



# Financial Backgrounder

2014-15\*

\*based on the fall update

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



**Calgary Board  
of Education**

# Excellent student results

## **Provincial Achievement Tests in Grades 6 and 9**

- On 16 out of 20 measures, a higher percentage of CBE students achieved the acceptable standard or better when compared with students in the province.

## **Grade 12 Diploma Exam results**

- In 10 of 11 exams, CBE students outperformed the province at the standard of excellence (mark between 80-100 per cent).
- In 8 of 11 exams, CBE students outperformed the province at the acceptable standard (mark between 50-100 per cent).

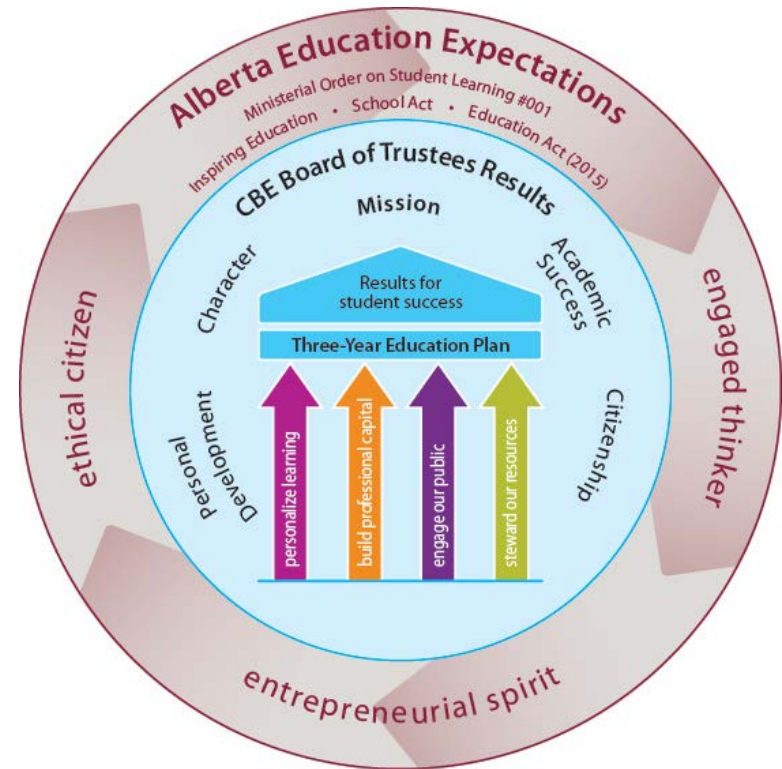
# Our Mission and Values

## Our Mission

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

## Our Values

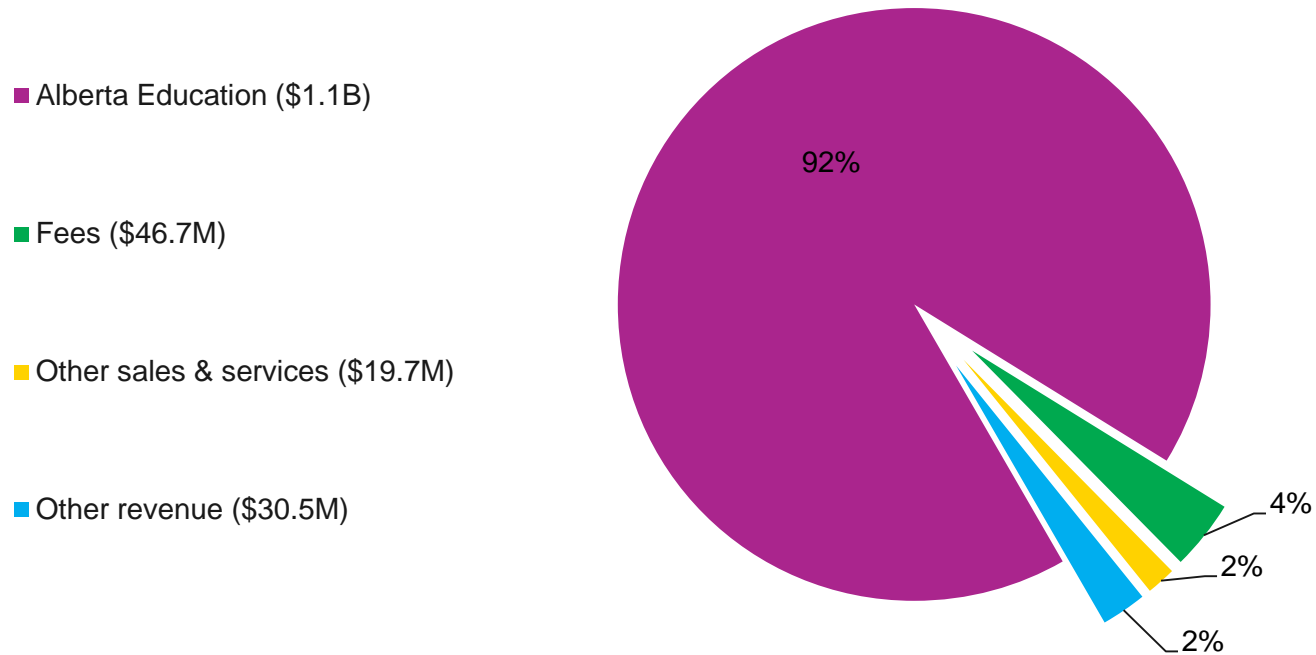
- Students come first
- Learning is our central purpose
- Public education serves the common good



# Revenues for 2014-15

**Revenue:** 92% of our revenue comes from the Province (\$1.1B).

## Revenue breakdown

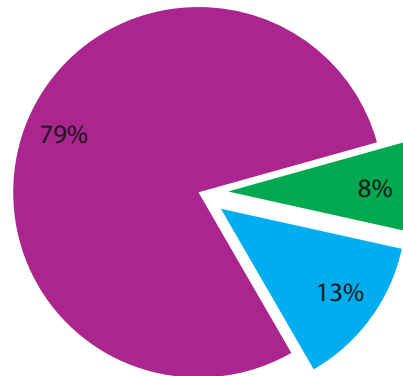


# Expenses for 2014-15

**Staffing Expenses:** 79% (\$986.2M) of our total funding is spent on staffing. Of that, 86% (\$843.2M) goes directly to schools, 14% (\$143.0M) supports all other services.

