to perform the collection duties. The agency is compensated at a rate of 23% of the amount that is recovered on the account. If an account has already been sent to collections and account holder pays the CBE, the collection agency still receives a fee for the amount collected. Collection rates for 2013-14 were approximately 32% (30% in 2012-13) of the total value of the accounts sent to collection. This is in the range of \$0.5 million collected (\$0.3 million in 2012-13).

Noon Supervision Fees

- Noon Supervision fees are charged to cover the costs related to the supervision of children in full day Kindergarten and Grades 1 to 6. The costs are incurred primarily in the schools and relate to lunchroom supervisors and lead lunchroom supervisors levels A to B depending on principal's decisions. 25% of the costs associated with these staff members is not supported by the fee and is covered by the school.
- should the CBE decide to increase the recovery of staff costs to reflect the full 2 hours (current recovery is 1 ½ hours), fees would increase over the proposed rate by \$80 (4 day - \$335, 4/5 day - \$355, 5 day - \$365).
- included in the fee are centralized costs (absence relief in schools and registration and fee collection costs, noon supervision co-ordination costs).

Noon Supervision Fee	4 day			4/5 day			5 day		
	2015-16	2014-15	% var	2015-16	2014-15	% var	2015-16	2014-15	% var
	\$255	\$250	2.0	\$275	\$270	1.9	\$285	\$280	1.8

Transportation Fees

SUBSEQUENT EVENT NOTE: Information on Transportation Fees in this document has been superceded by Report to Board of Trustees: Student Travel Distance for Yellow School Bus Riders dated September 15, 2015.

- rapid enrolment growth and a lack of schools close to where students live means that more students are being transported. Further, the formula used by the province to fund the CBE for transportation of its students does not adequately address the needs of the system. These factors combine to increase the level of fees.
- transportation service levels are changing. The CBE will be moving towards many more congregated stops to minimize the number of buses and routes, discontinuation of Calgary Transit pass rebates, amongst other modifications to service.
- at the date of this report it is assumed that the total \$2.3 million Transportation Fee Reserve (the reserve) will be used in 2014-15. There is \$nil remaining balance in the reserve to moderate fees in 2015-16.
- As more information on current costs is known each \$0.1 million change in the use of the reserve will change the fee by approx. \$5.

Charter rates	2015-16	2014-15	% var
Grades 1 – 9	\$330	\$330	0
Kindergarten	\$330	\$330	0

Instructional Supplies and Materials Fees

- Due to variations in actual costs in instructional supplies and materials purchased as a result of curriculum changes and the timing of principals' purchasing and budgeting decisions, the costs for ISM in schools was averaged over the available 5 years of data.

ISM fees	2015-16	2014-15	% var
Kindergarten	\$15	\$15	0
Elementary	\$30	\$30	0
Junior High	\$137	\$137	0
Senior High	\$152	\$152	0

Impacts:

To the CBE

Charging full costs to the users of services allows the CBE to focus the dollars received through Provincial grants on student learning.

The costs of collecting of fees and the administration of fee waivers are incurred throughout the system, at schools and within the service units. To mitigate these costs, resources have been committed to develop and maintain systems that allow parents to pay and/or waive their fees online.

The use by parents of these online systems significantly reduces the administrative costs for the system and contributes to a CBE key expense assumption of making school based management “easier”.

The movement away from paper based processes for fees and towards encouraging parents to use online systems promotes efficient and effective management of the CBE’s resources.

To enable parents to use online fee payment and waiver systems the accuracy of the demographic information relating to legal guardian status and email becomes increasingly important.

To the Parents

The setting of fees, in essence, has parents support those who require waivers and those who do not pay. The CBE actively collects on the accounts that are not paid.

The majority of parents pay the fees for their students. In 2013-14, \$21.3 million of the total \$24.5 million, or 87%, of fees that could have been assessed were paid.

In the same year, the average number of families that received waivers or did not pay fees was as follows:

	Total students	Waivers		Unpaid Fees	
		number	% of total	number	% of total
Noon Supervision	44,500	4,430	10.0	3,100	7.0
Transportation	25,800	*2,520	9.8	1,400	5.4

ISM	106,800	8,885	8.3	2760	2.6
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*includes only charter waivers

Due to separate systems being used to capture and report each of these fees, the same parent may be included in the numbers for each type of fee.

Recommendation:

- THAT the Superintendents' Team approve the 2015-16 Fee Schedule in Attachment I.
- THAT the Superintendents' Team approve this report for release to the Board of Trustees in conjunction with the 2015-16 Budget, and that this report be posted on CBE's website.

Attachments:

- Attachment I: 2015-16 Fee Schedule
- Attachment II: Calculation of Central Fees



Attachment I Calgary Board of Education 2015- 16 Fee Information

The following is a list of fees for the 2015-16 school year for the Calgary Board of Education, with comparative information presented for the 2014-15 school year.

In accordance with Section 60(2) (j) of the School Act, a school board may charge a parent of a student or an independent student, fees with respect to instructional supplies or materials. The table reflects the annual instructional supplies and materials fees to be charged by Calgary Board of Education schools, pursuant to this section of the Act.

1. Instructional Supplies and Materials Fee (mandatory per-student fee)

Instructional Supplies and Materials Fees	2015-16	2014-15
Kindergarten (Half day)	\$15	\$15
Kindergarten (Full day program when offered)	\$30	\$30
Elementary (Grades 1 to 6)	\$30	\$30
Junior High (Grades 7 to 9)	\$137	\$137
Senior High (Grades 10 to 12)	\$152	\$152
Refundable Security Deposit	2015-16	2014-15
Junior High (Grades 7 to 9)	\$50	\$50
Senior High (Grades 10 to 12)	\$50	\$50

2. Transportation Fees

In accordance with Section 51(3) of the *School Act*, a school board may charge a fee (as determined by the Provincial Student Transportation Regulation) to the parents of students receiving student transportation services.

Calgary Transit	2015-16	2014-15
Eligible Transit – <i>rebate discontinued</i>		
Grades 7 to 9 as designated and all Grades 10 - 12 (net of rebate of \$19 monthly)*	\$60 monthly	*\$41 monthly
Ineligible Transit	\$60 monthly	\$60 monthly
Charter Transportation		
Kindergarten Charter Transportation	\$330	\$330
Grades 1 to 12 Charter Transportation	\$330	\$330

The *School Act*, Section 62(1)(a), provides that "a board is authorized to enter into an agreement with a person respecting the provision of educational, managerial or other services with respect to the operation of schools." A noon supervision fee was introduced for bused students in 2012-13 on a graduated basis. In 2014-15, the fees charged to all parents of students who use noon supervision services will be the same.

3. Elementary Noon Supervision Fee

Conditional riders and kindergarten (full-day) and grades 1 to 6	2015-16	2014-15
4 day program	\$255	\$250
4/5 day program	\$275	\$270
5 day program	\$285	\$280

This fee was established in order to assist schools in meeting incidental needs of students at lunch time. The amounts indicate the allowed maximums.

4. Incidental Activity Fees for Students at Lunchtime

This fee was established in order to assist schools in meeting incidental needs of students at lunch time. The amount of the fee is set annually by schools and fees shall not exceed the following maximums.

Incidental Activity Fees	2015-16	2014-15
Elementary (grades 1 to 6)	\$10	\$10
Junior High (grades 7 to 9)	\$30	\$30

5. Musical Instrument Registration Fees

All Programs	2015-16	2014-15
Annual	\$100	\$100

6. Non-Resident Student Fees

In accordance with Section 49(2) (a) of the *School Act*, a School Board may charge Tuition Fees to students who attend its schools and who are not residents of Alberta. Section 49(3) (a) states that a tuition fee charged by a school board to students' resident of Canada and entitled under Section 8 to have access to an education program must not exceed the cost to the school board.

(i) Non-Resident (of Alberta) Fees (Entitled under Section 8 of the *School Act*)

Non-resident (of Alberta) fees reflect actual school year costs. The following basic fees represent the projected average cost per student of the programs offered:

Non-Resident Student Fees	2015-16	2014-15
Kindergarten	\$4,620	\$4,620
Elementary	\$9,235	\$9,235
Junior High	\$7,800	\$7,800
Senior High School - Other Programs	\$8,135	\$8,135
Students with Exceptional Needs Add:		
Mild or Moderate Disabilities	\$4,275	\$4,275
Severe Disabilities	\$15,360	\$15,360

English Language Learner Basic Support	\$1,160	\$1,160
Specialized Individual Student Costs (if provided) Add:		
Education Assistant (1.0 FTE – 10 month)	\$60,436	\$60,436
Transportation	Actual Cost	Actual Cost
Institutions	Actual Cost	Actual Cost

Fees related to students with special needs, or for a requested specialized individual educational program or for a part-time program, are determined on request on an individual basis. No non-resident (of Alberta) students have attended CBE schools since the 2003-04 school year.

In accordance with Section 49(3) (b) of the School Act, a tuition fee charged by a school board to a student not resident of Canada, and not entitled under Section 8 to have access to an education program, may exceed the cost to the board. Global Learning was established by the Calgary Board of Education in 2002 to pursue opportunities to bring international students to Calgary. Fees are set based on market conditions for international students coming to Calgary.

