

## report to Board of Trustees

# Budget Assumptions Report 2020-21

Date	May 12, 2020
Meeting Type	Regular Meeting, Private Agenda
To	Board of Trustees
From	Christopher Usih 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 Person(s)	Superintendents' Team Finance & Technology Services staff Communications staff

## 1 | Recommendation

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

## 2 | Issue

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Operational Expectation 5: Financial Planning, sub-provision 5.1 requires the Chief Superintendent to present budget-planning assumptions.

The Chief Superintendent interprets the budget-planning assumptions to include key principles and variables, both controllable and non-controllable, which will drive budget decisions.

### 3 | Conclusion

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



CHRISTOPHER USIH  
CHIEF SUPERINTENDENT OF SCHOOLS

#### ATTACHMENTS

Attachment I: Budget Assumption Report 2020-21

#### 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.

# | 2020-21 Budget Assumptions Report



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**Calgary Board  
of Education**



## Executive Summary

The 2020-21 school year will be a year marked with change, opportunity and challenge. School systems, including the CBE, will be operating in a world heavily impacted and influenced by the COVID-19 pandemic. The 2020-21 school year will also be the first year using the provincial government's new funding and assurance framework. That framework is focused on reducing complexity and red-tape, simplifying school jurisdiction administration, maximizing dollars available to directly support teaching and learning in the classroom while maintaining or enhancing student outcomes. As well, for the 2020-21 school year the government has indicated that CBE funding will increase by approximately \$13.5 million when compared to 2019-20 funding levels. That is a welcome increase.

The CBE remains focused on optimizing student success in ways that are equitable, coherent and sustainable. The strategies considered in this Budget Assumptions Report (BAR) enable the CBE to move towards aligning its operations to the government's new funding framework. The goal is a sustainable approach that allows CBE to balance its budget without relying on one-time funding or resources. This sustainable approach will be achieved over a number of years and will be guided by our values and our strategic planning beliefs (outlined in appendix II).

This BAR addresses some of the changes and challenges facing the CBE for 2020-21 and beyond. While funding has increased from the 2019-20 level, it remains lower than the funding provided in the 2018-19 school year. Over the same period, student enrollment has increased by approximately 5,300 students and the CBE will be operating three new schools. The funding we will receive to support our growing system will need to stretch further. We will need to think differently and find new ways of delivering programs and services within the dollars we receive. The CBE believes that focused effort that aligns with the CBE values of: students come first; learning is our central purpose; and public education serves the common good will ensure that the CBE continues to provide a quality public education to all students.

Part of the solution is the Board of Trustee motion on January 14, 2020 that requires CBE administration to balance transportation services within available government funding and parent fees. This direction means that service levels and fees must be adjusted to ensure more dollars remain available to directly support students and classrooms. The CBE believes this aligns with government's direction under the new funding and assurance framework.

Given the economic realities in the province, the CBE is committed to ensuring fees remain as reasonable and affordable as practicable. We will continue to balance providing students with access to programming enhancements and services with community expectations at a cost that is affordable all families. As always, the CBE will retain a comprehensive fee waiver process to support those who cannot pay to ensure that no student is denied access to their public education.

In addition to reviewing its programming, services and supports, the CBE is exploring how it can apply various equity factors within the Resource Allocation Method (RAM), the mechanism by which the CBE allocates funding to each school. Over the next few years, the CBE will be reallocating educational dollars across the system in a way that better addresses the unique equity characteristics of each school, its students and their home community. This innovative approach draws upon objective factors that are strongly associated with students and their educational outcomes. Given the significance of this change, the CBE plans to roll this new approach to equity out over the next three to four school years. This approach is key to our goal to optimizing student success across our system.

The CBE also proposes to build-out a new continuum of programs, services and supports that will address the learning needs of all students in alignment with government's funding and assurance framework. This continuum will ultimately touch on all students across the CBE. From our youngest students in preschool/EDC programs to returning grade 12 students. This exciting work will also come to fruition over the next few years and support strong, safe, caring, welcoming and inclusive community schools.

As Calgary and indeed, the world, moves through what are unprecedented times the CBE remains committed to our strong, vibrant, community schools to ensure all students have opportunities to achieve their potential.

## Introduction

The Budget Assumptions Report (BAR) is a high-level document that sets out the:

- operating context of the CBE;
- financial and operating assumptions that will be incorporated into the CBE budget to be considered by the Board of Trustees on May 26, 2020;
- strategies to cover the gap between funding and costs;
- risks involved in the CBE balancing strategies;
- strategies to generate the estimated \$50 million needed to balance to the revenue provided by Alberta Education. Strategies include the re-imagining, redesigning, reduction, and, in some cases, elimination of programs, services and supports.

Note: This BAR has been prepared in the absence of the final confirmation letter for funding from Alberta Education. Accordingly, information contained in this report is subject to change once confirmation is received.

## Organizational Summary

The CBE's work is guided by its Three-Year Education Plan that connects each employee to creating an environment and commitment to student success.

### Mission

The Board of Trustees' mission for the CBE is: **“Each student, in keeping with their individual abilities and gifts, will complete high school with a foundation of learning necessary to thrive in life, work and continued learning.”** The CBE considers each individual student and their learning requirements while balancing all student needs against available financial and other resources.

### Values

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

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

The CBE will continue to optimize student learning while recognizing the fiscal reality within which it operates.

## Revenue

The CBE, like other metro school jurisdictions, typically receives more than 90 per cent of its total funding from Alberta Education. Accordingly, changes up or down to provincial funding levels can have significant impacts on programs, services, and supports ([Appendix I: Alberta Education Funding Projection per Student](#)).



## Expenditure

Expenditures are classified into two categories: Block and Type. The following charts show the same total expenses and different manners to categorize them. As an example, salaries and benefits for a teacher and accounts payable clerk will be recognized as “Salaries and Benefits”. The teacher’s salaries and benefits will be classified as an “Instruction” block and the clerk’s under “System administration”).

Here are the groupings within each of those categories.

### Expenditures by Block



### Expenditures by Category



## Guiding documents

The CBE is guided by its [Three-Year Education Plan](#). This plan is updated each year as required by Alberta Education to support accountability and transparency throughout the provincial ECS (pre-kindergarten and kindergarten) to Grade 12 education system and to ensure alignment of school authorities with provincial direction.

The CBE's Three-Year Education Plan guides the work and connects each CBE employee to the mission, values and outcome: Student Success. The CBE is focused on personalized learning, building professional capital, engaging stakeholders and stewarding resources. Taken together, the CBE believes these areas of focus allow for the provision of a high-quality public education for all CBE students.