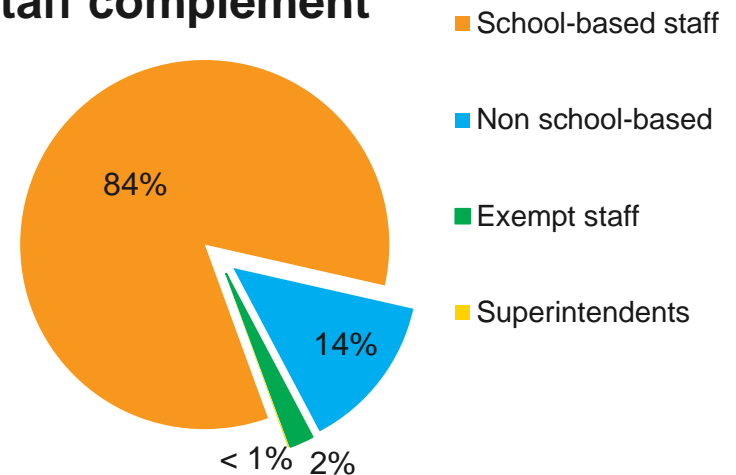
## Expenses breakdown

- Salaries, wages & benefits (\$986.2M)
- Services, contracts & supplies (\$97.6M)
- Amortization & other (\$164.7M)



**Fact** | A total of 86% of staffing dollars are school based (not including custodial staff).

## Staff complement



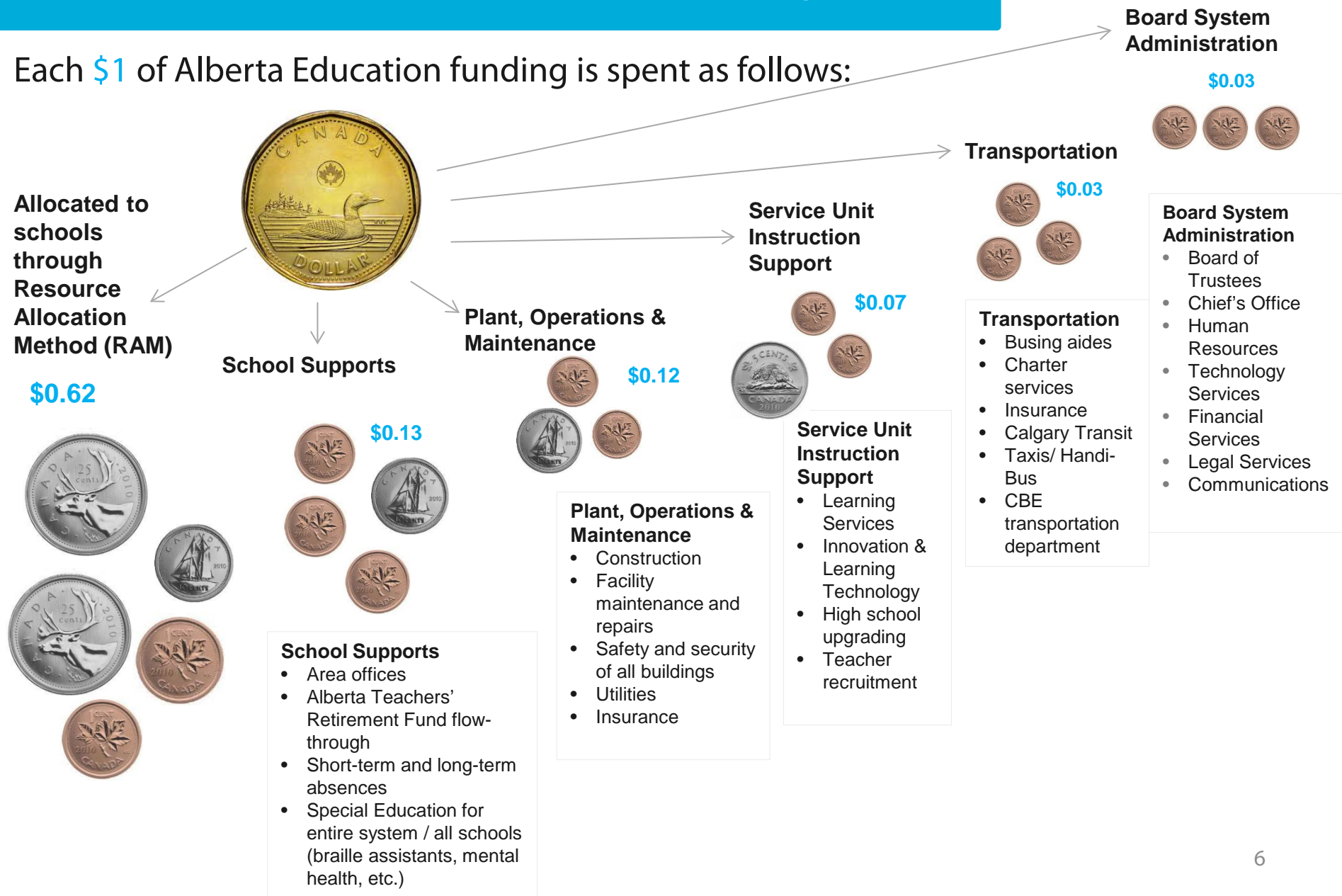
**Fact** | The CBE has over 13,000 staff.