(ii) Non-Resident (of Canada) Fees
(Not entitled under Section 8 of the School Act)

The following annual mandatory fees per non-resident (of Canada) students for 2015-16 (inclusive of English language support, as required) are recommended:

	2015-16	2014-15
Non-refundable application fee	\$250	\$250
*Grade 1 – Grade 12 (full year and full day Kindergarten where offered)	\$11,500	\$11,000
*Kindergarten (full year, half day)	\$5,750	\$5,500
*Senior High - Grades 10-12 (one semester only)	\$5,750	\$5,700
Monthly Fee (grades 1 to 12) (no credit granted on auditing of course(s))	\$1,200	\$1,200
Refund processing service charge	\$250	\$250

*Fees set in accordance with market factors in reference to competing programs in the world and within Canada. Further, fees aligned with Edmonton Public jurisdiction due to similarity in programming. The increased fee level has been published with agents for the past year.

Fees related to a student with special needs, or for a requested specialized individual educational program, are determined on request on an individual basis. Costs for required learning resources and, including shipping costs, if applicable, are determined on an individual basis.

7. Chinook Learning Services – Under 20 Years of Age Academic Fees

Students who are under 20 years of age (as at September 1, 2015) and enrolled in Chinook Learning Services will be required to pay the following fees per course:

	2015-16	2014-15
Course Fees for Students Under 20 Years of Age		
A non-refundable Instructional Supplies and Materials Fee per course	\$65	\$65
Learning Resources Rental Fee, including a refundable learning resource Security Deposit of \$60 (2014-15 \$60)	\$85	\$85

Chinook Learning fees are based on a cost recovery model.

8. Chinook Learning Services – Over 20 Years of Age Adult Academic Fees

Students who are 20 years of age or older (as at September 1, 2015), and enrolled with Chinook Learning Services will be required to pay course fees and learning resources rental fees as approved, for academic courses, as follows:

	2015-16	2014-15
Course Fees for Students Over 20 Years of Age		
A non-refundable Instructional Supplies and Materials Fee per course	\$65	\$65
Learning Resources Rental Fee, including a refundable learning resource Security Deposit of \$60 (2014-15 \$60)	\$85	\$85
8 credit Classroom Learning daytime courses	\$545	\$545
4 or 5 credit Classroom Learning daytime courses	\$545	\$545
4 or 5 credit Self-Directed Learning and Classroom Learning evening courses	\$480	\$480
3 credit Classroom Learning daytime courses	\$355	\$355
3 credit Self-Directed Learning and Classroom Learning evening courses	\$295	\$295
1 credit Self-Directed Learning and Classroom Learning evening courses	\$140	\$140
Course Fees for Diploma Exam Preparation		
Power Week - 15 hours of instruction	\$165	\$165
Power Weekend – 15 hours of instruction	\$165	\$165
*Course Fees for International Students		
8 – Credit Courses	\$1,840	\$1,765
5 – Credit Courses	\$1,150	\$1,110
3 – Credit Courses	\$690	\$655

*Increase in fees for 2015-16 resulting from increased costs for added Federal reporting requirements.

9. CBe-learn Fees

These fees apply to students who are 19 years of age or younger (as at September 1, 2015), who are only taking CBe-learn courses, and who are not registered at any other Calgary Board of Education school or program of studies. These students enrolled in CBe-learn will be required to pay the following fees per course:

	2015-16	2014-15
CBe-learn Registration Fees		
Junior High Fees		
CBe-learn students (not attending another CBE school)		
A non-refundable Instructional Supplies and Materials Fee per school year		
Maximum	\$137	\$137
First course	\$86	\$86
Two courses	\$129	\$129
Full-time access	\$137	\$137
Senior High Fees		
Students under 20 (not attending another CBE school)		
A non-refundable Instructional Supplies and Materials Fee per course		
Maximum	\$195	\$195
First course	\$65	\$65
Two courses	\$130	\$130
Three courses	\$195	\$195
Students under 20 (attending any other non-CBE school)		
A non-refundable Instructional Supplies and Materials Fee per credit		
One credit course	\$30	\$30
Three credit course	\$90	\$90
Five credit course	\$150	\$150
Learning Resources Rental Fee, including a refundable learning resource Security Deposit of \$50 (2014-15 \$50)	\$85	\$85

10. CBe-learn Age 20 and over Course Fees and non-resident fees

Students who are 20 years of age or older (as at September 1, 2015) or non-resident and enrolled with CBe-learn will be required to pay fees, as follows:

	2015-16	2014-15
Students over 20		
5 – Credit Courses	\$480	\$480
3 – Credit Courses	\$295	\$295
Learning Resources Rental Fee including a refundable learning resources Security Deposit of \$50 (2014-15 - \$50)	\$85	\$85
Out of province (non-resident of Alberta)		

Per course	\$870	\$870
*International student (non-resident of Canada)		
5 – Credit Courses	\$1,150	\$1,110
3 – Credit Courses	\$690	\$655
*Increase in fees for 2015-16 in alignment with Chinook Learning Services.		

11. Student Parking Fee (annual)

High schools are permitted to charge students a parking fee for those students wishing access to on-site parking at schools.

	2015-16	2014-15
Maximum annual fee	\$40	\$40

Attachment II
Calculation of 2015-16 Transportation Fees

	(in \$ thousands)
Government grants	33,622
Reserve funding	-
Available funding	33,622
Salaries and Benefits	
Busing Aides	1,392
Central Administration	1,276
Contracts and Services	
Transportation Services	38,574
Waivers	896
Bad Debt	448
	42,586
Funding Gap	(8,964)
Full recovery fees	8,964
Net surplus / (deficit)	-
Total registered students	27,164
Fees	\$ 330

Calculation of 2015-16 Noon Supervision Fees

	(in \$ thousands)
Government grants	-
Reserve funding	-
Available funding	-
Salaries and Benefits	
Central Administration	-
Noon Supervision	10,728
Contracts and Services	
Other Supplies and Services	
Waivers	1,153
Bad Debt	1,019
	<u>12,900</u>
Funding Gap	(12,900)
Full recovery fees	<u>12,900</u>
Net surplus / (deficit)	<u>-</u>
Total registered students	48,466
Fees	
4 day	\$ 255
4/5 day	\$ 275
5 day	\$ 285

Calculation of 2015-16 Instructional Supplies & Materials Fees

	(in \$ thousands)
Government grants	-
Reserve funding	-
Available funding	<u>-</u>
Salaries and Benefits	
Central Administration	-
Contracts and Services	
Other Supplies and Services	7,827
Waivers	899
Bad Debt	<u>261</u>
	<u>8,986</u>
Funding Gap	(8,986)
Full recovery fees	<u>8,986</u>
Net surplus / (deficit)	<u><u>-</u></u>
Number of students	112,393
Fees	
ECS	\$ 15
Elementary	\$ 30
Junior High	\$ 137
Senior High	\$ 152

Appendix F

Transportation statistics and quick facts

	2013-14 Actual	2014-15 Actual	2015-16 Budget*	Change over 3 years %
Sept 30 enrolment	110,763	114,500	116,985	5.6% incl.
Collective Agreement Increase %	2.5%	2.6%	0%	5.1% incl.
Service Provider Cost Increase %	3.0%	1.7%	3.0%	7.7% incl.
Alberta Education Funding	\$32,550,000	\$34,117,000	\$34,877,000	6.8% incl.
Transportation Grant Rate As per AE Funding Manual	\$549/regular \$3,374/severe	\$549/regular \$3,374/severe	\$549/regular \$3,374/severe	Flat
CBE Fee Rate	KG \$215 Other \$295	\$330	\$300	9% reduction from 2014-15 to 2015-16

*Enrolment was 116,985 based on September 30 enrolment count. Budget submitted to Alberta Education on June 30th, 2015.

As of November 1, 2015:

Number of Yellow School Buses: 851

Number of yellow school bus registrations received and processed: 25,124

Number of Routes: 1,095

Regular bus routes: 641 routes

CLN routes: 274 routes

Mid-day kindergarten routes: 180 routes

NOTE: No funding received for mid-day Kindergarten

City Transit dedicated to CBE: 68 routes (98 buses)

Number of Conditional Riders: 483

Applications received: 583

Applications approved: 483

Applications declined: 100

Ride Times: average ride time minutes per route 34

Longest ride time: 84 minutes

Shortest ride time: 5 minutes

November 1, 2015

Prepared in collaboration with Transportation and Finance

The average cost of one bus for one school year	\$55,000
--	-----------------

- Provincial funding rate for student based on funding manual \$549
- Number of students needed to fund one bus based on rate per student (\$55,000 / \$549) 100
- Yellow bud capacity used when planning routes:
 - Elementary school students Grades K-6 = 60
 - Middle school students Grades 4-9 = 55
 - Junior high school students Grades 7-9 = 48

Note: Funding received per rider does not cover the cost of the yellow bus.