The beliefs and strategies set out in the [Appendix II: Overarching Challenges and Beliefs](#) and [Appendix III: Strategic Planning](#) document will guide the CBE in the 2020-21 school year. These beliefs will guide CBE decision making as it adjusts programs, services, supports, and operations to align with the new funding and assurance framework and related resources. The CBE believes:

- Deeply in the fundamental value of public education
- Decisions are best made using evidence from across the system in support of student academic success and well-being
- In quality and inclusive programming in strong community schools
- In a defined continuum of supports and services consistent with principles of inclusive education
- Each employee impacts system success
- A strong Calgary Board of Education requires effective and efficient supports within available resources

## Provincial Budget and Impacts

On Feb. 28, 2020, the new funding model for Alberta schools was announced<sup>1</sup>. Although total funding to schools across Alberta was held constant, the funding grants and formula calculation related to student enrolment directly affected the CBE. In addition, changes to Program Unit Funding, Home Education, Summer School and elimination of the Regional Collaborative Service Delivery program change how funding is allocated within the system. Changes were also made that impact funding for System Administration and for Operations and Maintenance ([Appendix IV Allocation](#)).

At the time of writing this report, CBE has been in discussion with Alberta Education to communicate the potential impacts of the funding changes and how funding flows to the CBE. To date, the CBE has not received the final funding letter for the 2020-21 school year. We anticipate further information in early May. As such, numbers noted in this report are subject to change until the funding is finalized. The Budget Report to be presented in late May 2020 will reflect information received from Alberta Education up to that point in time.

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<sup>1</sup> <https://www.alberta.ca/assets/documents/ed-interim-funding-manual.pdf>



With the current unprecedented complications related to COVID-19, the province has reduced 2019-20 base operating funds to jurisdictions in order to redirect funding toward the COVID-19 situation. The government has committed to restoring the same level of funding for the months of July and August and maintain 2020-21 funding at previously announced levels<sup>2</sup>. Decisions made for the 2020-21 budget are distinct and separate from decisions made mid-year during the midst of the COVID-19 situation. While separate processes, the budget development process and impacts may overlap with and impact on the decisions made relative to the 2019-20 base funding adjustment.

Change	What does this mean
Funding model	<p>The new funding framework model simplifies the number of grants from 36 to 15. The degree of changes to grants and structure within the funding model means that a direct comparison to prior years cannot be made.</p> <p>While there has been an increase in total funding in comparison to 2019-20, programs not previously included in funding calculations have decreased and have been added to the total model provided by Alberta Education<sup>3</sup>.</p>
Funded Enrolment	<p>Alberta Education has moved to a 3-year weighted average methodology to provide schools with predictability in future funding. Please reference <a href="#">Appendix V: Weighted Moving Average - Change in Funding Model</a> for further information on the calculation.</p> <p>CBE projects growth in student enrolment for the next school year. As funding is weighted from both projections and past enrolment, there is a lag in funding when a school board is in a growth position. This means in a growing board, the funding for students attending in a given year, isn't fully received in the same year.</p>

<sup>2</sup> <https://edmontonjournal.com/news/politics/budget-2020-province-releases-details-of-new-k-12-education-budget/>

<sup>3</sup> Previously, CBE collaborated with different school jurisdictions, Alberta Health Services and Child and Family Services, etc. in a Regional Collaboration Services Delivery (RCSD) to provide services for complex learning. A continuum of supports and services are provided through this collaboration. In the previous year, CBE received \$7 million more in additional funding than it will receive this year for the services previously provided through the RCSD program

<p>System administration funding is static</p>	<p>Funding for System Administration is now static at \$43,728,080. This is a reduction of approximately 10% from Board and System Administration allocation included in budget 2019-20. Static system administration funding, could hinder efficiency and effectiveness within a growing system. For example, activities that could be completed more efficiently centrally may need to be performed by schools, thereby reducing school administration time to focus upon student results.</p>
<p>Fees regulation</p>	<p>As part of the 2019 – 20 fall budget, the province removed the grant that provided approximately \$18 million to address the Act to Reduce School Fees. Approximately \$10 million of that grant was allocated directly to schools to reduce school fees. The remaining \$8 million what utilized to support student transportation. Given the grant elimination, the CBE is assessing fees, through its internal fees committee, that may be permitted to be levied under related regulations. The CBE will work towards a balanced budget in regards to both the noon supervision and transportation fee. Affordability to parents will remain a key fee consideration.</p>

## Historical Operating Results and Financial Position

Highlights of the CBE’s historical financial results and financial position are an integral consideration for assessing the strategies needed to deliver programs and services to its students next year and into the future ([Appendix VI: Historical Student, Staff and Schools Data](#), [Appendix VII: Reserves Balances](#)). Additional financial information can be found under on the CBE website at: <https://www.cbe.ab.ca/about-us/budget-and-finance/Pages/default.aspx>

## Factors for consideration

Numerous strategies are considered to align with the new funding framework and to fit within the allocated funding. When decisions are made that affect the system, the following factors are considered to address the difference between funding provided and the costs to support CBE students.

- Align CBE programs, services, supports and operations with the funding allocated by Alberta Education without recourse to one-time sources of funding;
- Align CBE operations with the *Education Act*, regulations, ministerial orders, and the Guide to Education;
- Align CBE operations with Board of Trustee policy guidance;
- Align teaching and learning with accepted pedagogical research;
- Minimize the impact to Kindergarten to Grade 12 students and school-based staff, as much as possible;
- Maintain, or increase, student outcomes;
- Balance programming alternatives/options with community expectations;

- Maximize efficiency in program and service delivery;
- Enhance or create a viable revenue stream where appropriate;
- Ensure programs and services are sustainable over time within available resources;
- Balance fee-based programs and services within available funding and fees (net of waivers and uncollectible accounts). A fees subcommittee has been tasked to ensure what CBE collects in fees provides adequate services for students while maintaining affordability for parents; and
- Equitable allocation to ensure adequate funding is allocated to students to provide equal opportunity for all.

## Assumptions & Risks

[Appendix VIII: Assumptions](#) planned to be incorporated into the final budget report. See [Appendix IX: Risks](#) for risks considered.

## Conclusion

The CBE will work to align with the new funding model and ensure resources match the funding available.