**Fact** | The CBE has 63 directors and managers.

**Fact** | The number of superintendents has decreased from 9 to 7, or 22%.

# Use of Alberta Education funding

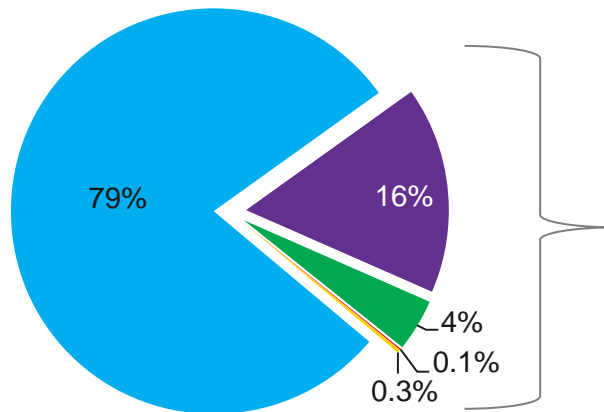
Each \$1 of Alberta Education funding is spent as follows:



# Summary of Expenses

	Schools & Areas	Service Unit System Budgets	Learning Services	Learning Innovation	Facilities and Environ Services	Legal	Communi-cations	Finance & Supply Chain Services	Human Resource s	Chief Supt's Office	Board of Trustees	Total
<u>FTEs by:</u>												
Superintendent	-		1	1	1	1	1	1	1	2	-	9
Staff (incl ATA, Staff Assn, CUPE, trades)	7,985	59	169	137	789	3	11	42	42	-	-	9,237
Exempt Staff	5		20	28	54	8	10	26	41	4	2	198
<b>Total FTEs</b>	<b>7,990</b>	<b>59</b>	<b>190</b>	<b>166</b>	<b>844</b>	<b>12</b>	<b>22</b>	<b>69</b>	<b>84</b>	<b>6</b>	<b>2</b>	<b>9,444</b>
<u>2014-15 Fall Budget (in \$ thousands)</u>												
Salaries and benefits	843,204	6,788	27,816	21,034	63,377	1,681	2,507	8,159	9,810	1,165	654	<b>986,194</b>
Services, contracts and supplies	70,078	29,266	5,125	1,606	90,437	934	161	1,401	5,699	206	854	<b>205,767</b>
Amortization expenses	9	44,856	-	1,173	4,263	10	4	1,714	13	-	-	<b>52,042</b>
Interests and finance charges	55	1,124	140	-	-	-	-	-	-	-	-	<b>1,319</b>
Other (uncollectible accounts expense)	-	3,169	-	-	-	-	-	-	-	-	-	<b>3,169</b>
	<b>913,346</b>	<b>85,203</b>	<b>33,081</b>	<b>23,813</b>	<b>158,076</b>	<b>2,625</b>	<b>2,673</b>	<b>11,273</b>	<b>15,521</b>	<b>1,371</b>	<b>1,508</b>	<b>1,248,491</b>

**Fact** | 79% of our expenses are spent on staffing. Of this, 86% goes directly to schools and 14% is spent on service unit supports.



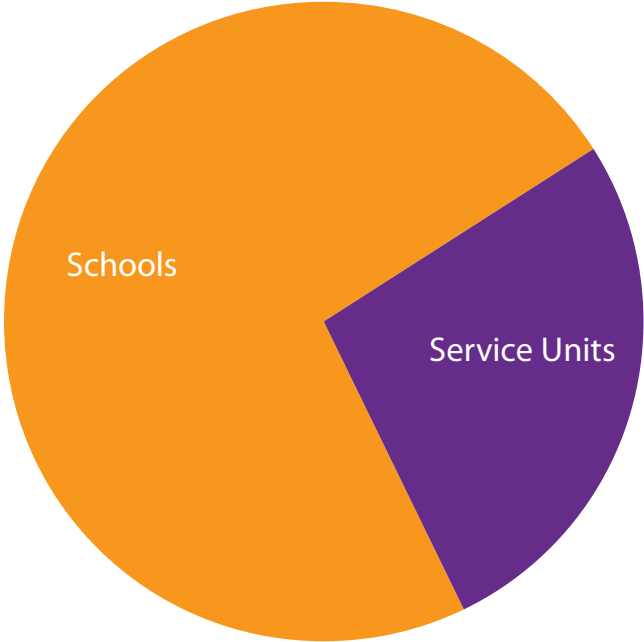
**Fact** | The remaining 21% of expenses are allocated as follows:

- 5% supplies
- 4% amortization
- 3% transportation
- 2% utilities
- 2% maintenance
- 2% contracts
- 1% rentals
- 1% textbooks
- 1% other

# Service Unit Spending

Service Units account for just under 27% of the CBE’s total expenditure budget. The chart below shows how that \$335M is allocated to the various program categories.