*2015-16 Budget	(thousands)
2015-16 Provincial Government Funding	\$34,877
Reserve funding	\$ 122
Bus Company Costs – publically tendered <i>(wages, fuel, insurance, cost of bus, LPN's, taxi's, etc.)</i>	\$(43,849)
Busing Aids <i>(salaries and benefits under collective agreement)</i>	\$(1,390)
Program delivery <i>(salaries and benefits, info. Systems, interac fees, etc.)</i>	\$(1,343)
Waiver of Fees (yellow school bus) for economically disadvantaged	\$(921)
Uncollectible accounts	<u>\$(502)</u>
Total Transportation Costs	<u>\$(48,005)</u>
Funding gap covered by fees	<u>\$8,370</u>
Deficit recovered from Instructional grants	<u>\$(4,636)</u>

Note: Provincial funding does not cover the bus company costs. Bus company costs have increased by 7.7%, net of enrolment growth, over three years, while provincial funding has only increased by 6.8 % inclusive of enrolment growth. Accordingly, there is a growing gap between the cost of services provided and funding received.

Appendix G

Noon Supervision services summary

1 | CBE Noon Supervision

CBE Noon Supervision goes far beyond just providing childcare during lunch by;

- providing a safe, secure, and caring environment for students
- utilizing three of the principles of Comprehensive School Health: positive social behaviours, active living and healthy eating as a foundation that connects the program back to curriculum which builds on and supports student learning
- setting the stage for a successful afternoon of learning by supporting students with a time to build on social and emotional skills which are vital to their wellbeing
- providing a setting that fosters inclusion which increases acceptance, builds confidence and promotes positive social behaviour
- providing supervised time for students to explore unstructured active living activities with some guidance to support the building of leadership, teamwork and mentorship skills

CBE Noon Services Facilitator provides support services to school administration and noon supervision staff through:

- promoting best practices
- providing information on relative food program supports, active living, positive social behaviours and safety
- sourcing and delivering training to and for noon supervision staff
- connecting CBE service units and schools to foster consistent system supports and standards
- supporting the implementation of guidelines in the Noon Supervision Handbook
- initiating and responding to requests for site visits to connect with Administration and the Noon Supervision staff to;
 - review lunch programs, share best practices, and identify specific needs
 - capture information to identify staff training needs
 - provide support and be a resource
 - network and share success stories
- supporting schools in developing solutions to challenges
- publishing newsletters that are distributed to administrators and noon supervision staff
- developing tip sheets for supervisors that are based on the noon supervision handbook to be utilized as training aides for consistent practices and procedures for the noon supervision programs

- successful supervisors
- student expectations
- playground supervision
- code of ethics
- safe food handling

- encouraging students to become environmental citizens
- creating a climate of collaboration
- FOIP – best practices

2 | Standardization of staff training

The following skill building sessions were offered during 2014/2015:

Session	Cost
<ul style="list-style-type: none"> ▪ Two focus groups of Lead Lunchroom Supervisors and Noon Supervisors 	<ul style="list-style-type: none"> ▪ In house – \$60.00 beverages <ul style="list-style-type: none"> ○ (39 participants)
<ul style="list-style-type: none"> ▪ AHS Creating a Supportive Environment for Students during the Lunch Hour 	<ul style="list-style-type: none"> ▪ In house – \$30.00 beverages <ul style="list-style-type: none"> ○ (19 participants)
<ul style="list-style-type: none"> ▪ Four introductory Noon Supervision courses by Chinook Learning 	<ul style="list-style-type: none"> ▪ 64 X \$129.00 = \$8256.00
<ul style="list-style-type: none"> ▪ Two sessions: Building Healthy Relationships 	<ul style="list-style-type: none"> ▪ Staff Association Convention – no cost

3 | Parent/Guardian communications

- The new CBE corporate website Noon Supervision page provides parents/guardians with an overview of the services provided with this fee-based program. User friendly supports are available to help facilitate questions or concerns, including contact information for staff regarding general inquiries, or fees information. Links are also available to connect parents/guardians to:
 - Information on program governance,
 - Supports on the importance of Healthy Eating,
 - Resources on Healthy Relationships through positive social environments.

Appendix H

Budget Assumptions Report (BAR)

cbe.ab.ca

report to
Board of Trustees

Budget Assumptions Report

Date	June 16, 2015
Meeting Type	Regular Meeting, Public Agenda
To	Board of Trustees
From	David Stevenson, Chief Superintendent of Schools
Purpose	Information
Originator	Brad Grundy, Superintendent, Chief Financial Officer, Corporate Treasurer
Governance Policy Reference	Operational Expectations OE-5: Financial Planning
Resource Persons	Superintendents' Team Finance & Supply Chain Services staff Communications staff

1 | Recommendation

This report is being provided for the information of the Board. No decision is required at this time.

2 | Issue

Operational Expectation 5: Financial Planning, sub-provision 5.4 requires the Chief Superintendent to disclose budget-planning assumptions. The Chief Superintendent interprets this sub-provision as follows:

- The Chief Superintendent interprets the budget-planning assumptions to include:
 1. financial, economic and other relevant factors where uncertainty exists;
and
 2. resource allocation strategies.



Calgary Board
of Education

- The Chief Superintendent interprets that the disclosure of budget planning assumptions shall be a separate document, containing both a description of the assumptions and the intended budget impact. Presentation of this document to the Board of Trustees will take place in advance of the presentation of the resulting budget.
- To demonstrate that the ultimate budget document reflects the planned assumptions, the statistics and impacts from the Budget Assumptions Report will be re-calculated using the final budget figures and included with the Budget Document presented to the Board.
- Disclosure of assumptions shall be based on materiality of impact. For the purposes of disclosure, the Chief Superintendent interprets material impact to be either:
 - any assumption having an impact greater than one per cent of the budget; and
 - any assumption that is pivotal to the delivery of the Three-Year Education Plan.
- Due to the uncertainty in enrolment growth, resource allocation strategies are only developed annually.

3 | Conclusion

The attached report on budget assumptions accomplishes the above-noted provision and interpretation and is submitted for consideration by the Board of Trustees.

DAVID STEVENSON
CHIEF SUPERINTENDENT OF SCHOOLS

ATTACHMENTS

Attachment I: Budget Assumptions Report 2015-18

GLOSSARY – Developed by the Board of Trustees

Board: Board of Trustees

Governance Culture: The Board defined its own work and how it will be carried out. These policies clearly state the expectations the Board has for individual and collective behaviour.

Board/Chief Superintendent Relationship: The Board defined in policy how authority is delegated to its only point of connection – the Chief Superintendent – and how the Chief Superintendent's performance will be evaluated.

cbe.ab.ca



Budget Assumptions Report 2015-18

June 16, 2015



note |
This Budget Assumptions Report replaces the
previous report dated April 14, 2015

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Superintendent |

Brad Grundy, CA CIA

Superintendent, Chief Financial Officer, Corporate Treasurer

Contributors |

Superintendents' Team

Finance / Technology Services staff

Communications staff

Introduction

Mission

The Board of Trustees sets as its Mission that "each student, in keeping with his or her individual abilities and gifts, will complete high school with a foundation of learning necessary to thrive in life, work and continued learning." We therefore know that we must consider each individual student and his or her learning requirements while balancing all student needs against the resources available across the organization.

Values

Administration's approach to the operating budget is guided by our values:

- Students come first;
- Learning is our central purpose; and
- Public education serves the common good.

Therefore, we will work to optimize student learning while recognizing the reality of our fiscal constraints.

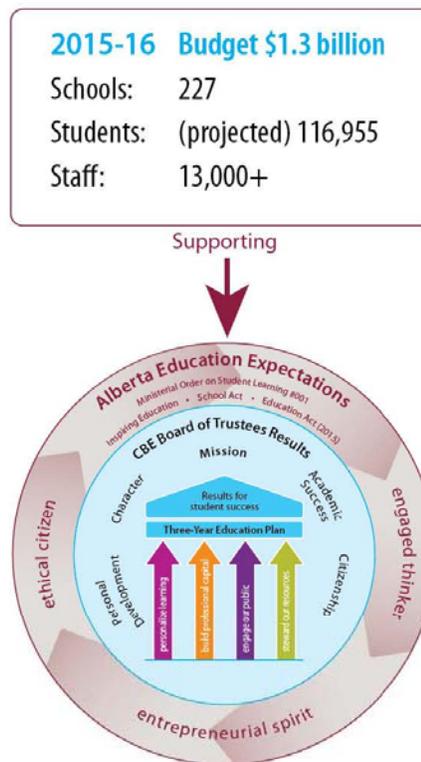
We do our work within the framework of Alberta Education's Inspiring Education which sets out the following values for public education: opportunity, fairness, citizenship, choice, diversity and excellence. Balancing those values with the resources at hand takes careful consideration.

We are also guided by CBE's Three-Year Education Plan, which focuses attention on personalized learning, building our professional capital, engaging our public and stewarding our resources. Taken together, these action areas allow us to maximize student learning and achievement.

In building the 2015-16 budget we know that public education is a shared responsibility. With our students, families, employees, communities and Alberta Education in mind, we make budgetary decisions knowing we need to work together to build positive learning and working environments. By sharing a common goal of student success, each one of us contributes to make it happen within our available financial resources.

Guiding documents

- *Inspiring Education* – Developing the qualities and abilities of ethical citizen, engaged thinker and entrepreneurial spirit
- *CBE Three-year Education Plan* – Personalize learning, build professional capital, engage our public, steward our resources
- *CBE Results* – Our Mission, academic success, citizenship, personal development, character
- *2015-16 School Funding* – the Alberta Government's updates regarding education funding for the 2015-16 school year



Current and future context

The CBE is grateful for the provincial funding update on May 28, 2015 that restored education funding for the 2015-16 school year. The financial resources that accompany the provincial funding update will allow the CBE to maintain student to teacher ratios system-wide, accommodate enrolment growth and maintain services and supports to students, teachers, and schools that is relatively consistent with 2014-15 levels.