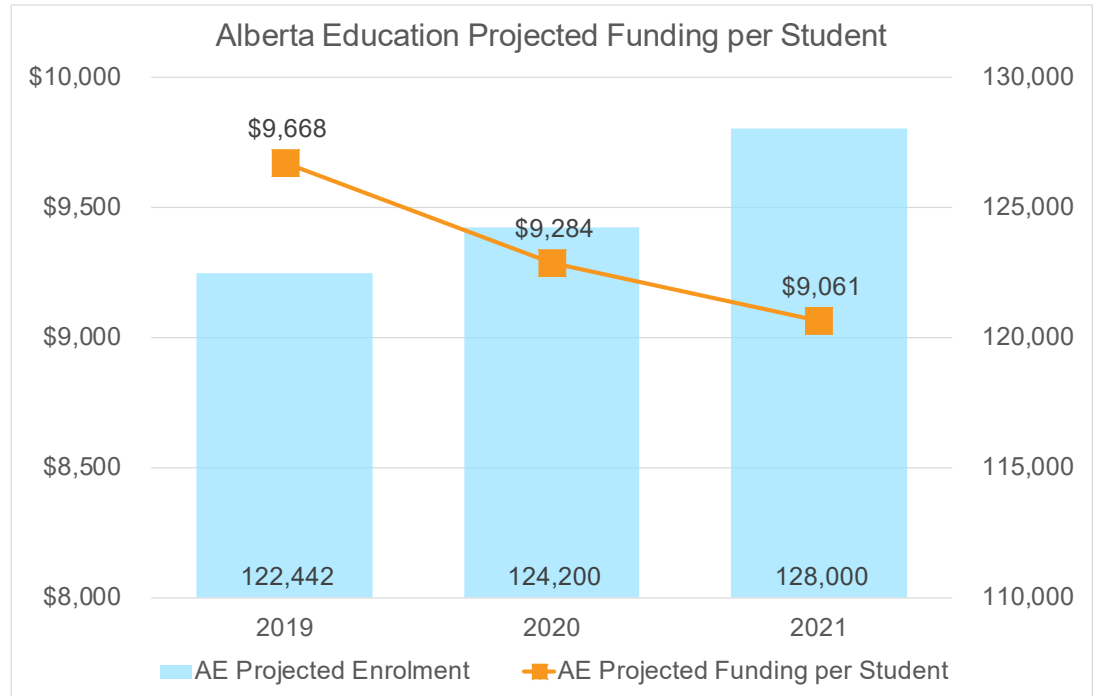
Maximizing the dollars directed to the classroom to support student results remains the top priority. The CBE, working with students, families, stakeholders, and Alberta Education, will continue to provide the best public education programs and supports possible within the financial resources made available.

In order to minimize the impact on student learning, the CBE has approached bridging the gap between resources and costs in a way that balances the reductions across the organization and redeploys resources accordingly. These budget assumptions support learning for students next year and within CBE funding constraints.

The CBE will continue to be constrained by growing enrolment, ongoing inflationary pressures, aging of facilities, and the challenge of containing the demand for central services and supports with fixed funding in a growing system.

CBE's choices will continue to be guided and informed by its values: students come first, learning is our central purpose, and public education serves the common good.

## Appendix I: Alberta Education Funding Projection per Student



- Funding projects enrolment at the time of the provincial budget announcement
- 2021 funded enrolment is lower than stated above due to the WMA calculation in the new provincial funding framework

## Appendix II: Overarching Challenges and Beliefs

### Overarching Challenges

The CBE needs to optimize student success in a way that is equitable, coherent and sustainable given:

- New funding framework
- New fiscal reality
- Shift to Alberta Education's performance measures
- Shift in choice in education

### Beliefs

These beliefs are to be considered in their entirety and are not organized hierarchically.

We believe:

- Deeply in the fundamental value of public education
  - As defined by the Education Act, Ministerial Order on Student Learning, and Programs of Study.
  - Equity means each student will have opportunity to achieve quality learning outcomes.
- Decisions are best made using evidence from across the system in support of student academic success and well-being
- In quality and inclusive programming in strong community schools
  - In quality teaching and school leadership as defined by the TQS and LQS.
  - In breadth of programming that enables us to serve the educational needs of students within available resources.
  - Families are valued partners in the education of their student.
- In a defined continuum of supports and services consistent with principles of inclusive education
  - This includes a defined continuum of specialized supports and services for students with identified needs and a defined continuum of supports and services for all students.
  - Community partners are necessary in supporting the academic success and well-being of students.
- Each employee impacts system success
  - Collective ownership of system success and failure.
  - Leaders are accountable to act in ways that move beyond the interests of individual classrooms, schools and service units.
- A strong Calgary Board of Education requires effective and efficient supports within available resources
  - Relationships are built through collaborative work to improve student learning outcomes.
  - In sustainable and effective learning environments that maximize the use of facilities and infrastructure.

## Appendix III: Strategic Planning

In light of the new funding allocation model implemented by Alberta Education, the strategic proposals set out below reflect areas within the CBE that have been closely examined and have potential opportunities. This does not necessarily reflect on how programs, services and supports will be reduced, eliminated or changed. This is directional in nature and for information purposes only. All aspects of public education operate in an interconnected manner which makes individual review and evaluation difficult.

<b>Note: Administration's intention in evaluating proposals is to adjust programs and services to align with the provincial funding framework and develop sustainable practices for delivering those programs and services (for example, one time sources of funds are not planned to be used).</b>				
<b>ID</b>	<b>Lever</b>	<b>Cost Reduction</b>	<b>Program / Service Impact</b>	<b>Staffing Impact</b>
1	Dual Credit Off Campus	Up to \$352K reduction  (Total spend on dual credit program was approx. \$1.1M)	Reduction in number of and breadth of Dual Credit Programs offered to High School Students.  <u>2019-20:</u> offered 35 Dual Credit programs during the school year.  <u>2020-21:</u> reduce to offer 12 existing Dual Credit programs  add 2 new programs  TOTAL: 14 Dual Credit Programs  Summer School offerings would continue with 7 offerings.  Students will have access to a reduced number of Dual Credit program offerings. Those eliminated were done so based on low enrolment, high cost, and/or low completion rate.  Program offerings that provide different types of learning beyond a typical first year university course were prioritized.	We would maintain the existing 2 FTE certificated staff and maintain 7 summer supervisors (80 hour contracts).  FTE assigned to support/supervise students allocated within schools may be reduced. No full-time positions are impacted.  There is potential for implications for post-secondary institutions as they allocate instructional staff. Budget reductions for post-secondary institutions may also impact the ability for the CBE to maintain all programming opportunities.