## Service unit expenses by program/block



### All Expenses by Program

- Instruction ECS - Gr 12 (\$996.1M)
- Plant, operations & maintenance (\$148.9M)
- Transportation (\$44.7M)
- Board & system administration (\$35.8M)
- External services (\$23.0M)

**Fact** | 2.9% of total CBE spending of \$1,248.5M is allocated to board and system administration.

**Fact** | Administration costs make up only 11% (\$35.8M) of total service unit spending, or 2.9% of total expenses.

- Fact** | Administration includes:
- Board of Trustees
  - Chief’s Office
  - Technology Services
  - Human Resources
  - Legal Services
  - Financial Services
  - Communications



# Board & System Administration (BSA)

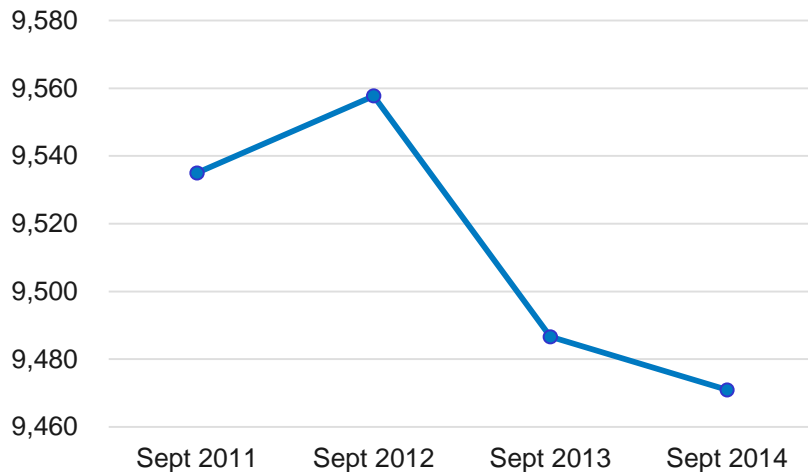
## 2014-15 Fall Board & System Administration Expenses

	Learning Services	Learning Innovation	Facilities and Environ Services	Legal	Communi-cations	Finance & Supply Chain Services	Human Resources	Chief Supt's Office	Board of Trustees	Total
<b># FullTime Equivalent (FTE)</b>	2	28	3	11	14	37	57	6	2	<b>158</b>
<b>2014-15 Fall Budget (in \$ thousands)</b>										
Salaries & benefits	410	4,050	314	1,488	1,715	4,344	6,663	1,165	654	<b>20,803</b>
Professional & Technical Serv	-	64	1,291	848	87	(309)	4,415	185	551	<b>7,132</b>
Dues & Fees	-	109	7	24	13	63	73	21	246	<b>556</b>
Rental	-	1	2,603	-	1	-	6	33	2	<b>2,644</b>
Maintenance & Repairs	-	915	27	2	4	5	10	2	-	<b>965</b>
Insurance	-	-	112	-	-	-	-	-	-	<b>112</b>
Utilities	-	80	267	6	2	9	25	2	1	<b>389</b>
Travel & Subsistence	-	13	1	18	10	22	110	15	34	<b>223</b>
Supplies	-	(51)	105	43	8	55	53	22	19	<b>254</b>
Minor equipment	-	32	1	17	-	50	30	4	-	<b>134</b>
Textbook & Materials	-	1	-	7	2	-	7	1	2	<b>20</b>
Amortization	-	947	8	18	4	1,550	13	-	-	<b>2,540</b>
Other (uncollectible accounts expense)	-	-	-	-	-	10	-	-	-	<b>10</b>
	<b>410</b>	<b>6,161</b>	<b>4,736</b>	<b>2,471</b>	<b>1,846</b>	<b>5,799</b>	<b>11,405</b>	<b>1,450</b>	<b>1,509</b>	<b>35,779</b>
<b>Total Service Unit Budget 2014-15 Fall</b>	<b>33,864</b>	<b>38,472</b>	<b>207,159</b>	<b>2,769</b>	<b>2,673</b>	<b>20,789</b>	<b>22,177</b>	<b>2,565</b>	<b>1,509</b>	<b>331,976</b>
<b>% of BSA to Total Unit Budget</b>	<b>1.2%</b>	<b>16.0%</b>	<b>2.3%</b>	<b>89.3%</b>	<b>69.1%</b>	<b>27.9%</b>	<b>51.4%</b>	<b>56.5%</b>	<b>100.0%</b>	<b>10.8%</b>

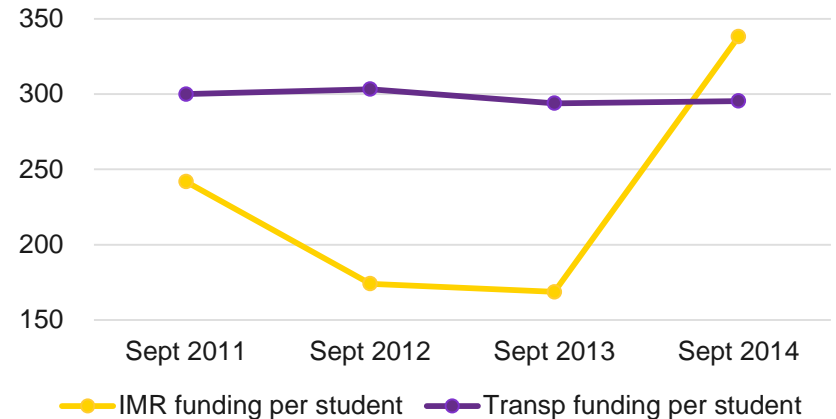
# Funding per student

Provincial funding, on a per-student basis, has decreased over time. Pending the outcome of the Provincial budget, that trend may continue.