Generally, provincial funding announcements are made in late February or early March of each year. In turn, school boards submit budgets by the end of May. This year, due to a number of unique circumstances, the provincial funding announcement was not made until late May. To meet the legislated requirement to submit a budget by June 30, the CBE will submit a budget based on information provided by the Province on May 28. A full provincial budget will be tabled in the fall which may include additional changes for school boards. As a result, the CBE will develop an updated, detailed budget package for presentation to the Board once the provincial budget has passed and Sept. 30, 2015 enrolments are confirmed.

This Budget Assumptions Report (BAR) replaces the previous BAR dated April 14, 2015.

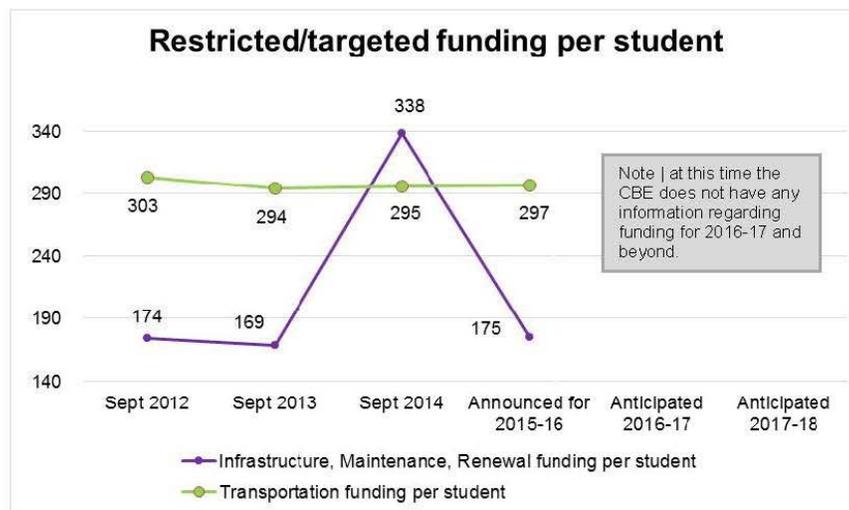
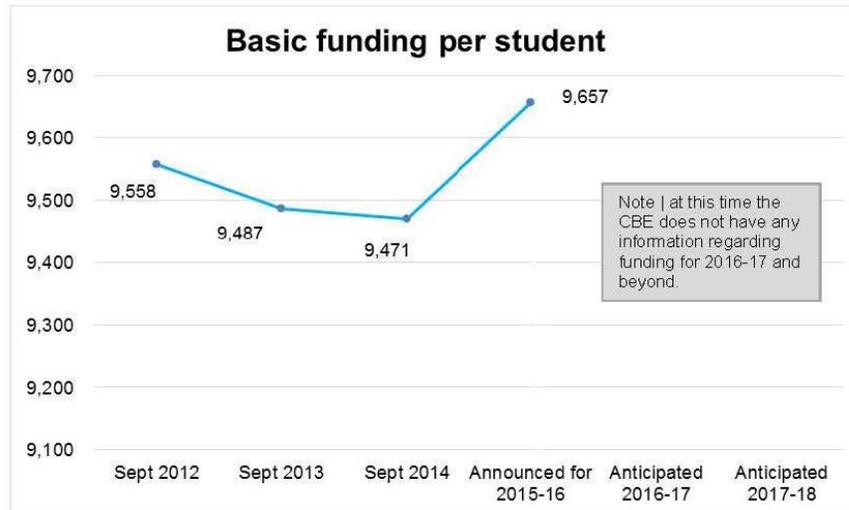
The CBE operates to fulfill the accountabilities of the School Act. We anticipate receiving \$1.185 billion of annual operating provincial funding, which represents 92 per cent of total CBE revenues. This is an increase of \$48 million from \$1.137 billion in 2014-15.

In addition, we expect to receive \$402 million (confirmed to date) in infrastructure project funding. We have received \$117 million and expect the remaining \$285 million over the next three years.

The provincial budget update contains provisions to fund the final year of the Teachers' Framework Agreement, funding for enrolment growth and maintaining the level of grant rates from 2014-15.

The CBE does not have any information regarding anticipated budget announcements for 2016-17 or 2017-18. Actual figures will vary based on future funding announcements and direction. The CBE appreciates that Alberta is still facing a challenging economic environment.

Funding per student



For the first time since 2012, the CBE will see basic funding per student increase. This year it is increasing by two per cent, or \$186 per student. The government is funding the CBE for enrolment growth and providing rate increases to basic instruction and class size in order to cover the wage increases negotiated in the Teacher Framework Agreement.

The CBE expects 2,455 more students – an increase of more than two per cent in 2015-16. At the same time, inflation, salary grid movement, and other operating expenses will combine to increase the costs of delivering a basic education to our students.

We allocated an additional \$31.2 million directly to schools via the Resource Allocation Method (RAM). The funds directed to schools will maintain current student to school-based staff ratios, subject to individual principal staffing deployment decisions. The number of school-based teachers will increase by approximately 114 full time equivalent positions (FTEs) and support staff in schools will increase by approximately 79 FTEs. Non-school based permanent FTEs will increase by approximately 8 FTEs due to the conversion of temporary staffing dollars.

The increase in provincial funding allows the CBE to maintain service levels in 2015-16 without reliance on reserves for regular operational expenses. Sixteen new schools are scheduled to open in the fall of 2016 and approximately \$19 million will be needed in 2015-16 to prepare these schools for opening in the next year. The CBE will continue discussions with the Province to identify a funding source for these costs as they are currently unfunded.

There continues to be uncertainty around long-term funding to education due to economic challenges in Alberta. This could result in difficulties in presenting balanced budgets in future years.

Background

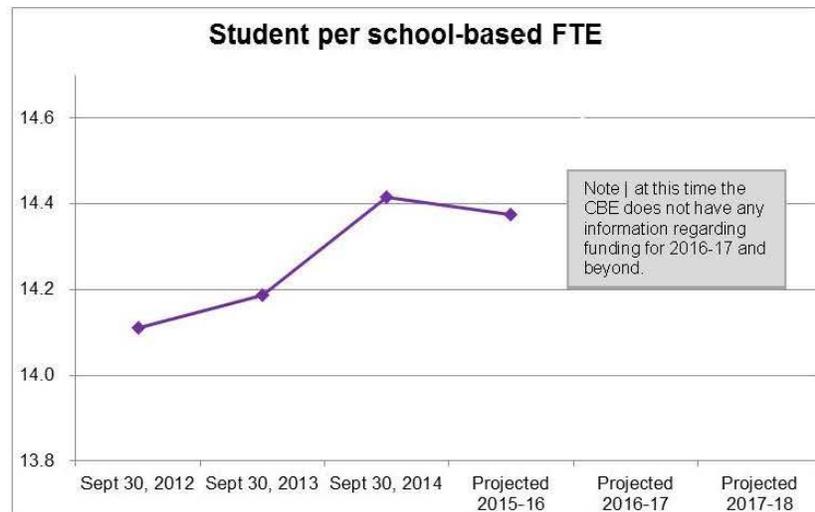
Guided by our Values and our Mission and Results focus, we have always looked to maximize the dollars directed towards our top priority: student success.

Alberta Education provides 92 per cent of CBE funding. Fees, sales and services, and other small revenue sources account for the remaining eight per cent. Overall, funding from Alberta Education is expected to increase by about \$48 million, or 4.2 per cent, year over year.

The provincial funding announcement provides additional funding to cover the provincially negotiated increases in teacher compensation costs, including wage increases and a one-time, one per cent lump sum payment. Other than a two per cent increase for class size funding, all other funding grant rates were held steady at 2014-15 rates.

In total, 85 per cent of provincial funding is spent on staffing costs - 90 per cent of staff positions work directly in schools, including custodial staff.

The chart below shows the average number of students per school-based FTE (not including custodial staff).



The CBE's programs and services are delivered under collective agreements with four unions: the Alberta Teachers' Association, Staff Association, Skilled Trades Unions and Canadian Union of Public Employees. In 2014-15, 75 per cent, or \$920 million of total revenue is spent on costs directly in schools. Of that, approximately 96 per cent (\$880 million) is spent exclusively on staffing in schools for positions such as teachers, school support staff and custodians.

We await future provincial direction with respect to settlements and no incremental funding has been included in the proposed budget for wage settlements.

The CBE also has about 205 positions in 2014-15 that are non-unionized. This group makes up 2.2 per cent of total staff positions. Other than superintendents (7) and directors (23 positions), 85 per cent of the exempt group (175 positions) are not in senior leadership positions. This group of employees includes, but is not limited to, people who pay the bills and issue paycheques, answer questions for the public, help with the payment of fees, provide technology support, design and build schools and information systems, and people who ensure our buildings are safe.

In addition the CBE has entered into a number of long-term service agreements to support the delivery of programs and services. These agreements are in the area of software systems relating to student information, payroll, accounting, utilities, student transportation and leased facilities. Long-term agreements support cost certainty and increased cost effectiveness. The CBE's ability to change those

costs is restricted. This comprises about \$327 million or 26 per cent of our \$1.2 billion budget for 2014-15.