<b>Note: Administration’s intention in evaluating proposals is to adjust programs and services to align with the provincial funding framework and develop sustainable practices for delivering those programs and services (for example, one time sources of funds are not planned to be used).</b>				
<b>ID</b>	<b>Lever</b>	<b>Cost Reduction</b>	<b>Program / Service Impact</b>	<b>Staffing Impact</b>
2	Learning Leaders Standardization	\$1 M	<p>Currently, schools are allocated an “up to” amount to pay for Learning Leader allowances. This is determined by school size and grade levels. There is significant discrepancy in the number and type of Learning Leader positions across schools. In some schools, there is one LL and in others, up to 18 LL positions.</p> <p>Learning Leaders play an important distributed leadership role in furthering the priorities laid out in the 3 YEP, CBE strategies (Literacy, Numeracy, Indigenous, High School Success), and School Development Plan goals.</p> <p>A reduction in the number of LL positions may shift how schools structure teams, organize professional learning, and focus priorities. There may be specific programmatic links between LLs in schools, specifically High Schools, these may need to shift as a result of a reduction.</p>	<p>There is a range of approaches to instructional FTE assigned to LLs with many schools where LLs receive only an allowance, and maintain full time instructional positions. However, in the middle and high school contexts, there are positions that while holding a 1.0 FTE contract, do not have a full-time teaching load.</p> <p>This reduction and standardization of LLs may mean that more teachers are available for increased instructional assignments.</p> <p>There would be no reduction in staff as part of the evaluation of these allowances.</p>
3	ELL Years 6 & 7	Up to \$6M	<p>Align CBE funding for students who have ELL or Refugee codes with Alberta Education funding. Remove funding for years 6 and 7.</p> <p>There would be fewer teachers and support staff members to program for ELL students.</p> <p>Class sizes for elementary students may increase.</p> <p>There will be fewer “sheltered” classes for middle school and high school students.</p>	<p>The fund lost to schools, which has been provided previously through the RAM process, are mostly used for hiring teaching staff to reduce class sizes at elementary levels and to provide “sheltered” classes for Level 1, 2 and 3 ELL learners in middle schools and high schools.</p> <p>Some schools also hire ELL Assistants (or Educational Assistants and School Assistants) to provide support for students.</p> <p>We currently have teachers and support staff in our 26 LEAD classes. This amounts to a RAM top up of \$2.4 million for schools who have LEAD classes.</p>

<b>Note: Administration’s intention in evaluating proposals is to adjust programs and services to align with the provincial funding framework and develop sustainable practices for delivering those programs and services (for example, one time sources of funds are not planned to be used).</b>				
<b>ID</b>	<b>Lever</b>	<b>Cost Reduction</b>	<b>Program / Service Impact</b>	<b>Staffing Impact</b>
4	Close Kingsland Facility and Relocate Welcome Centre staff and services to the Education Centre	\$200K (Utilities - \$115K; Salaries (1.6 FTE) \$85K Facilities and Environmental Services, no School Improvement service unit savings anticipated	Closure of the Kingsland Centre will allow for important recurring savings. Activities currently conducted from Kingsland will be relocated to Highfield and the Education Centre. Some current Education Centre occupants will need to be relocated elsewhere within the Education Centre to accommodate this change. For example, the main floor space of the Encore Centre occupied by the Indigenous team could be relocated to the 8th floor which would include a large space for gatherings, individual work spaces and close proximity to the Amenity Centre for food storage. The Kingsland Reception Centre could be relocated to the Encore Centre with additional space for Kingsland employees on the 2nd, 5th and 6th floors. In very busy summer periods, the Multi-Purpose Room with adjacent indoor and outdoor gathering spaces and washrooms for families can be utilized.	No staffing additions or reductions.  Having the Kingsland employees from the ELL department will allow for more collaboration with other School Improvement employees and work groups, because their current location has contributed to isolating their work processes and instructional support perspectives.
5	Eliminate ISM Allocation	\$10M (evaluating feasibility of levying fees to offset)	With the Fee Replacement grant reduced in the 2019-20 fall budget, this allocation will be removed from school RAM's. The Fee Committee is exploring a fee to levy to parents which may include: <ul style="list-style-type: none"> <li>• Mandatory fee for K to 9</li> <li>• High Schools could see RAM reductions of up to \$200K</li> </ul>	Subject to Fee Committee deliberations, fees to parents for grades K to 9 may mitigate impact to staffing. High Schools may see greater impact on staff if their respective ISM allocation impacted staffing.



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<b>ID</b>	<b>Lever</b>	<b>Cost Reduction</b>	<b>Program / Service Impact</b>	<b>Staffing Impact</b>
6	Reallocation of EDC and K supports based on PUF grant changes	Up to \$7M (net reduction to program to provide service within funding available)	<p>Reduction from 16 EDC sites to 3 EDC sites while still serving the same number of students we served last year (between 250 and 290 students)</p> <p>Additionally, because there is not a separate grant for transportation through the PUF allocation, CBE will not be providing transport to students. This is similar to other school boards across the province.</p> <p>The proposed EDC model has a small contingency of dollars to account for unforeseen changes in enrolment. We are currently projected to receive approximately 3 million dollars.</p> <p>The potential for enrolment changes based on reducing the number of sites, must also be accounted for.</p> <p>Kindergarten students with programmatic needs will now be accounted for through programming funding reflected in the new funding framework K – 12. Where possible, we will still support service provision across programs to support the focus within Early Learning.</p>	<p>Reduction in FTE and changes in positions will occur. This will impact future FTE levels for the following:</p> <ul style="list-style-type: none"> <li>• Teachers</li> <li>• Early Childhood Practitioners</li> <li>• Speech Language Assistants</li> <li>• Floating EA/Early Childhood Practitioners</li> <li>• Family Oriented Program Practitioners</li> <li>• Psychology</li> <li>• Speech Pathology</li> </ul> <p>We would be maintaining positions that will be funded not solely through PUF such as the System Principal Early Learning, Supervisor, Speech Language, and including Learning Leaders and/or Strategists to provide additional coordination of instruction.</p>

