

## report to Board of Trustees

2014-15 Budget with  
2015-16 & 2016-17 Budget Projections

Date	May 6, 2014
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 OE-6: Financial Condition OE-7: Asset Protection OE-8: Communication With and Support for the Board
Resource Person(s)	Superintendents Team Donna Rogers, Manager, Corporate Planning and Reporting Shay Khan, Manager, Revenue and Treasury Corporate Planning and Reporting Staff Members of the Capital Budget Council

### 1 | Recommendation

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It is recommended:

- THAT the 2014-15 Budget and projections for 2015-16 and 2016-17, as presented in Attachment I of this report, be received for information.

## 2 | Issue

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Section 147(2) of the *School Act* requires that the Calgary Board of Education submit to Alberta Education, by May 31 of each year, a budget approved by the Board of Trustees for the fiscal year beginning on the following September 1.

In accordance with the Board of Trustees' Operational Expectation OE-5: Financial Planning, the Chief Superintendent shall develop and maintain a multi-year financial plan that is related directly to the Board's Results priorities and Operational Expectations goals, and that avoids long-term fiscal jeopardy to the organization.

## 3 | Background

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In accordance with the *School Act* and the intent of Operational Expectation OE 5: Financial Planning, the Chief Superintendent is required to prepare and submit to the Board of Trustees, for review and approval, a budget which is balanced, so that the proposed expenses do not exceed the projected revenues to be received by the Calgary Board of Education or from other identified funding sources such as reserves or unrestricted net assets.

In order to develop the 2014-15 Budget, superintendents were tasked to formulate and lead all budget work including:

- providing full executive oversight of the budget process;
- considering the delivery of learning supports and services;
- providing succinct and direct stakeholder engagement; and
- making final recommendations to the Board of Trustees concerning all aspects of the 2014-15 Budget.

The 2014-15 Budget is based upon assumptions provided to the Board of Trustees for information on April 1, 2014. The budget development is guided by the CBE's values:

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

The budget is also developed under consideration of the Mega-result, Alberta Education's *Inspiring Education*, and the CBE's Three Year Education Plan.

## 4 | Analysis

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The key highlights of the 2014-15 Budget, detailed in Attachment I are:

- Funds allocated directly to schools via the Resource Allocation Method have increased by \$28.9 million and are sufficient to maintain the current ratio of students to school-based staff, pending principal deployment decisions. An additional \$17.2 million has increased centrally held school-related budgets.

- Fee revenue will be increased by \$8.9 million year-over-year. Fee revenue for transportation, noon supervision and Instructional Supplies and Materials (ISM) will fully fund the gap between targeted Alberta Education funding and direct program costs, including waivers and uncollectible accounts. There will be no contribution from the instructional budget to support fee-based programs and services.
- Funding for non-facility capital projects has been increased by \$7.2 million, to \$23.2 million, in order to invest in strategic projects that will sustain critical systems and enable the system to better accommodate student learning needs and enrolment growth in future years.
- Following Board of Trustee direction, all available operating reserves will be applied to balance the budget in order to maintain programs and service levels. The amount of available reserves as at Aug 31, 2014 is projected to be \$21.7 million.
- As required by law, the budget for 2014-15 is balanced.

A summary of the 2014-15 budget, in comparison with 2013-14 is as follows:

	2013-14 Approved Budget	2014-15 Budget	Increase / (Decrease)
	(\$ thousands)	(\$ thousands)	(\$ thousands)
<b>Revenues</b>			
Alberta Education	1,071,673	1,115,230	43,557
Other revenues	89,875	96,910	7,035
	1,161,548	1,212,140	50,592
<b>Expenses</b>			
Salaries, wages and benefits	923,893	971,516	47,623
Services, contracts and supplies	199,611	201,867	2,256
Amortization and other expenses	53,361	56,800	3,439
	1,176,865	1,230,183	53,318
<b>Operating deficiency for the year</b>	(15,317)	(18,043)	(2,726)
Transfer from operating reserves	11,817	21,743	9,926
Capital transactions	3,500	(3,700)	(7,200)
	15,317	18,043	2,726
<b>Net operating (deficit) / surplus</b>	-	-	-

Further details are provided in Attachment I to this report.

## 5 | Financial Impact

### Overall Balanced Position

The CBE will achieve a balanced position for this budget for 2014-15 after taking into account:

- projected revenues and expenses identified above for 2014-15;
- planned capital spending of \$3.7 million in excess of the non-facility amortization provision, and;
- planned use of all (projected) available operating reserves.

## 6 | Implementation Consequences

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The approval of the 2014-15 Budget will meet the requirement to balance the budget. The impact of using all available operating reserves to balance the funding gap will mean that there are no further reserves to balance subsequent year deficits. Difficult choices will need to be made to reduce spending if provincial funding does not increase to meet CBE needs in 2015-16.