Nearly 60 per cent of CBE schools were built prior to 1970 and are in need of maintenance, modernization and repair. The CBE's deferred maintenance has increased to \$1.0 billion. This is growing at a rate of approximately \$40 million per year while provincial maintenance and repair funding is running at around \$18 - \$20 million per year. Each year approximately \$20 - \$22 million dollars of needed repairs and maintenance goes undone. Our capital reserve of \$21.8 million (as at Aug. 31, 2014) to support our asset base is modest.

General assumptions

The CBE's 2015-16 budget will:

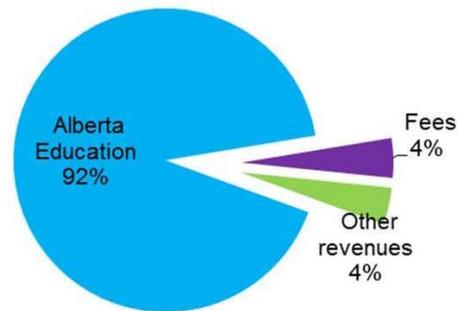
- Be guided by the CBE's mission, operational expectations and core values. Our core values are:
 - Students come first;
 - Learning is our central purpose; and
 - Public education serves the common good.
- Derive guidance from the direction provided by Alberta Education through Inspiring Education, the CBE's Results, the Three-Year Education Plan and the Chief Superintendent's priorities.
- Recognize that school principals, working with their school communities, are best positioned to make the ultimate school-based decisions related to staffing and resourcing.
- Maintain funding for enrolment growth and class sizes, subject to decisions made by principals on a site-by-site basis
- Support the provision of safe and healthy learning environments for students and staff.
- Provide for CBE-funded capital projects to meet the priorities established by our Three-Year Education Plan. These projects include program moves and expansions, software programs, and equipment used by facility operations to maintain our schools. These are the capital costs of running a school system.
- Take a system approach to budgeting, bearing in mind that all work is done in support of student learning. This means that the budget will ensure that the organization can continue to provide basic supports to comply with the Board's mandated Operational Expectations as well as legal and regulatory requirements as set out in the School Act.
- Not provide funding for Education Act implementation costs. Future impacts for changes to the Alberta Education Act, which is awaiting proclamation, are still being examined.
- Maintain the systems and processes that allow the CBE to attract, retain, and pay our employees.

- Prioritize investment in infrastructure and programs to address current challenges and anticipate future-year enrolment growth. We will continue to make critical investments, subject to ministry direction, which will position our students for success now and into the future.
- Not include a provision for new school commissioning costs. The CBE will continue to work with the Province regarding commissioning costs, which include furniture and equipment to prepare the new schools for students on the day they open. These costs will include preparing the learning environment with learning materials, sound systems, specialty equipment and technology. Other costs are related to the staff time (principals, assistant principals, learning leaders, school secretaries, etc.) required to engage with the new school communities, develop time-tables, and make pre-school opening curricular decisions.

As of the date of this report, no funding sources for these costs have been identified; however, we will seek additional funding from Alberta Education to cover these one-time new commissioning costs. With respect to the use of operating reserves we will seek the Board's support.

- Make prudent use of operating reserves considering the many pressures, such as new school commissioning costs and staff contract settlements
- Avoid putting the organization in fiscal jeopardy.
- Be balanced.

Revenue assumptions



Our budget revenue assumptions are:

- Alberta Education's funding formula is based on:
 - Sept. 30, 2015 enrolment
 - An increase of:
 - 1.8 per cent to the base and Home Education funding rates (to fund the wage increases under the ATA collective agreement)
 - 2.0 per cent to the Class Size funding rate.
 - 0 per cent increase to all other grant rates.
- A prudent level of reserves will be maintained to address unanticipated operational costs. Operational Expectation 5: Financial Planning requires that Administration "strive to develop and maintain an operating reserve base equal to one per cent of jurisdiction revenues, whenever possible". For the CBE, that suggests a minimum operating reserve level of \$13 million.
- We will make prudent decisions with respect to the use of operating reserves and will seek the Board's support if and when necessary. Circumstances where we would seek the Board's approval may be:
 - new school commissioning;
 - addressing implementation issues associated with the Education Act;
 - providing an initial response to in-year collective agreement changes; and
 - other emergent issues that are sure to arise as the year unfolds.
- We will apply Alberta Education targeted/restricted funding for the specified purpose, as directed.

- We will apply fees principals consistent with 2014-15 as follows:
 - All revenue from Alberta Education related to transportation, noon supervision and instructional materials and supplies (ISM) will be fully applied to the cost of these services. There will be no contribution from the instructional budget to support fee-based programs and services. Fee revenue for transportation, noon supervision, and instructional materials and supplies will fully fund the gap between Alberta Education funding and direct program costs, including waivers and bad debts.
 - Any Transportation Fee Reserve at the end of a fiscal year is applied to reduce fee levels in the following year. It is anticipated that there will be no Transportation Fee Reserve at Aug. 31, 2015. Fees will meet the cost of transportation.
 - There is no provincial funding for instructional supplies and materials or noon supervision. These programs are solely funded by student fees. In all, 50,100 Grade 1-6 students were supervised over the noon hour in CBE schools in 2014-15.

- Opportunities to grow non-Alberta Education revenue will be explored where it is consistent with our vision and values. A small team is charged with this corporate partnership work and that work will continue.

- Lease revenues from charter schools will continue to be restricted by Alberta Education. In most cases revenue is \$1 per year per school.

- Facility rental rates charged are currently set to break even (cover incremental direct costs) as set out in Administrative Regulation 8004 and by agreement with the Calgary Separate School District and the City of Calgary. The CBE will undertake a review, in conjunction with its partners, of the current facility rental model with an eye towards increasing revenue from this source.

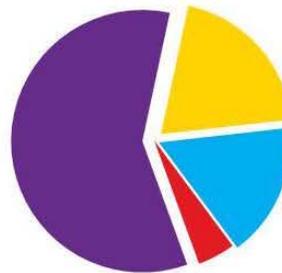
- Revenue from the sale of CBE-owned properties, if any, will be applied to providing facilities to support student learning.

- The CBE will continue to participate in the Joint Use Agreement framework with the City of Calgary and the Calgary Separate School District respecting land and schools.

- Income earned on CBE cash balances will be assumed to accrue at a rate averaging between five and seven per cent over the medium to long term. Short-term investments will average one per cent, subject to changes in the Bank of Canada rate. Income earned on cash balances will be devoted to enhancing student outcomes.

Expense assumptions

- Certificated salaries, wages & benefits
- Non-certificated salaries, wages & benefits
- Services, contracts & supplies
- Amortization & other



Our budget expense assumptions are:

- The budget will ensure that the CBE complies with all requirements of current collective agreements including general wage increases, employee salary grid movement and benefits changes. The CBE will follow the Province's lead on future negotiations with our unions and associations.
- No funding will be provided for in-year collective agreement settlements.
- The number of superintendents will be reduced by 22 per cent (from nine to seven) with duties consolidated under the remaining positions. This will allow \$0.6 million in salaries, benefits and supplies to be allocated to other priorities.
- Administration will continue to review business processes in our service units. Where appropriate, service unit staffing reductions may occur if there are compelling business reasons to move forward with them. Any planned reductions will come to the Superintendents' Team for approval. Similarly, any hiring for new/replacement positions also needs to be approved by Superintendents' Team.
- The CBE will continue implementation of its system-wide software management strategy.
- The CBE will introduce a new model for technology replacement and refresh and move to a "break/fix" model until an alternative strategy has been implemented.
- There are no blanket provisions for inflationary increases built into the 2015-16 budget; projections for 2016-17 and 2017-18 (where presented) will include an inflationary increase of 1.6 per cent based on the five-year trend for Calgary.

- The CBE will meet all contractual obligations. All known changes in contractual obligations will be included based on current information.

Examples include:

- Significant increases in the cost of software licences and fees as well as the impact of the weaker Canadian dollar on contracts stated in US dollars.
 - Future tax and fee increases are unknown at this time.
- Where practical, the CBE will enter discussions with contracted service providers with an eye to reducing costs.
 - System administration costs will remain well below the provincially mandated cap of 3.6 per cent of total expenditures. For the CBE, which has system administration costs of approximately 2.7 per cent, this means that \$11.2 million is available to support other critical student support needs. Current projections suggest that the CBE's administrative costs in 2015-16 will be maintained at 2.7 per cent. CBE also has the lowest administration proportion of the four Alberta metro boards for 2014-15.
 - Learning Innovation and Learning Services units will be consolidated into one integrated unit under one Superintendent to ensure that our reduced resources are focused on the areas of greatest need.
 - The CBE has provided school principals with additional discretion within the Resource Allocation Method (RAM) by changing the mandate to have certain CBE staff positions. Principals are best positioned to make staffing and resource allocation decisions at the school level.
 - We will continue with deployment of technology to support the personalization of learning.
 - The CBE will face continued accommodation challenges as enrolment numbers increase and more students from outer areas are bussed to schools with available capacity. New schools are expected to open in the 2016-17 fiscal year.
 - With the support of Alberta Education, the CBE will be rolling out an upgraded Student Information System for the commencement of the 2017-18 school year.
 - CBE will face continued accommodation challenges as enrolment numbers increase and more students from outer areas are bused to schools with available capacity. New schools don't come into service until fiscal 2016-17.
 - CBE will continue to seek strategies and actions related to aspects of our service delivery within the financial resources available. It is anticipated these actions will include:

- Further integrating the provision of centralized and decentralized specialized supports and services to students, teachers and schools.
- Enhancing and integrating programs and services provided by CBe-Learn, Chinook Learning Services, Encore, Discovering Choices and our outreach services.
- Making school-based management easier by streamlining the provision of administrative services and supports to schools and moving to further standardization in non-teaching supports.
- Evaluating the current model of the RAM to schools.
- Seeking further operational efficiencies where appropriate.