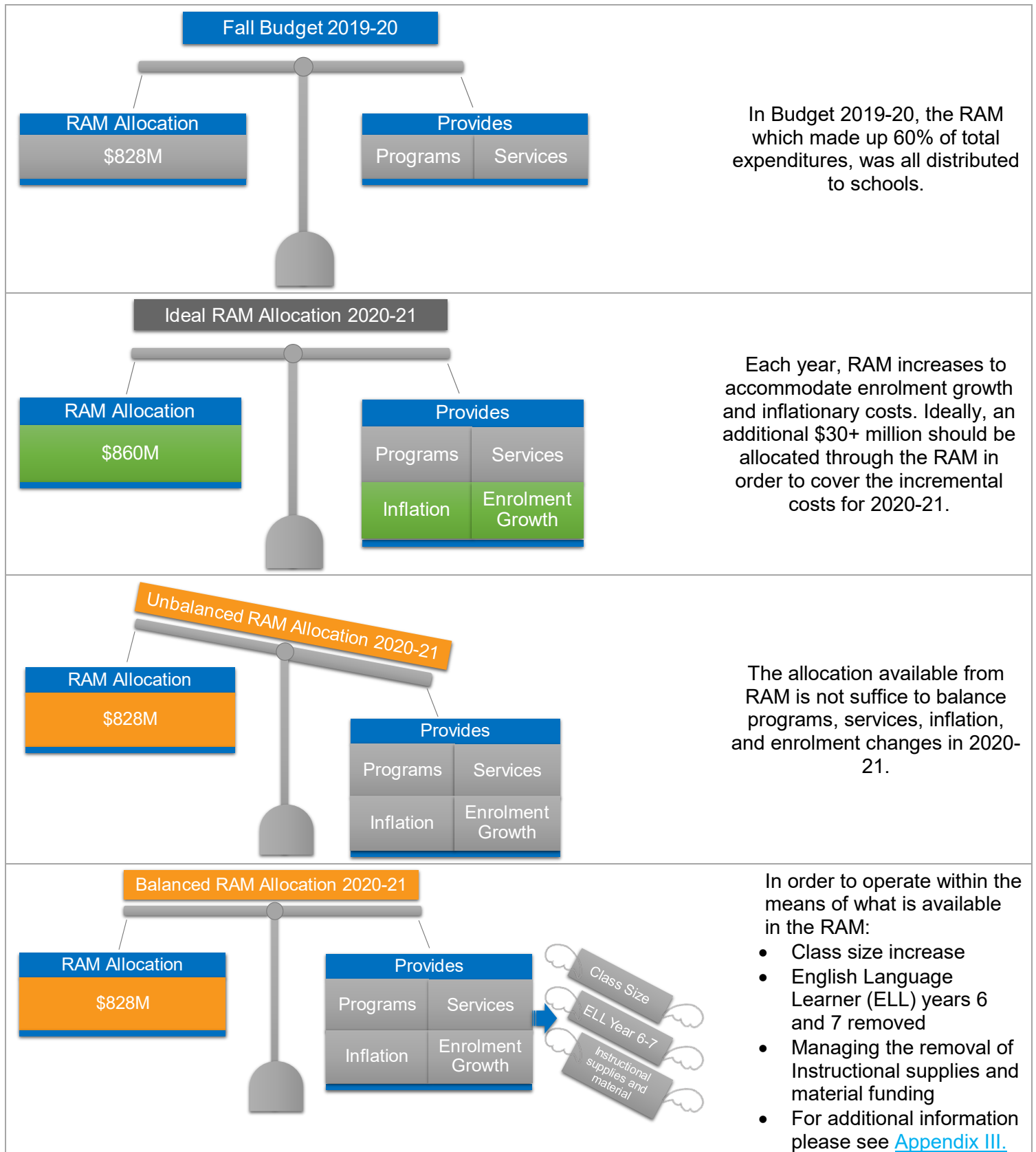
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<b>ID</b>	<b>Lever</b>	<b>Cost Reduction</b>	<b>Program / Service Impact</b>	<b>Staffing Impact</b>
7	Close Discovering Choices (Bowness)	<p>The lease cost is currently \$226,000.</p> <p>Possible reduction in office staff costs.</p>	<p>Consolidate the Discovering Choices School program to 3 sites from the current 4 sites by closing the Bowness site. This site has the fewest number of students and the highest facility lease cost.</p> <p>Discovering Choices students who are currently at the Bowness site would be redirected to one of the other three sites (Westbrook, downtown (Alberta Trades Centre) or Marlborough. In this configuration there is one downtown site, one site in the central west area and one site in the central east area.</p> <p>In the current environment, we do not anticipate fewer students enrolled in Discovering Choices for the 2020-21 school year. As a result, we do not anticipate teacher reductions.</p> <p>Transportation support for students will be provided in alignment with the 2020-21 student transportation service fee and model.</p>	<p>There would be minimal impact on teaching staff. Current Bowness teachers would move to one of the other 3 sites.</p> <p>Currently there is one principal and 3 assistant principals for the 4 sites. Westbrook does not have an assistant principal on site. With this change the three assistant principals can be deployed one per site.</p> <p>The need for the office staff and other support staff at the Bowness site would be assessed and could possibly be a reduction.</p>
8	Align Home Education Supports with new funding framework.	Anticipated funding is reflective of \$340 K in funding for a program that currently costs \$630K, plus \$132K of O&M for the Windsor Park school site.	<p>Potential reduction in scope of service in line with provincial funding. Scaling across services to reflect funding levels.</p> <p>Changes would align with yearly routine follow up with families, allowing parents to understand choices and services in home education or blended support in CBE.</p>	<p>Discussions ongoing with Alberta Education to confirm funding available. Consequently, there may be changes to strategy as we understand it currently.</p> <p>The CBE will continue to provide Home Education supports for the 2020-21 school year</p>
9	Balance Transportation	Currently \$5.6M	Pursuant to board motion from January 2020, CBE to present budget that is balanced based on fees and government funding.	TBD

<b>Note: Administration’s intention in evaluating proposals is to adjust programs and services to align with the provincial funding framework and develop sustainable practices for delivering those programs and services (for example, one time sources of funds are not planned to be used).</b>				
ID	Lever	Cost Reduction	Program / Service Impact	Staffing Impact
10	Deployment of Certificated Teachers from School Improvement	Up to \$5.1M in costs reduced (reduction in central service unit budget)	<p>The School Improvement service unit will reduce certificated staff to be redeployed to school based instructional or leadership positions. They will assume vacant positions or displace other roles resulting from staff reductions.</p> <p>The reduction in staffing supports in School Improvement will require redesign of service delivery across portfolios and in relation to system priorities.</p> <p>This redesign will need to reflect alignment to the new Alberta Education funding model. Adjustments will need to be reflective of key changes as they relate to both funding and reporting requirements in:</p> <ul style="list-style-type: none"> <li>• Kindergarten</li> <li>• English Language Learning</li> <li>• Inclusive Programming</li> <li>• High School</li> </ul>	<p>Redesign and deployment School Improvement supports impacting FTE in the following centralized services:</p> <ul style="list-style-type: none"> <li>• Learning Leaders</li> <li>• Strategists</li> <li>• Specialists</li> <li>• System Assistant Principals</li> <li>• System Principal Positions</li> </ul> <p>Staff would be redeployed to schools for instructional or leadership positions.</p>

<b>Note: Administration’s intention in evaluating proposals is to adjust programs and services to align with the provincial funding framework and develop sustainable practices for delivering those programs and services (for example, one time sources of funds are not planned to be used).</b>				
ID	Lever	Cost Reduction	Program / Service Impact	Staffing Impact
11	Previous RCSD funding now included in CBE funding framework	Nil	<p>Funding required to maintain supports and services within the Calgary Board of Education (as previously provided through RCSD funding in 2019-20) for the 2020-21 school year:</p> <p>Mental Health: \$4,924,819.65</p> <p>Rehabilitation: \$3,401,130.09</p> <p>Low Incidence: \$777,322.37</p> <p>Complex Needs: \$550,000.00</p> <p><b>Total: \$9,653,272.11</b></p> <p>In addition to the Mental Health, Rehabilitation and Low Incidence funding allocation, CBE also received approximately \$550,000.00 from RCSD Complex Needs to support individual students.</p>	<p><b>RCSD Mental Health – \$4,924,819.65</b></p> <p>CBE hired System Supports– Budget: \$2,089,957.31 - psychologists</p> <p>CBE hired Area Supports - Budget: \$617,761.89 –behavior support workers, behavior strategist and school family liaison.</p> <p>CBE hired System Coordination and TCI training – Budget: \$212,898.25 - training and behavior strategist.</p> <p>AHS hired– Budget: \$1,575,626.00 – family counsellors.</p> <p>COPE (CBE hired with partners) – Budget: \$584,092.20 – family school liaison (Hull) and psychologist.</p> <p><b>RCSD Rehabilitation – \$3,401,130.09</b></p> <p>CBE hired System Supports– Budget: \$1,411,951.87 –physical therapists, speech language pathologists, occupational therapists and psychologists.</p> <p>AHS hired – Budget: \$1,378,966.60 –occupational therapists, occupational therapy assistant, speech language pathologists and physical therapists.</p> <p>Renfrew hired – Budget: \$610,212.72 – occupational therapists, physical therapist and speech language pathologist.</p>