## Basic funding per student



## Restricted funding per student



# Fees

Budget 2014-15 (in \$ thousands)

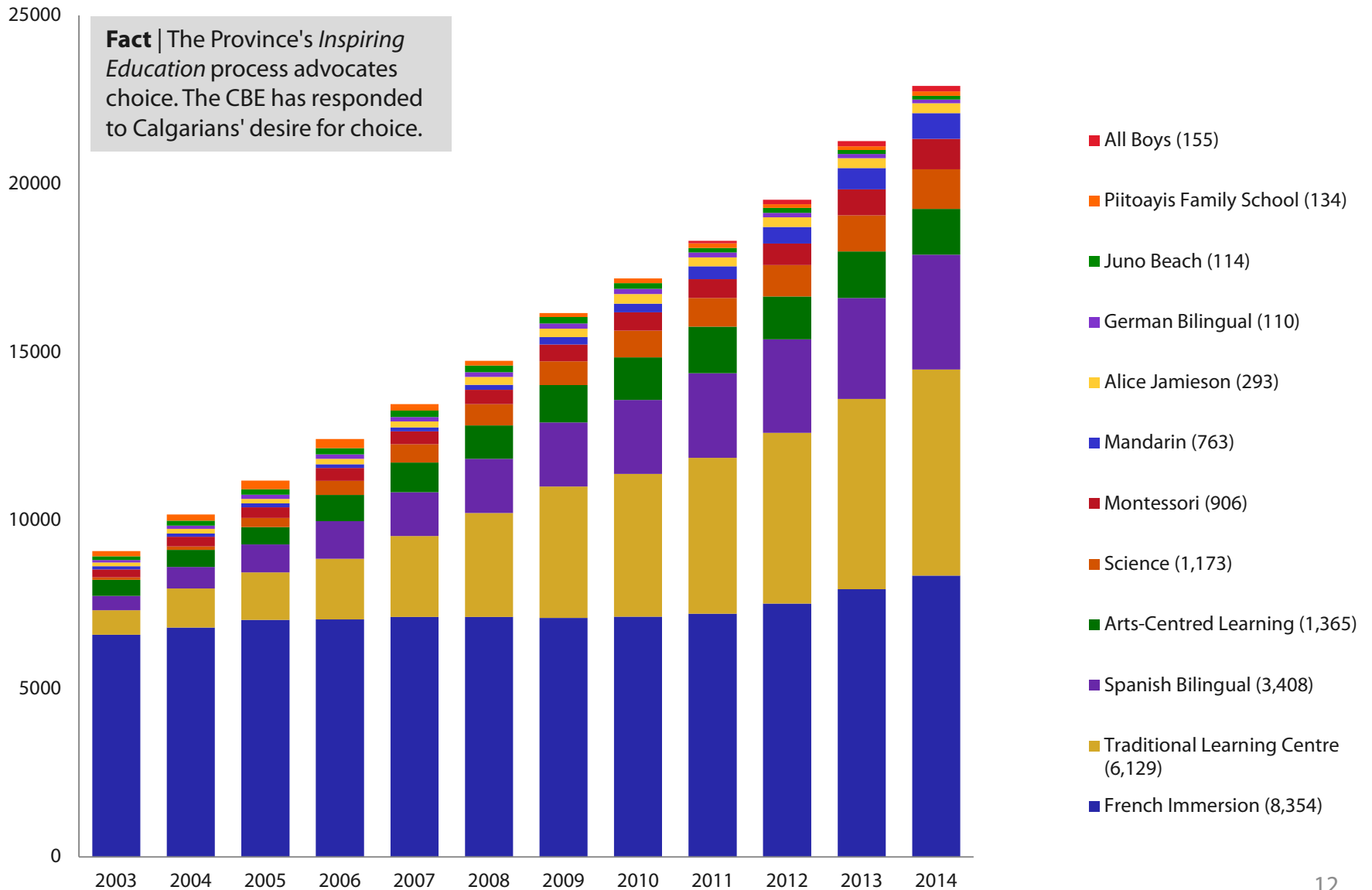
	Transportation	Noon Supervision	Instructional Supplies Materials	Total
Government grants	33,243	-	-	33,243
Reserve funding	1,425	-	-	1,425
<b>Available funding</b>	<b>34,669</b>	-	-	<b>34,669</b>
<b>Salaries and Benefits</b>				
Busing Aides	1,390	-	-	1,390
Central Administration	1,383	-	-	1,383
Noon Supervision	-	9,775	-	9,775
<b>Contracts and Services</b>				
Transportation Services	40,253	-	-	40,253
Other Supplies and Services	-	-	8,057	8,057
<b>Waivers</b>	810	937	616	2,363
<b>Uncollectible accounts expense</b>	281	995	259	1,535
	<b>44,117</b>	<b>11,707</b>	<b>8,933</b>	<b>64,756</b>
<b>Funding Gap</b>	<b>(9,448)</b>	<b>(11,707)</b>	<b>(8,933)</b>	<b>(30,087)</b>
<b>Full recovery fees</b>	<b>9,448</b>	<b>11,707</b>	<b>8,933</b>	<b>30,087</b>
<b>Net surplus / (deficit)</b>	-	-	-	-

**Fact** | These three fee types (transportation, noon supervision and ISM) are not subsidized by the instructional budget.

The CBE charges fees for instructional supplies and materials (ISM) and incidentals, transportation and noon supervision.

Fees are set in the spring for the following school year and are estimated at a level to cover the cost of providing those services.