Capital & student accommodation

The CBE appreciates that the government has recognized the incredible growth in our student numbers and is building many of the schools required to support the growing educational needs of our students. The Province has committed to keeping its promise to continue with the 31 major capital projects the CBE currently has underway. Those projects include new school construction, replacement school construction and major modernizations.

The new school openings beginning September 2016 will further increase cost pressures. A new school requires a principal, assistant principals, secretaries, library assistants, facility operators and other staff in support of student learning. As well, new schools consume additional utilities and require facility maintenance services. Beyond these costs, new schools need teachers, learning assistants, library assistants, as well as other services and supports to maximize student learning. Some of these will transfer from our existing facilities and some may require additional dollars to deploy. Over the next three years the CBE will support nearly 9,000 additional students.

Enrolment by Program	Actual 2014-15	Projection 2015-16	Projection 2016-17	Projection 2017-18
Pre-K & Kindergarten	9,389	9,750	10,015	10,270
Grades 1-6	51,253	53,075	55,390	57,025
Grades 7-9	22,237	22,670	23,535	24,545
Grades 10-12	26,420	26,210	25,940	26,175
Unique/Outreach	2,219	2,250	2,313	2,397
Chinook Learning Serv	2,393	2,400	2,400	2,400
Cbe-Learn	589	600	600	600
Total Enrolment	114,500	116,955	120,193	123,412
Total Annual Change		2,455	3,238	3,219
Total % Change		2.1%	2.8%	2.7%

Impacts on student learning

We expect average class size and complexity in each classroom to remain relatively consistent with those in 2014-15, subject to individual principal decisions. We also expect the teachers and schools to continue to change practices and processes guided by our Three-Year Education Plan.

While we are grateful for the Alberta Government's funding update, the funding cannot support everything that we would like to do to support student learning and our staff. Some examples of impacts on student learning include:

- Student engagement and achievement will be advanced through personalized instruction and assessment; however, innovations and supports to respond to student learning interests and needs and the changing face of education will be somewhat constrained. For example High School Success will continue without previous levels of funding.
- Existing resources will support the implementation of result for:
 - First Nations, Metis and Inuit student achievement
 - Grade 9 English Language Learners achievement on Provincial Achievement Tests (PATs)
 - Grade 9 achievement on PATs in Math and Science
- Teachers will have time and opportunity to learn together and build their collective capacity to meet student learning needs and ensure student success.
- Schools will organize for instruction and make choices about the deployment of their resources to best meet the learning needs of students. As schools prioritize for the best use of their resources, some program offerings or services may be enhanced, replaced, modified, or reduced. Staffing levels may be impacted.
- Groups of students who would most benefit from extended early learning experiences will have access to full-day kindergarten.
- Maintaining the current level of system supports for an increasing number of students with complex learning needs and the increasing complexity of needs will impact student learning and support for teachers.
- Students and teachers will have access to the learning tools, resources, and environments that help create flexible, responsive and personalized learning opportunities and support student success.
- Student learning environments will be impacted as increased costs for supplies and maintenance are not addressed. Costs throughout the system continue to outpace funding.
- The impact of school leaders on student learning is second only to the teacher in the classroom. Continued excellence in student learning

depends on our leadership strategy designed to continuously develop the competencies of all CBE staff. The implementation of the strategy will be limited.

- Some things that we would like to enhance but that are limited by this budget include fully funding the replacement and growth of technology and technology infrastructures that enhance the personalization of learning, transitioning all libraries to learning commons and purchasing equipment and resources to enhance the implementation of Career & Technology Foundations and Career & Technology Services learning opportunities.

Opportunities and risks

The single biggest opportunity presented by these assumptions is that the resulting budget will continue to support the reliable achievement of the Board's Results consistent with the values of:

- Students come first;
- Learning is our central purpose; and
- Public education serves the common good.

The assumptions included in this report were developed based on the best information currently available. A full budget report will be presented to the Board of Trustees in the fall, shortly after the Sept. 30, 2015 enrolment funding date. Given that assumptions have been made and there are uncertainties in the related estimates, there is a risk that actual results may differ. Notable risk areas include:

- The budget is lean. With the funding we have available, we made the best choices in the interest of student success.
- Actual costs may be higher than assumed. We are planning in the spring for a budget year that does not begin until September. Specific areas of concern include the cost of utilities, wages, insurance premiums and uninsured losses.
- As the deferred maintenance backlog continues to grow, our facilities will be more susceptible to extreme weather events and mechanical and structural failure. This reality could increase costs beyond assumed levels. Our capital reserve of \$21.8 million as at Aug. 31, 2014 to support our asset base is modest.
- Support services that are minimally resourced after four years of reductions beginning in 2010. Significant events or broad system changes could affect the continuity of operations.
- Changes within the *Education Act* (to be proclaimed) extend the provision of services to Albertans aged less than 22. The impact of this new cohort of students on the CBE is unknown at this time. The CBE is assuming that Alberta Education will provide additional funding to support these students.

Conclusion

These assumptions will allow us to build a budget that is balanced and stays true to our values.

This budget will allow the CBE to continue to be the strong educational system that Calgarians have come to expect.

Our choices will be guided and informed by our values of students come first, learning is our central purpose, and public education serves the common good.

The CBE, working with students, parents, stakeholders, and Alberta Education will continue to provide the best public education programs and supports possible within the financial resources made available to us.

Glossary of terms

Accumulated Operating Surplus	The school jurisdiction's residual interest in assets after deducting liabilities. Definition provided by Alberta Education.
Alberta Education revenue	All funds received from Alberta Education, including amortization of Alberta Education-funded facilities. This is sometimes referred to as provincial funding.
Base funding	Kindergarten to Grade 9 students are funded on a per-student basis and students in Grades 10 to 12 are funded based on a high school credits formula. Base funding is the largest component of funding and is provided for each eligible student, regardless of other factors that drive additional funding.
Board-funded capital	The acquisition of all capital assets other than those specifically funded by Alberta Education. This includes technology, maintenance equipment, furniture and fixtures, musical instruments, and other capital purchases.
Capital assets	These are goods that are acquired that have a useful life that extends beyond one year and are of more than minor value. For example, computers, most musical instruments, furniture, machinery, etc.
Classroom complexity	The variety of different needs of the students in a classroom
Collective agreement	An agreement between a union or association that sets out terms and conditions of employment including general wage increases, benefits, grid movement, and other employment terms.
Deferred maintenance	The practice of postponing repair and maintenance activities to property (such as school buildings) in order to save costs and/or meet budget funding levels.
Enrolment	Total number of students including those enrolled in Home Education, outreach programs and Chinook Learning Services.
Exempt employee	Employees who are not covered by a collective agreement (207 positions in 2014-15). Exempt employees do not experience grid movement. Superintendents and directors make up the minority of this group. Approximately 86 per cent of the exempt group are staff who are not in senior leadership positions. This group of employees includes, but is not limited to, administrative assistants, human resources, communications and finance personnel; business analysts; engineers; and, managers and supervisors from various service units.
Fixed cost	A cost that will not change based on fluctuations in activity.
Grid movement	The increase in the salary paid to an employee based on movement through progressive salary grid levels. The movement is based on the passage of time. Employees covered by a collective agreement may benefit from grid movement.

Operational Expectations	Policies established by the Board of Trustees by which the Chief Superintendent's performance and successful operation of the organization is evaluated
Reserves	Dollars that have been accumulated from prior years that are available to support current year projects, programs and services. Reserves can be restricted by board motion or external parties.
School-based teaching staff	Includes all certificated staff including school based administration such as principals.
Student Outcome measures	Measures against which Alberta Education accumulates data to evaluate achievement of a School Jurisdiction, including student learning achievement, safe and caring schools, preparation for lifelong learning, world of work, citizenship, parental involvement, continuous and improvement and ACOL measure. For more information, see our Annual Education Results Report
System administration	The overall management, administration and educational leadership of the CBE at the system level. Also includes Board of Trustees remuneration and office budgets. Examples include functions in human resources, finance, information technology, legal and communications that provide system-level support.
Total revenue	All funds received from Alberta Education plus all other revenues.