<b>Note: Administration’s intention in evaluating proposals is to adjust programs and services to align with the provincial funding framework and develop sustainable practices for delivering those programs and services (for example, one time sources of funds are not planned to be used).</b>				
<b>ID</b>	<b>Lever</b>	<b>Cost Reduction</b>	<b>Program / Service Impact</b>	<b>Staffing Impact</b>
12	Equity Re-distribution of RAM	Nil (No net reduction but greater emphasis on providing resources where needed.)	<p>Attribute resources to student groups and schools with complexities based on weighted variables. The three groupings with multiple variables within include:</p> <ol style="list-style-type: none"> <li>1. School</li> <li>2. Home/ Family</li> <li>3. Student</li> </ol> <p>Variables and weighting of variables currently under development.</p>	Redistribution of resources to schools with greater student complexity. Staff may be redeployed between schools as part of the typical movement that takes place during the spring staffing process.
13	Overall RAM Reduction	TBD	In the absence of other strategic levers that are in keeping with priorities and beliefs, the remaining lever is class size. In general, a \$19M reduction in overall RAM would translate to an increase in class size (on average) of 1 student per class.	Each change in total RAM of 1% = \$8.4M or approx. 83 FTE’s.

## Appendix IV: RAM Allocation Changes



## Appendix V: Weighted Moving Average - Change in Funding Model

There is a new funding model which changes how funding is calculated and provided

1. In the spring, the CBE projects the number of students for the upcoming school year. Numerous factors are considered to provide the most accurate estimate with the information available at the time. There will always be unpredictable changes resulting in a difference between projections and September enrolment.
2. For 2020-21, the CBE projects 128,897 students to be in the system. This projection includes 127,098 funded AND 1,799 unfunded students.
3. CBE provides the projections to Alberta Education.

	Funded students		Weighting	Contribution to the WMA Calculation
2018-19 Funded students	120,970	x	20%	24,194
2019-20 Funded students	124,062	x	30%	37,219
2020-21 Projected Funded students	127,098	x	50%	63,549
Subtotal prior to half day ECS adjustment				124,961
<b>Calculated WMA (Note 1)</b>				<b>120,385</b>
<b>Projected students for 2020-21 (Note 2)</b>				<b>128,897</b>
Note 1: Includes adjustment for half day kindergarten students				
Note 2: Headcount of students including ECS and projected unfunded students				

4. Using the new WMA calculation, Alberta Education uses prior year **funded** student data and the projection to calculate the WMA that drives the funding the CBE receives.

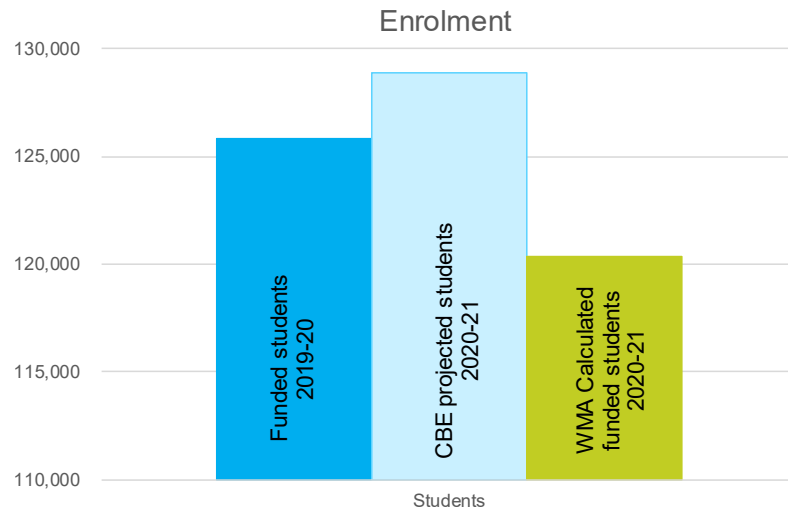
- In September 2020, the number of students attending can and will vary from the projected and WMA number.

Changes in 2020-21

The CBE will continue to be funded based on the WMA 120,385, regardless of the actual number of students in the system.

Changes in 2021-22

Alberta Education will look at the updated **funded** enrolment number at Sept 2020, and use that number to calculate the new WMA number for 2021-22



- The projection can be above or below the actual number of students that enrol.

If CBE Projection is **overestimated** by 200

2021-22 funding is new the WMA **less 200** students

If CBE projection is **underestimated** by 200

2021-22 funding is new WMA **plus 100** students



## Appendix VI: Historical Student, Staff and Schools Data

	2018-19	2019-20	2020-21
Number of students	123,419	125,809	128,897
Number of schools			
School	233	233	236
Special Setting	14	13	13
<b>Total</b>	<b>247</b>	<b>246</b>	<b>249</b>
<b>Staffing</b>			
Certificated Staff	6,838	6,785	
Non Certificated Staff	3,441	3,349	
<b>Total</b>	<b>10,279</b>	<b>10,135</b>	
School Based Staff	8,861	8,754	
Non-School Based Staff	1,418	1,381	
<b>Total</b>	<b>10,279</b>	<b>10,135</b>	