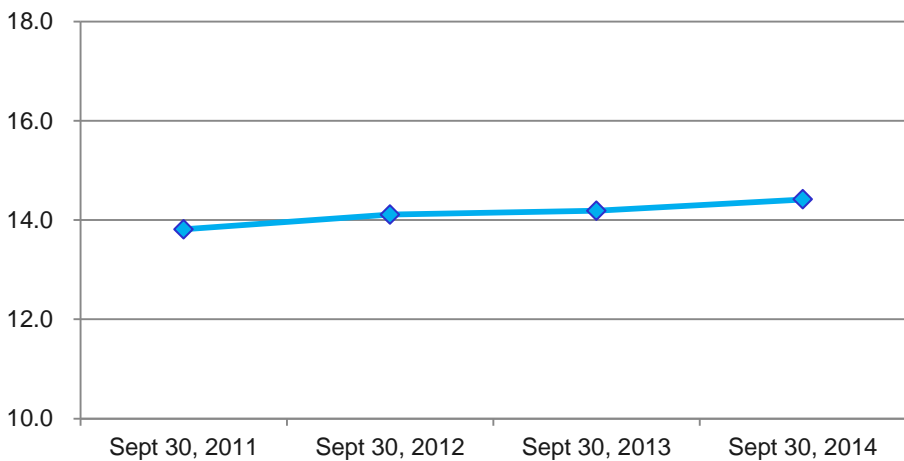
# CBE Alternative Programs 2003-2014



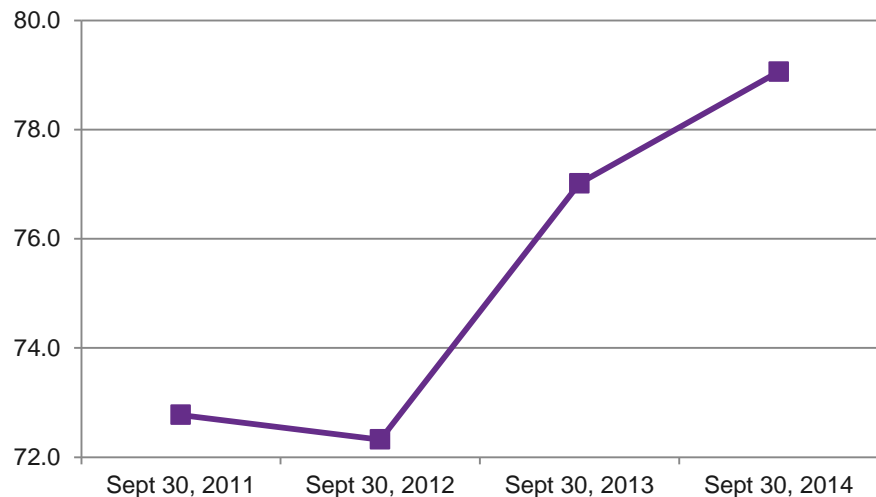
# Students per Full-Time Equivalent (FTE) staff

The number of students per school-based certificated staff has increased only marginally even though enrolment has increased steadily. The CBE prioritizes certificated staff in schools.

Student per FTE (School-based)



Student per FTE (Non School-based)



**Fact** | Over the last three years, enrolment has steadily increased, and will continue to increase.

**Fact** | The increase in the number of staff has not kept pace with enrolment growth.

**Fact** | While staffing costs have increased over time, per-student funding has decreased.

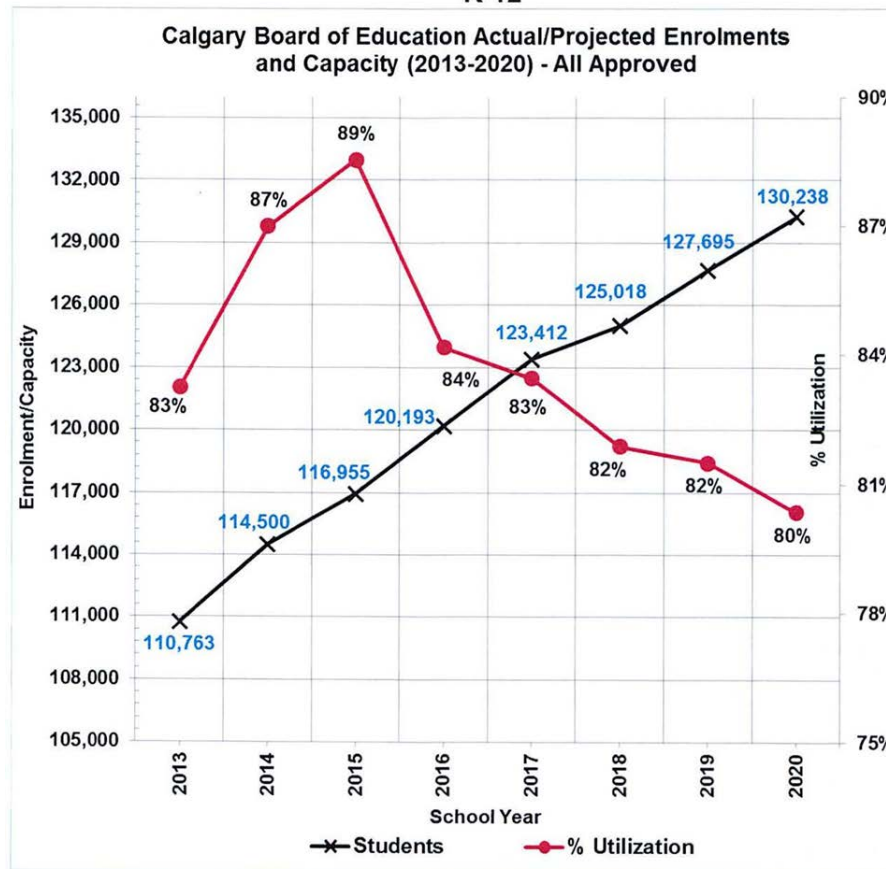
# School facility utilization trends

The CBE experienced a 3.4% enrolment increase from 2013-14 to 2014-15. This trend is anticipated to continue in 2015-16 with a projected 2.1% enrolment increase.

The CBE currently faces high utilization rates in many schools. The province has announced the building of 17 new schools. They are scheduled to open between 2016-18; however, they will not meet our anticipated enrolment increases.

CBE SYSTEM UTILIZATION – (2013 – 2020)

K-12



**Fact** | High utilization rates have many impacts:

- Grade configurations
- Community Schools
- Transportation
- Staffing
- Maintenance

**Fact** | The learning space available at the CBE compared against enrolment demonstrates the increasing capacity challenge.