With the use of reserves, this budget provides resources to generally maintain service delivery and support to students and schools at 2013-14 levels, subject to principal deployment decisions.

In order to fund deficits in prior years, one mitigation strategy that has been employed was to reduce funding for capital projects. The 2014-15 budget has not used this strategy and as such, capital funds will enable the CBE to replace, initiate or upgrade various information technology systems, support the needs of program moves and expansions, and invest in certain strategic initiatives aligned with the Three-Year Education Plan.

The Calgary Board of Education must continue to replace and upgrade its multi-million dollar infrastructure and related equipment in order to accommodate growth, program changes and curriculum changes. These projects will also enable the CBE to avoid higher maintenance costs, minimize any down-time due to the potential failure of capital assets, and be compliant with Operational Expectations 7: Asset Protection.

## 7 | Conclusion

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The 2014-15 Budget with planned total revenues of \$1,212.2 million and total expenditures of \$1,230.2 million; net capital transactions of \$3.7 million; and, use of operating reserves of \$21.7 million is presented to the Board of Trustees for information on May 6, 2014. This report will be presented to the Board of Trustees for approval on May 20, 2014. The budget is balanced and complies with the Board of Trustees' policies, as well as the provisions of the Alberta Education Funding Framework, and the *School Act*.

DAVID STEVENSON  
CHIEF SUPERINTENDENT OF SCHOOLS

Attachment I: Budget Report 2014-17

### **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.



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# budget report 2014-17



values and choices

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



**Calgary Board  
of Education**

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## 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

We 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 the CBE's Three-Year Education Plan.

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.

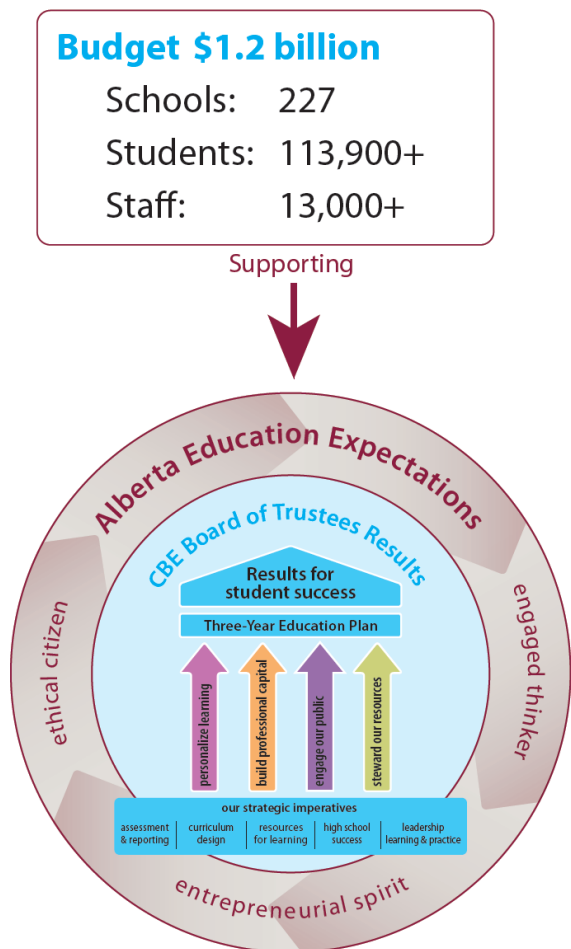
Our Three-Year Education Plan speaks to

- Personalized learning;
- Building professional capital;
- Engaging the public; and
- Stewarding our resources.

It is these goals, translated through our values, that ensure success for each student every day.

It is important that we recognize that we do not live in a static world, but rather in a world of rapid change. At the CBE, we are managing that change through our Strategic Imperatives. We believe that these imperatives, taken together, are the actions that we need to focus on as a system to ensure that we continue to support student success both today and into the future. The imperatives we are focusing on are:

- Assessment and reporting;
- Curriculum design;
- High school success;
- Leadership learning and practice; and
- Resources for learning.



## Budget summary

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 more than 113,000 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.

2014-15 will mark the fourth year in which Alberta Education funding per student to the CBE has decreased. The CBE will see a large increase in dollars received from the government (\$46.6 million), but it is not enough to fund the structural deficit carried over from 2013-14 and the increased costs projected for 2014-15. The CBE expects 3,619 more students (an increase of more than three per cent) in 2014-15. At the same time, inflation, grid movement, projected increases for unionized employees and other operating expenses will combine to further increase costs of delivering a basic education to our students.