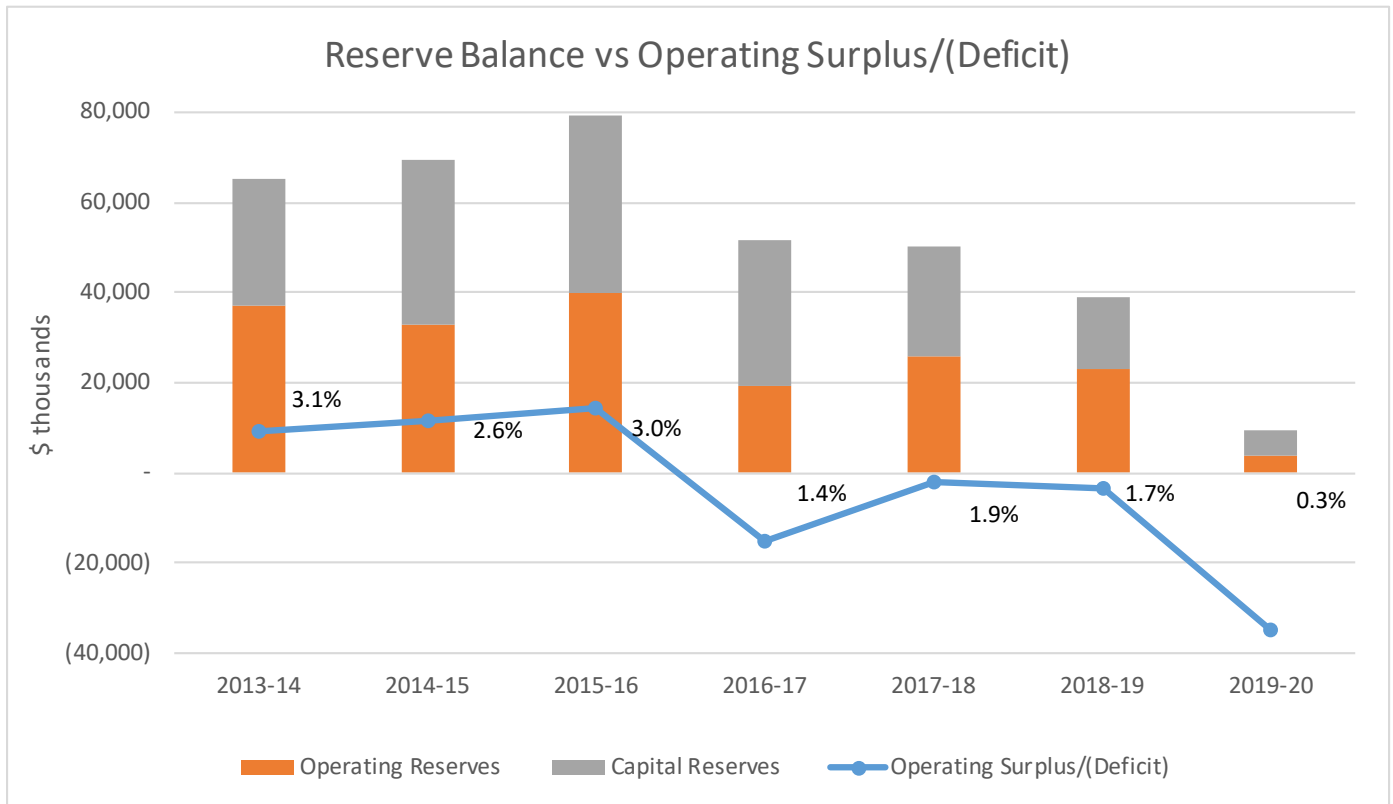
School based staff include but not limited to:

- Custodial Staff
- Education Assistants, School Assistants, ELL Assistants
- Learning Leaders
- Principals & Assistant Principals
- Teachers

Non school based staff include but not limited to:

- Area directors
- Board of Trustees
- Braille assistants
- Communications and community engagement personnel
- Cultural diversity advisors
- Facilities and environmental personnel
- Financial personnel
- Human resources personnel
- Legal services
- Occupational and physical therapists
- Payroll and benefits administration
- Psychologists
- Speech language pathologists
- Superintendents
- Technology support specialists
- Transportation personnel

## Appendix VII: Reserves Balances



2019-20 Reserves balances are as of second quarter forecast 2019-20

## Appendix VIII: Assumptions

### General Assumptions

The CBE's budget assumes:

- The CBE will continue to provide safe, healthy, and supportive learning and working environments for all students and staff;
- Sufficient budget resources will be available to allow the CBE to meet health, safety, legal compliance or critical infrastructure needs;
- CBE programs, services, supports and operations will be scaled to the amount of Alberta Education funding without recourse to one-time sources of revenue such as operating and capital reserves;
- Dollars received in 2020-21 are spent on students who are enrolled in CBE schools for the 2020-21 school year. This means the CBE does not seek to increase its reserves without purpose;
- The CBE will ensure that fees charged for programs and services are compliant with the Education Act, related regulations and remain reasonable;
- The CBE supports a breadth of programming that enables us to serve the educational needs of students within available resources;
- Families and students will continue to make program choices that are similar to those made in the prior year;
- The CBE's budget will comply with the new and evolving Alberta Education budget and reporting guidelines;
- The CBE will maintain the systems and processes that allow the CBE to attract, train, retain, and pay employees;
- In accordance with a motion passed by the Board of Trustees, the CBE will balance the student transportation program within the total of Alberta Education transportation funding and related fee revenue;
- Service units will support the Board of Trustees and their governance needs through the service unit's base operating budgets. Additional dollars have not been provided to support this work nor is that work funded from a transfer from the Board of Trustees' budget;
- The CBE's budget does not include the impacts, if any, arising from the Ministerial Investigation of the Calgary Board of Education<sup>4</sup>; and
- Despite the continuation of the pandemic, adjustments to school operations during the 2020-21 school year will be manageable within the allocated budget.

### Revenue Assumptions

Alberta Education will fund the CBE as follows:

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<sup>4</sup> <https://cbe.ab.ca/news-centre/Pages/board-of-trustees-response-to-provincial-audit-december-12-2019.aspx>

- Whereas in the previous funding framework in-year enrolment would drive funding received, the new funding framework will allocate funding based the new three-year Weighted Moving Average (WMA) enrolment of school authorities. Funding provided through the base instruction component does not allocate funding for specific students or schools. The WMA enrolment funding calculation is used to determine funding for the Early Childhood Services (ECS)-Grade 12 instructional activities of the entire school jurisdiction.

Other revenue assumptions are:

- The CBE will calculate provincial funding using the funding formula provided based on 2020-21 enrolment.
- The CBE's budget will be based upon a moderate projection of student enrolment (+2,225 students). Should actual funding exceed that expected under the moderate forecast, those funds will be directed to the area of highest need.
- The CBE will apply Alberta Education targeted/restricted funding for the specified purpose (e.g. Transportation, Operations and Maintenance, System Administration).
- Fees:
  - All revenue from Alberta Education related to transportation will continue to be fully applied to the cost of this service. By board motion the CBE will provide transportation services that fit within the total of Alberta Education funding and related fees.
  - Fees for the 2020-21 school year will comply with the guidance and direction set out in the Education Act and related regulations
- Fees will be implemented giving due regard to the economic circumstances within Calgary at the time the budget is finalized. Opportunities to grow non-Alberta Education revenue (exclusive of student fees) will be explored where it is consistent with the CBE's vision and values.
- The CBE will continue to receive \$1 per year per facility lease with charter schools as determined by Alberta Education.
- 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.
- Revenue from the sale of CBE-owned properties, if any, will be added to capital reserves and applied to upgrade and modernize existing facilities to support student learning.
- Investment returns, if any, will be directed to enhancing student outcomes.
- The province has indicated there is no additional budget allocation for education. As such, CBE is anticipating flat revenue over the next three years with no change based on additional students or new schools.