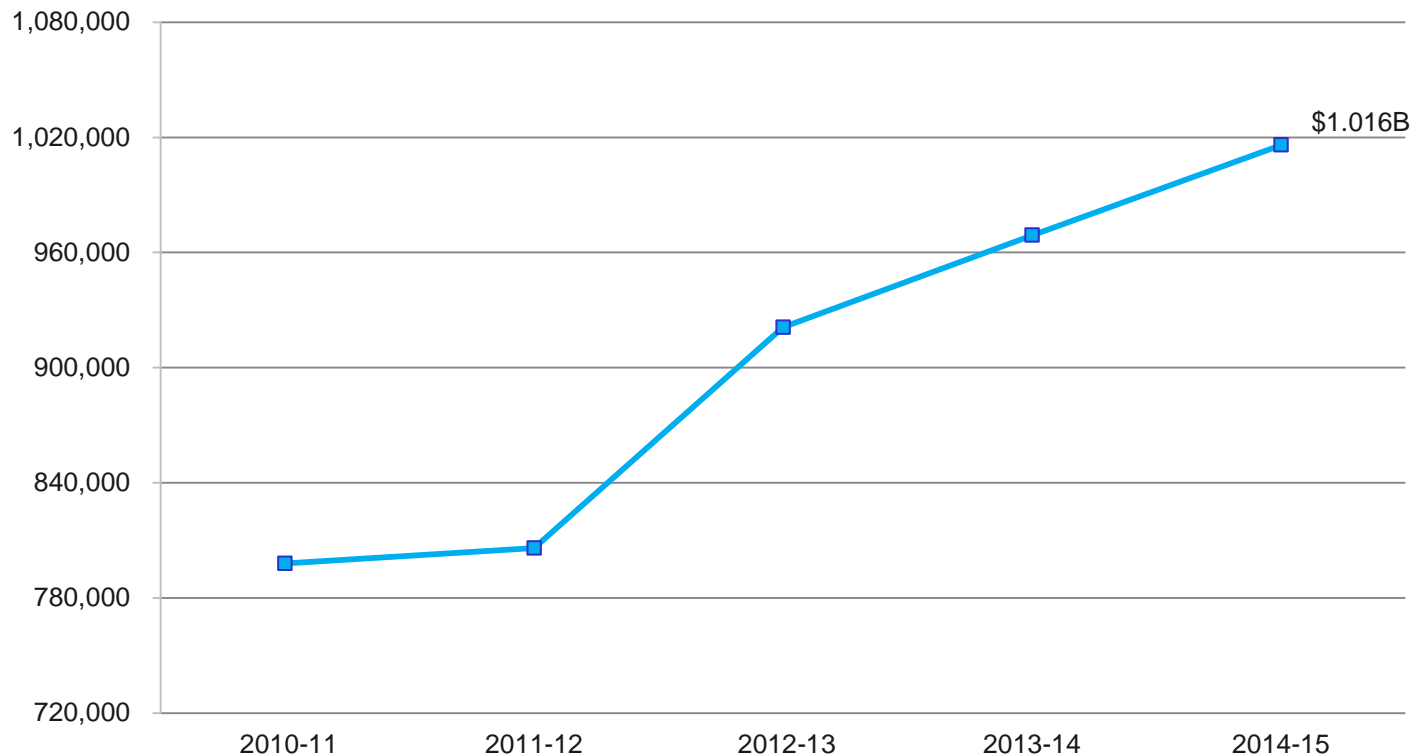
Note: Assumes all schools approved in 2016-2019 Plan

# Deferred maintenance trends

Deferred maintenance is an estimate of the required costs to maintain safe, comfortable, and supportive learning environments.

In addition to capacity challenges, the CBE is experiencing increasing deferred maintenance challenges due to insufficient maintenance funding.

**Deferred maintenance costs  
(\$ millions)**



**Fact** | IMR funding was \$18M in 2012-13.

**Fact** | In 2013-14 funding dropped to \$14M.

The deferred maintenance backlog continues to grow as our schools and modular classrooms age.

**Deferred maintenance for 2014-15 is estimated to grow to \$1.016B.**

# Reserves

We started the year with \$15M of reserves. We are anticipating the available reserves at Aug. 30 2015 will range from \$20 - \$40M, representing 3.2% of total revenue. *We spend \$6.7M per instructional day.*



# 2015-16 Budget Timeline

The CBE budget process is ongoing throughout the year, but much of the work begins in January for the upcoming school year. It is that work that is detailed in the table below.

The chart below identifies work administration expects to be undertaking in developing the CBE operating budget for 2015-16.

Date	Event*
January	<ul style="list-style-type: none"> <li>• Confirm staffing numbers and information</li> <li>• Identify other budget changes</li> </ul>
February	<ul style="list-style-type: none"> <li>• Update salary and benefit budgets</li> <li>• Reallocation of existing budgets</li> <li>• Received and consider any new budget request</li> </ul>
February – March	<ul style="list-style-type: none"> <li>• Consider a range of budget options</li> </ul>
March 26	<ul style="list-style-type: none"> <li>• Province releases budget</li> </ul>
Late March – Early April	<ul style="list-style-type: none"> <li>• Preliminary analysis of provincial budget's impact on CBE</li> </ul>
Early April	<ul style="list-style-type: none"> <li>• CBE releases initial budget situation</li> </ul>
April	<ul style="list-style-type: none"> <li>• Budget Assumptions Report presented to Board of Trustees for approval</li> <li>• Budget balancing decisions are made</li> <li>• Online opportunity for public feedback and comments</li> </ul>
May	<ul style="list-style-type: none"> <li>• Proposed 2015-16 operating budget presented to Board of Trustees for review</li> </ul>
May 31	<ul style="list-style-type: none"> <li>• 2015-16 operating budget approved by Board of Trustees, submitted to Alberta Education</li> </ul>
September 30	<ul style="list-style-type: none"> <li>• School enrolment finalized, provincial funding adjustments made</li> </ul>