The CBE is a whole system that works to support student learning. The 2014-15 budget was prepared using a system-based approach with the goal that no part of the system would be advantaged or disadvantaged relative to another. This budget recognizes that after four years of cuts, every part of our system is actively engaged in supporting schools and student learning. Our whole system supports student outcomes. An additional goal was stability in programming and services in support of student learning. To those ends, we are allocating an additional \$28.9 million directly to schools via the Resource Allocation Method (RAM). This will result in approximately 180 additional full-time staff in schools. The funds directed to schools will maintain current student to school-based staff ratios.

We have increased other centrally held school budgets by \$17.2 million which include supports for staffing relief (sick relief, leaves, full year temporary teachers), and the Alberta Teachers Retirement Fund, etc.

We are making key investments today to support the classroom of the future. We are investing an additional \$7.2 million, for a total of \$23.2 million, in non-facility capital projects in 2014-15. Examples of these projects include the further deployment of IRIS, technology replacement, student information system replacement, and implementation of a corporate performance management system. Each of these components of the CBE plays a critical role in the support of student learning.

Similar to every Calgarian, we are subject to many cost increases that are difficult to control. These costs include software licences and fees, insurance, utilities, etc. Utilities and insurance alone have increased by more than \$3.0 million over last year. Where needed, the budgets which carry these costs have been increased. Core services and supports are generally maintained and, in some cases, increased to address critical needs.

In the end, however, we are not able to do all that we would like to encourage and support student learning. A number of systems and programs which support schools and student learning are delayed or will be completed over a longer time frame.

Consistent with our values, we have made the decision to no longer use instructional grants to subsidize fees. This provides an additional \$5.2 million to support student learning. While we know that this means student fees are going up and this may pose a hardship on families, we believe it is the right choice in a difficult budget year. 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.

## **Balancing the budget**

Following the funding announcement from the Province of Alberta in March 2014, the estimated funding gap was \$27.7 million. That means that we were \$27.7 million short of being able to maintain the level of basic education we believe is necessary to fully support student learning.

As a result of the large funding gap, the Board of Trustees directed administration to use all available operating reserves to maintain programming and services and help balance the 2014-15 budget. The decision to use all available reserves was consistent with Alberta Education's guidance from March 2014: "Many school boards have savings for a rainy day. Government encourages school jurisdictions to make every effort to maintain the level of services to ensure student success." Even with the use of the projected \$21.7 million in available operating reserves at Aug 31, 2014, however, a funding gap of \$6.0 million remained.

The use of operating reserves will allow the CBE to avoid significant cuts to programming and service levels in 2014-15 and to make some strategic investments. In doing this, however, the CBE is essentially depleting its savings account without changing the growing annual gap between funding and expenses. This means that the CBE must use the 2014-15 year to plan how it will address an even larger funding gap in 2015-16, when it will have no reserves to draw upon. That engagement process will start later in 2014.

2015-16 will be a doubly challenging year due to the anticipated commissioning of up to 12 new schools that are expected to open in September, 2016. Of the 12, six are being directly project managed and supported by CBE staff and resources. It is anticipated that commissioning costs for the 12 schools will be between \$14.0 million and \$18.0 million. At present there are no identified provincial funds to address these costs.

In general, in 2014-15 schools and service units will be funded to maintain programming, services and supports at a level very close to those of 2013-14. That is, pending staff deployment decisions by school principals, the student to school-based staff ratio for 2014-15 should be maintained at approximately 2013-14 levels.

Cost-cutting and reductions in service levels in recent years have been significant and difficult across the CBE. In some cases we were required to restore programming and services that support student learning and core system functions. Nevertheless, the spending allocated to the board and system administration block has been held to below three per cent. Decisions about budget reductions and investments in subsequent years will require time and investigation to consider the risks and implications for student learning and core system functions. Those activities will commence shortly.

## **Looking forward**

With enrolment expected to increase another 2.4 – 2.9 per cent in each of the next two years, escalating costs for staff and other non-discretionary operating cost increases, the CBE projects facing a \$33.3 million funding deficit in 2015-16 and a cumulative \$61.1 million in 2016-17 based on current funding approaches. This does not include the \$14.0 - \$18.0 million of commissioning costs that will be required to open 12 new schools in 2016.

We are initiating conversations with the Province and beginning work now to identify ways of changing levels of service and programming to address these gaps in a way that allows us to continue to focus on our core values while fitting within our allocated resources.