Appendix I

Charter lease summary

BUILDING LEASE REVENUE

SCHOOL NAME	TENANT NAME	2013/2014	2014/2015	2015/2016	2016/2017
Alice M. Curtis	Foundations for the Future Charter Academy	\$ -	\$ -	\$ -	\$ -
Andrew Davison	Foundations for the Future Charter Academy	\$ -	\$ -	\$ -	\$ -
Bel-Aire	Calgary Girls Charter School	\$ -	\$ -	\$ -	\$ -
Clem Gardner	Connect Charter School	\$ 795,302	\$ -	\$ -	\$ -
Glenmeadows	Calgary Arts Charter School	\$ -	\$ -	\$ -	\$ -
Greenview	Foundations for the Future Charter Academy	\$ -	\$ -	\$ -	\$ -
Knob Hill	Calgary Arts Charter School	\$ -	\$ -	\$ -	\$ -
Lakeview	Calgary Girls Charter School	\$ -	\$ -	\$ -	\$ -
Mountain View	Almadina Charter Academy	\$ -	\$ -	\$ -	\$ -
Montgomery	Foundations for the Future Charter Academy	\$ -	\$ -	\$ -	\$ -
Ogden	Almadina Charter Academy	\$ -	\$ -	\$ -	\$ -
Parkdale	Westmount Charter School	\$ 345,830	\$ 345,830	\$ 345,830	\$ -
Sir William Van Horne	Westmount Charter School	\$ 806,938	\$ 806,938	\$ 806,938	\$ -
Southwood	Foundations for the Future Charter Academy	\$ -	\$ -	\$ -	\$ -
CHARTER LEASE TOTAL		\$ 1,948,070	\$ 1,152,768	\$ 1,152,768	\$ -

Appendix J

EducationMatters financial statements as at December 31, 2014



Financial Statements
December 31, 2014



Collins Barrow Calgary LLP
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Calgary, Alberta, Canada
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Independent Auditors' Report

To the Board of Governors
EducationMatters, Calgary's Public Education Trust

We have audited the accompanying financial statements of EducationMatters, Calgary's Public Education Trust, which comprise the statement of financial position as at December 31, 2014, and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of EducationMatters, Calgary's Public Education Trust as at December 31, 2014, and the results of its operations, changes in fund balances and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Collins Barrow Calgary LLP

CHARTERED ACCOUNTANTS

Calgary, Canada
March 19, 2015

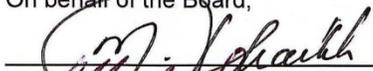
EducationMatters, Calgary's Public Education Trust
Statement of Financial Position
December 31, 2014

	2014	2013
Assets		
Current assets		
Cash and cash equivalents (notes 3 and 6)	\$ 1,954,955	\$ 1,977,556
Goods and Services Tax recoverable	1,401	548
Prepaid expenses	<u>4,400</u>	<u>5,000</u>
	1,960,756	1,983,104
Investments (notes 4 and 6)	3,998,032	2,996,467
Property and equipment (note 5)	<u>32,488</u>	<u>2,735</u>
	<u>\$ 5,991,276</u>	<u>\$ 4,982,306</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 25,337	\$ 21,331
Deferred operating contributions (note 7)	<u>440,000</u>	<u>440,000</u>
	<u>465,337</u>	<u>461,331</u>
Funds		
Operating funds (including investment in capital assets)	707,463	614,842
Flow-through funds	725,289	844,975
Endowment funds (note 6)	<u>4,093,187</u>	<u>3,061,158</u>
	<u>5,525,939</u>	<u>4,520,975</u>
	<u>\$ 5,991,276</u>	<u>\$ 4,982,306</u>

Commitments (note 8)

See accompanying notes to the financial statements.

On behalf of the Board,


_____, Governor


_____, Governor

EducationMatters, Calgary's Public Education Trust
Statement of Operations
Year Ended December 31, 2014

	2014				2013
	Operating Funds	Flow-Through Funds	Endowment Funds	Total	
Revenue					
Contributions	\$ 725,864	\$ 1,066,919	\$ 750,603	\$ 2,543,386	\$ 1,964,285
Gains (losses) on investments	(729)	-	339,065	338,336	451,410
Interest, dividends and fee revenue	<u>81,890</u>	<u>-</u>	<u>72,241</u>	<u>154,131</u>	<u>105,704</u>
	<u>807,025</u>	<u>1,066,919</u>	<u>1,161,909</u>	<u>3,035,853</u>	<u>2,521,399</u>
Expenditures					
Grants (note 10)	-	1,185,734	93,526	1,279,260	1,033,859
Salaries and benefits (note 10)	437,363	-	-	437,363	531,513
Communications	2,929	-	-	2,929	3,177
Fund expenses	-	-	46,978	46,978	36,045
Fund development (note 10)	49,534	-	-	49,534	20,878
Office	40,444	-	-	40,444	34,174
Professional fees	57,489	609	819	58,917	55,227
Special events (note 10)	37,833	-	-	37,833	3,952
Computer applications & support	36,366	-	-	36,366	35,964
Rent	38,993	-	-	38,993	42,398
Amortization (note 10)	<u>2,272</u>	<u>-</u>	<u>-</u>	<u>2,272</u>	<u>3,573</u>
	<u>703,223</u>	<u>1,186,343</u>	<u>141,323</u>	<u>2,030,889</u>	<u>1,800,760</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 103,802</u>	<u>\$ (119,424)</u>	<u>\$ 1,020,586</u>	<u>\$ 1,004,964</u>	<u>\$ 720,639</u>

See accompanying notes to the financial statements.

EducationMatters, Calgary's Public Education Trust
Statement of Changes in Fund Balances
Year Ended December 31, 2014

	Operating Funds	Flow- Through Funds	Endowment Funds	Total
Fund balances, December 31, 2012	\$ 532,149	\$ 934,683	\$ 2,333,504	\$ 3,800,336
Excess (deficiency) of revenue over expenditures	87,508	(94,523)	727,654	720,639
Interfund transfers	<u>(4,815)</u>	<u>4,815</u>	<u>-</u>	<u>-</u>
Fund balances, December 31, 2013	614,842	844,975	3,061,158	4,520,975
Excess (deficiency) of revenue over expenditures	103,802	(119,424)	1,020,586	1,004,964
Interfund transfers	<u>(11,181)</u>	<u>(262)</u>	<u>11,443</u>	<u>-</u>
Fund balances, December 31, 2014	<u>\$ 707,463</u>	<u>\$ 725,289</u>	<u>\$ 4,093,187</u>	<u>\$ 5,525,939</u>

See accompanying notes to the financial statements.

EducationMatters, Calgary's Public Education Trust
Statement of Cash Flows
Year Ended December 31, 2014

	2014	2013
Cash provided by (used in):		
Operating activities		
Excess of revenue over expenditures	\$ 1,004,964	\$ 720,639
Add (deduct) items not affecting cash		
Amortization	2,272	3,573
Unrealized loss (gain) on investments	<u>(332,753)</u>	<u>650</u>
	<u>674,483</u>	<u>724,862</u>
Changes in non-cash working capital		
Goods and Services Tax recoverable	(853)	1,084
Prepaid expenses	600	-
Accounts payable and accrued liabilities	4,006	(65,208)
Deferred operating contribution	<u>-</u>	<u>315,000</u>
	<u>3,753</u>	<u>250,876</u>
Cash provided by operating activities	<u>678,236</u>	<u>975,738</u>
Investing activities		
Purchase of equipment	(32,025)	-
Purchase of investments	(707,794)	(3,247,355)
Disposal of investments	<u>38,982</u>	<u>2,353,380</u>
Cash used in investing activities	<u>(700,837)</u>	<u>(893,975)</u>
Cash inflow (outflow)	(22,601)	81,763
Cash and cash equivalents, beginning of year	<u>1,977,556</u>	<u>1,895,793</u>
Cash and cash equivalents, end of year	<u>\$ 1,954,955</u>	<u>\$ 1,977,556</u>
Cash and cash equivalents is comprised of:		
Cash	\$ 163,080	\$ 164,470
Treasury bills (note 3)	<u>1,791,875</u>	<u>1,813,086</u>
	<u>\$ 1,954,955</u>	<u>\$ 1,977,556</u>

See accompanying notes to the financial statements.

EducationMatters, Calgary's Public Education Trust
Notes to Financial Statements
December 31, 2014

1. Nature of Trust

EducationMatters, Calgary's Public Education Trust, (the "Trust") was formed by way of a trust indenture on January 20, 2003. The Trust is a registered charity and a public trust under the *Income Tax Act* (Canada) and, accordingly, is exempt from income taxes and can issue donation receipts for income tax purposes. The Trust's mandate is to promote citizen engagement with and inspire passion for public education and to mobilize resources for programs that enhance public education.

The Board of Trustees of the Calgary Board of Education (the "CBE Board") appoints all Trust governors. At least two, but not more than 50%, of the Trust governors must be members of the CBE Board.

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Revenue

The Trust receives contributions in the form of donations to specified funds, operating grants and event funding.

The Trust recognizes contributions when the amounts can be reasonably estimated and collection is assured.

The Trust follows the deferral method of accounting for restricted contributions related to general operations of the Trust. These contributions are recognized as revenue in the operating fund in the period in which the related expenses are incurred.

The Trust recognizes interest, dividends and fee revenue when the amounts are earned.

(b) Trust funds

The Trust holds operating, flow-through and endowment funds. The Trust follows the deferral accounting method for the operating fund and the restricted fund accounting method for the flow-through and endowment funds.

The Trust restricts endowment fund grants in any fiscal period to a maximum of 4.5% of the market value of the endowment at the end of the prior fiscal year.

Operating funds

Operating fund contributions received that relate to a subsequent period are shown as deferred operating contributions on the statement of financial position.