**We are here**

(All dates subject to change pending possible election announcement)

# Decision Making Criteria for program and service evaluation

1. Meets the CBE's mandate/mission and supports our values and aligns with our foundational documents
2. Advances our learning agenda
3. Enables the personalization of learning
4. Builds our professional capital
5. Supports well defined, effective, efficient business processes
6. Ensures infrastructure and environments that enable learning
7. Leverages other community resources that serve overlapping populations or is a shared responsibility
8. Viable from the perspective of stakeholders

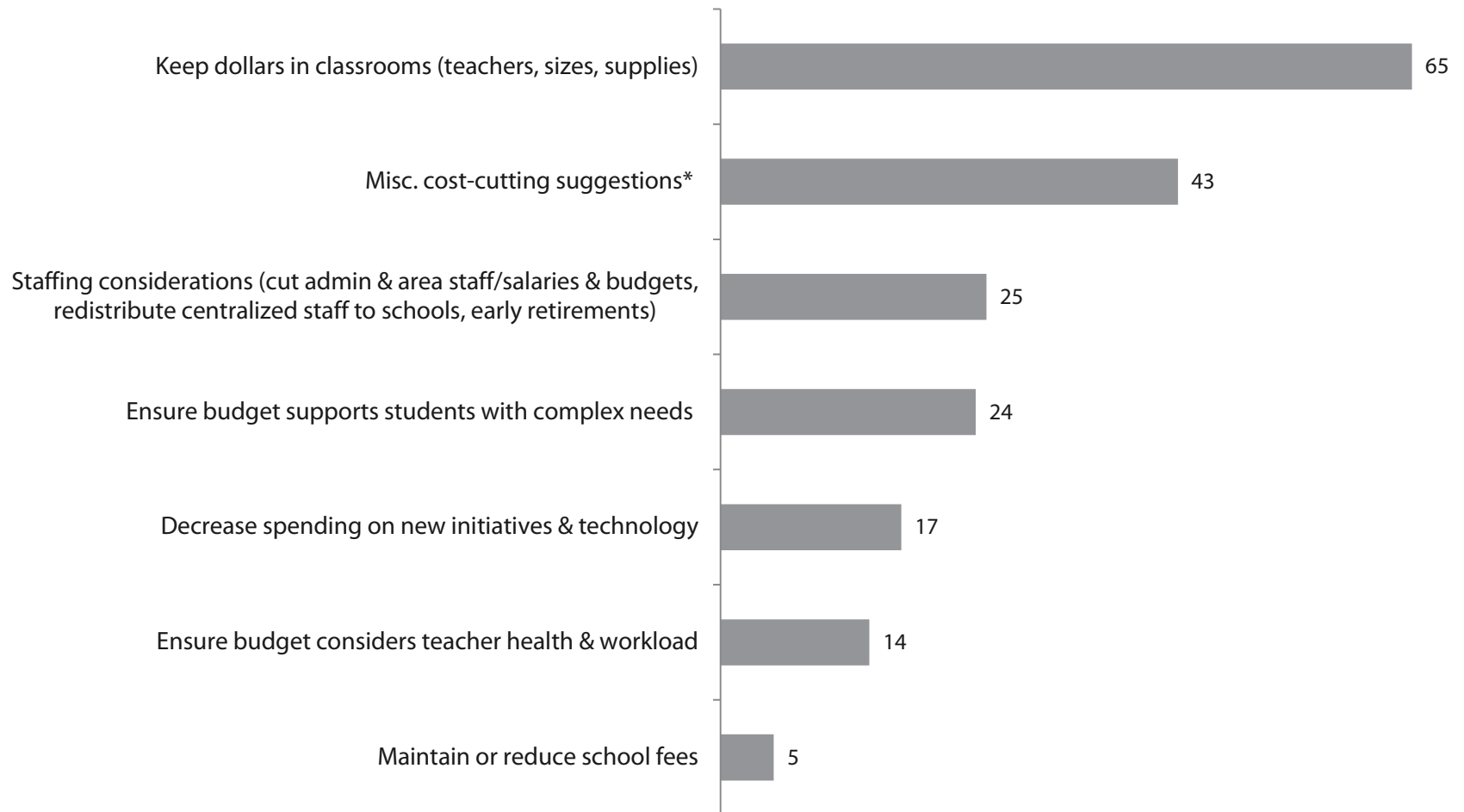
# Budget Feedback Form

As of March 20<sup>th</sup>, we have received over 100 comments.

Visit [cbe.ab.ca/budget](https://cbe.ab.ca/budget)

# Budget Comments Examples

## Your budget comments include...



# Budget Comment Examples

- Apply the busing fees to all.
- Do not cut anymore at the high school level.
- ...start cutting back on sports and field trips, and directing that teacher effort towards our core work.
- High-needs schools need to be financed differently than those schools which are not high needs.
- Overcrowding may be one way to address the cuts and likely unavoidable.
- Cut enhanced programming for special needs, gifted, language programs, etc.

# Budget Comments Examples

- You cannot cut back any more.
- Cut the technology budgets.
- We continue to be extremely concerned about class size at our school.
- Time to reduce administration costs and staff.
- Cut the budget for spending on books and technologies first.
- Focus on our core work of educating students.
- Please support teachers to serve our children well.



**Calgary Board of Education**