## Expense Assumptions

Expense assumptions are:

- The budget will ensure that the CBE is able to comply with all conditions within provincial legislation and collective agreements including general wage increases (where applicable), employee salary grid movement and benefits changes. The CBE will follow the province's lead on future negotiations with its unions and associations that cover 98 per cent of all CBE staff<sup>5</sup>;
- The CBE will continue to evaluate the ongoing financial, programming and operational viability of school sites and recommend closure to the Board of Trustees where and when appropriate;
- While Alberta Education has changed the funding model and increased 2020-21 funding, the CBE continues to experience non-discretionary cost increases (such as for contractual obligations), which have been reflected in the expense projections;
- Administrative costs will be funded by a targeted system administration grant and CBE expenditures will remain at or below the allotted amount provided by the government;
- The CBE will continue to work with the provincial government and other school jurisdictions to identify cost savings strategies where opportunities exist;
- Salaries and benefits will continue to experience planned grid movement, except for the Chief Superintendent and Superintendents' salaries which are frozen with no grid movement;
- Trustee salaries, frozen since 2014 remain the same as prior year; and
- Programs for non-mandated students (international students, adults, etc.) will be run on a fully costs recovered basis.

## Reserve Assumptions

The Board of Trustees has final authority on the deployment of reserves and therefore these assumptions are subject to ultimate approval by the Board of Trustees.

- The budget will be based on the assumption that the CBE will end the 2019-20 school year with operating reserves of approximately \$3.9 million and \$5.7 million in capital reserves<sup>6</sup>
- The limited amount of CBE operating and capital reserves balances remain available to address all normal course of event risks. Reserve balances are not able to fully mitigate the impact of any unanticipated government-imposed funding adjustments;
- With an eye towards longer-term sustainability, the CBE does not intend to use CBE operating and capital reserves to balance operations for the 2020-21 school year; and

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<sup>5</sup> The Provincial ATA, the two Staff Association collective agreements and the Canadian Union of Public Employees agreement will expire Aug. 31, 2020. The Trades agreement will expire on Aug. 31 2021.

<sup>6</sup> As of second quarter forecast 2019-20

- Given the anticipated continuation of new school construction, the CBE will retain modest operational reserves to fully support the commissioning of approved new schools. Based on historical activity, the CBE spends approximately \$1.5-2 million to commission an elementary school, \$2-3 million for a middle school and \$6.5-7.5 million for a high school.

## Capital Assumptions

The CBE appreciates that the provincial government is funding increased enrolment and is building the school facilities necessary to accommodate this growth.

While good news for students, families and communities, each new school announcement requires the CBE to find additional funds beyond those provided by the province for furniture, fixtures and equipment.

These commissioning costs include preparing the learning environment with learning resources, 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 and make pre-opening curricular decisions. Based on this experience, the upcoming new schools will require additional resources. The 2020-21 budget will include the costs associated with operating the three new schools expected to come into operation in that year. Those incremental costs are estimated to be approximately \$600,000 per elementary school, for a total of \$1.8 million in the 2020-21 school year.

The 2020-21 budget will include an investment in board-funded capital to support the maintenance of systems and learning spaces as well as the replacement of vehicles, equipment and technology hardware.

## Appendix IX: Risks

### Operational Risks

The operational risks set out below reflect those events that are most likely to impact on CBE operation during the 2020-21 school year. The table below set out the inherent (unmitigated) risks. In all cases the CBE has control processes and mechanisms in place to manage the inherent risk down to an acceptable level. It is possible, however, that a risk or combination of risks could impact on operations in a way that exceeds expectations.

Risk	What does this mean?
<ul style="list-style-type: none"> <li>Unanticipated increase in the deferred maintenance backlog.</li> </ul>	Unforeseen equipment failures could require unplanned resource reallocation.
<ul style="list-style-type: none"> <li>Resources available to support service units are not adequate to maintain operations within a growing system.</li> </ul>	Work and project delays and or terminated, slower response time, less support and services for schools.
<ul style="list-style-type: none"> <li>Some costs increase at a rate beyond that assumed in the budget development process</li> </ul>	Reprioritizing initiatives and support, mid-year.
<ul style="list-style-type: none"> <li>Economic factors in the commercial environment place upward pressure on long term contractual commitments</li> </ul>	Pressure on fixed funding provided for Board and System Administration costs. The current funding model does not indicate support for any inflation costs.
<ul style="list-style-type: none"> <li>Funding adjustments imposed by Alberta Education occur after the commencement of the school year.</li> </ul>	Large scale personnel, programming and service planning is involved in the budget process. With unplanned, mid-year funding reductions, adjustments are required.
<ul style="list-style-type: none"> <li>Flat funding in a growing system.</li> </ul>	With a lag and holding everything equal, this would mean that the same number of teachers are available to teach more students, resulting in an increase to average class size. A \$19 million increase or decrease to school-based funding creates a 1 student change to average class size.
<ul style="list-style-type: none"> <li>Funding is not provided for 'Status-to-be-confirmed' refugee students</li> </ul>	Funding is <b>only</b> provided for students that have confirmed refugee status. Government funding may be delayed or not provided to all refugee students. CBE continues to internally fund all students regardless of status
<ul style="list-style-type: none"> <li>Costs associated with new school openings will not be covered under the funding model</li> </ul>	In 2020-21, three new schools have been planned to open its doors, with another four in the following year. Commissioning costs is funded internally. This includes but not limited to: whiteboards, sports equipment, in class technology and landscaping around schools.
<ul style="list-style-type: none"> <li>Costs associated with pandemic requirements for school operations.</li> </ul>	O&M expenses may increase, thereby reducing resources to attend to facility maintenance.

### Financial & Operational Compliance Risks

Risk	What does this mean?
<ul style="list-style-type: none"> <li>▪ The cost of addressing unanticipated events exceeds available operating and capital reserve balances.</li> </ul>	Reserves available will not be enough to cover unforeseen events, CBE will need to reprioritize initiatives and supports mid-year
<ul style="list-style-type: none"> <li>▪ Public expectation for public education exceeds capacity of the CBE to provide within allocated funding levels</li> </ul>	Additional communication will be required to enhance community understanding of financial and qualitative implications with new fiscal environment.

### Staffing & Contractual Risks

Risk	What does this mean?
<ul style="list-style-type: none"> <li>▪ Collective agreement settlements exceed the financial capacity of the CBE</li> </ul>	Changes will have financial and administrative impacts on the system
<ul style="list-style-type: none"> <li>▪ Retirements, resignations and replacements occur at higher than assumed rates.</li> </ul>	Higher than projected attrition from key positions in schools and service units