EducationMatters, Calgary's Public Education Trust
Notes to Financial Statements
December 31, 2014

Flow-through funds

Flow-through funds are spent during the year in which they are received or the year following to support a wide range of programs and projects.

Endowment Funds

Endowment funds are created by donors to provide long-term support for discretionary spending, general fields of interest or designated specific programs or projects.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short-term investments with a maturity date of three months or less.

(d) Property and equipment

The Trust capitalizes administrative assets, consisting of computer equipment and office equipment, at cost and amortizes them over their estimated useful lives of five years on a straight-line basis.

Property and equipment is evaluated for impairment when events or circumstances indicate its carrying value may not be recoverable. Any impairment is measured by comparing the carrying value of the assets to the fair value, based on the present value of future cash flows expected to be generated from the assets.

(e) Measurement uncertainty

The valuation of property and equipment is based on management's best estimates of the future recoverability of these assets and the determination of costs subject to classification as property and equipment. The amounts recorded for amortization of the property and equipment are based on management's best estimates of the remaining useful lives and period of future benefit of the related assets.

The valuation of accrued liabilities is based on management's best estimates of expenses incurred during the year that will be payable in future periods.

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

EducationMatters, Calgary's Public Education Trust
Notes to Financial Statements
December 31, 2014

(f) Financial instruments

The Trust initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions that are measured at the exchange amount.

The Trust subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in pooled investment funds that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess (deficiency) of revenue over expenditures.

Financial assets measured at amortized cost include cash and cash equivalents. The Trust's financial assets measured at fair value include the pooled investment funds.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in excess (deficiency) of revenue over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in excess (deficiency) of revenue over expenditures.

The Trust recognizes its transaction costs in excess (deficiency) of revenue over expenditures in the period incurred for its equity investments and for all other financial assets and liabilities that are subsequently measured at fair value. Financial instruments that are subsequently measured at cost or amortized cost are adjusted by the transaction costs and financing fees that are directly attributable to their origination, issuance or assumption.

(g) Expenditures

Administrative expenses are charged to endowment funds in accordance with donor agreements. Interest income earned on flow-through funds is allocated to the operating fund in lieu of an administration fee. Expenses incurred for a specific fund are charged to that fund.

(h) Donated services

Donated services are not recognized in the financial statements as there is no objective basis available to measure the value of such services.

EducationMatters, Calgary's Public Education Trust
Notes to Financial Statements
December 31, 2014

3. Cash and cash equivalents

Cash and cash equivalents include short-term investments of \$1,791,875 (2013 - \$1,813,086) consisting entirely of investments in Canadian treasury bills with maturity dates of 90 days or less. Short-term investments yield an average interest rate of 1.01% (2013 - 0.87%).

4. Investments

Investments include pooled investment funds that have a market-based unit value. Investments are comprised of \$3,998,032 (2013 - \$2,996,467) in pooled investment funds measured at fair value. The Trust's policy is to liquidate gifted shares on the same day as they are received. There were no gifted shares held at December 31, 2014 or 2013.

5. Property and equipment

			Net Book Value	
	Cost	Accumulated Amortization	2014	2013
Computer equipment	\$ 46,326	\$ 15,621	\$ 30,705	\$ 239
Office equipment	<u>3,566</u>	<u>1,783</u>	<u>1,783</u>	<u>2,496</u>
	<u>\$ 49,892</u>	<u>\$ 17,404</u>	<u>\$ 32,488</u>	<u>\$ 2,735</u>

6. Endowment funds

Endowment funds are invested to provide long-term support, and are comprised of the following:

	2014	2013
Cash	\$ 95,155	\$ 64,691
Investments	<u>3,998,032</u>	<u>2,996,467</u>
	<u>\$ 4,093,187</u>	<u>\$ 3,061,158</u>

EducationMatters, Calgary's Public Education Trust
Notes to Financial Statements
December 31, 2014

7. Related party transactions

The Trust is economically dependent on contributions from the Calgary Board of Education ("CBE") and is committed to provide services to CBE in fund development, grants and student awards. During the year, the Trust received \$660,000 (2013 - \$720,000) from the CBE. \$220,000 of the funding for 2014 was received in October 2013. A payment of \$660,000 was received in October 2014. \$440,000 of the contributions received was deferred to 2015, in accordance with spending of the funds over a twelve-month period and this amount is included in deferred operating contributions on the statement of financial position. The Trust rented office space and purchased services of \$38,993 (2013 - \$42,397) and \$6,886 (2013 - \$6,726), respectively, from the CBE. These transactions were recorded at the amounts established and agreed to by the parties.

Grants awarded to CBE schools by the Trust are distributed to recipients by way of the CBE. In 2014, this amount was \$930,845 (2013 - \$788,208), of which \$NIL (2013 - \$827) is included in accounts payable and accrued liabilities.

8. Commitments

The Trust's office lease with the CBE was renewed in November 2014 for an additional one-year term to August 31, 2015 and requires monthly rental payments of \$3,249.

9. Financial instruments

The Trust is exposed to the following significant financial risks:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The financial instrument that potentially subjects the Trust to significant concentration of credit risk consists primarily of cash and cash equivalents. The Trust mitigates its exposure to credit loss by placing its cash and cash equivalents with major financial institutions.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Trust's investments in pooled investment funds expose the company to price risks as equity investments are subject to price changes in the open market.

EducationMatters, Calgary's Public Education Trust
Notes to Financial Statements
December 31, 2014

10. Additional information on fund development

(a) Expenses incurred to raise funds

	2014	2013
Fundraising event	\$ 37,833	\$ -
Fund development expenses	49,534	20,878
Fund development salaries and benefits	<u>105,809</u>	<u>159,423</u>
	<u>\$ 193,176</u>	<u>\$ 180,301</u>

(b) Funds raised during 2014 were \$1,817,522 (2013 - \$1,206,025).

(c) Summary of disbursements

	2014	2013
Grants	\$ 958,845	\$ 788,208
Scholarships	<u>320,415</u>	<u>245,651</u>
	<u>\$ 1,279,260</u>	<u>\$ 1,033,859</u>

In 2014 there were no disbursements greater than 10% of the funds raised (2013 - one, to support the CBE Energy Literacy in Action program to enable students and teachers to be energy literate citizens and stewards of Canada's natural resources). During the year, \$NIL (2013 - \$140,524) was granted for this program.

(d) Allocation of total expenditures and disbursements

Total expenditures and disbursements after allocation of salaries and benefits to the cost centres consist of the following:

	2014	2013
Grant disbursements	\$ 1,279,260	\$ 1,033,859
Communication expenses	2,929	3,177
Fund development expenses, excluding events	155,343	180,301
Events	37,833	-
Program expenses	553,252	579,850
Amortization expense	<u>2,272</u>	<u>3,573</u>
	<u>\$ 2,030,889</u>	<u>\$ 1,800,760</u>

Salary and benefit costs are incurred to operate the Trust and its programs in a cost-effective manner while maximizing all opportunities to further the Trust's mission. The Trust allocates salary and benefits based on the actual time spent in each cost centre by each staff person.

Appendix K

School commissioning costs

New school commissioning costs

Over the next three years, the CBE will be opening 20 new and replacement schools and completing modernizations of existing facilities. 15 new schools will be opening in the 2016-17 year. Much work is needed to prepare those schools to welcome students including the purchasing of furniture, equipment and learning supplies, as well as program and curriculum. Up to \$25 million is estimated to be spent to prepare the new and replacement schools and modernizations over the next three years.

New Schools

Elementary	8
Middle Schools	6
High School	1

Personnel:

Principal, Assistant Principal, Administrative Secretary, Specialist teachers, Technology Specialists, Librarian, Bookkeeper, Technicians, and Facility Operators.

K-4	\$1,599,464
Grade 5-9	\$2,043,531
High school	\$1,119,900
Total	\$4,762,895

Resources:

Learning resources:

Resources to address the Programs of Studies such as math manipulatives, science equipment, art supplies, and texts etc.

K-4	\$2,521,000
Grade 5-9	\$2,779,000
High school	\$741,400
Total	\$6,041,400

Technology

User devices such as computers, laptops, iPads, interactive screens, and cameras etc.

K-4	\$2,760,000
Grade 5-9	\$2,779,000
High school	\$741,400
Total	\$6,041,400

Learning commons:

Includes nonfiction and fiction books, and software etc.

K-4	\$400,000
Grade 5-9	\$490,000
High school	\$150,000
Total	\$1,040,000

Miscellaneous equipment

Includes such items as lab benches, easels, and storage bins etc.

K-4	\$648,000
Grade 5-9	\$1,197,000
High school	\$1,469,000
Total	\$3,314,000

Summary:

Total Personnel	\$4,762,895
Total Resources	\$17,205,400
Total	\$21,968,295

Replacement schools

Aboriginal Learning Centre, Christine Meikle and Elbow Park

Personnel	\$336,800
Learning Resources	\$537,400
Total	\$874,200

Modernizations

Bowness and Jack James

Personnel	\$60,200
Learning Resources	\$707,500
Total	\$767,700

Warehouse

Total	\$1,386,000
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Total of new schools, replacement schools and modernizations:

Total Personnel and Resources	\$21,968,295
Total – Replacement Schools	\$874,200
Total – Modernizations	\$767,700
Total – Warehouse	\$1,386,000
	\$24,996,195