## 2014-15 Budget at a glance

### Budget highlights<sup>1</sup>

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

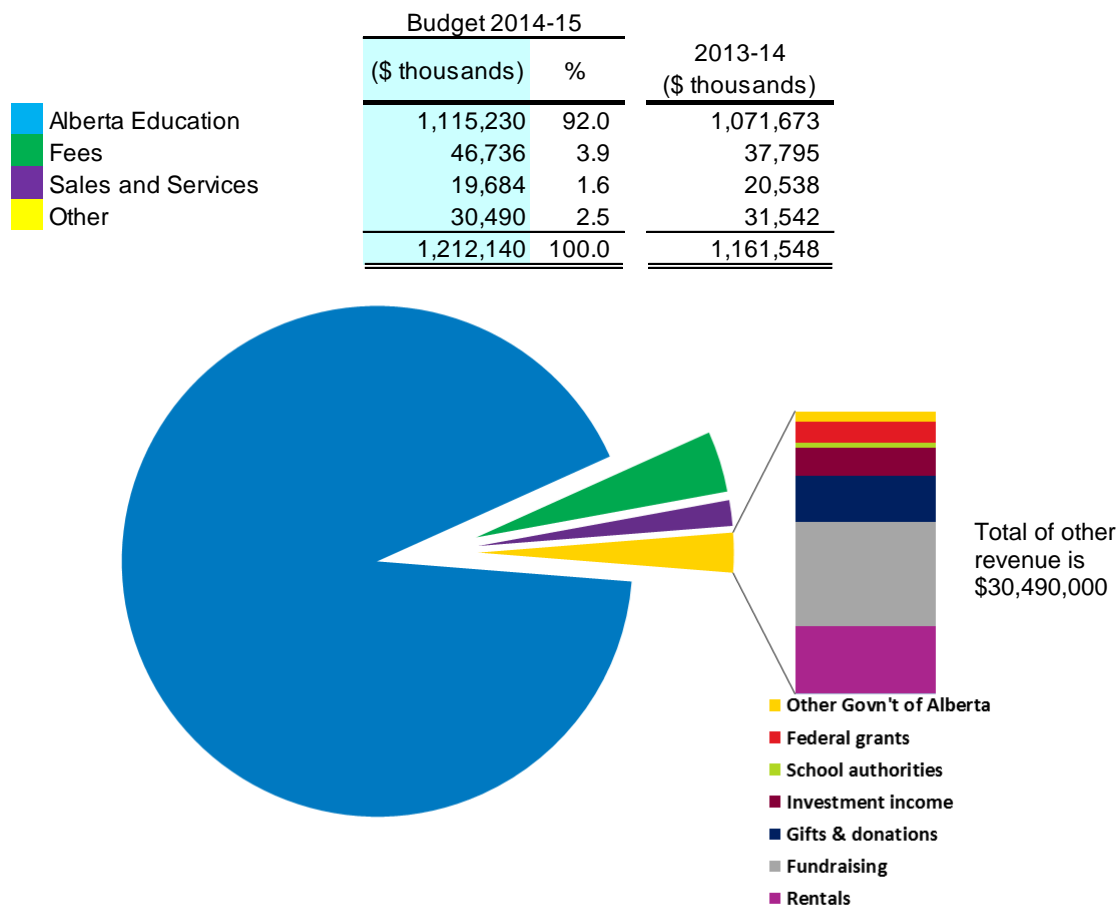
- Funds allocated directly to schools via the Resource Allocation Method have increased by \$28.9 million and are sufficient to maintain the current ratio of students to school-based staff, pending principal deployment decisions. An additional \$17.2 million has increased centrally held school-related budgets.
- Fee revenue will be increased by \$8.9 million year-over-year. Fee revenue for transportation, noon supervision and Instructional Supplies and Materials (ISM) will fully fund the gap between targeted Alberta Education funding and direct program costs, including waivers and uncollectible accounts. There will be no contribution from the instructional budget to support fee-based programs and services.
- Funding for non-facility capital projects has been increased by \$7.2 million, to \$23.2 million, in order to invest in strategic projects that will sustain critical systems and enable the system to better accommodate student learning needs and enrolment growth in future years.
- Following Board of Trustee direction, all available operating reserves will be applied to balance the budget in order to maintain programs and service levels. The amount of available reserves as at Aug 31, 2014 is projected to be \$21.7 million.
- As required by law, the budget for 2014-15 is balanced.

	2013-14 Approved Budget (\$ thousands)	2014-15 Budget (\$ thousands)	Increase / (Decrease) (\$ thousands)
<b>Revenues</b>			
Alberta Education	1,071,673	1,115,230	43,557
Other revenues	89,875	96,910	7,035
	<u>1,161,548</u>	<u>1,212,140</u>	<u>50,592</u>
<b>Expenses</b>			
Salaries, wages and benefits	923,893	971,516	47,623
Services, contracts and supplies	199,611	201,867	2,256
Amortization and other expenses	53,361	56,800	3,439
	<u>1,176,865</u>	<u>1,230,183</u>	<u>53,318</u>
<b>Operating deficiency for the year</b>	<u>(15,317)</u>	<u>(18,043)</u>	<u>(2,726)</u>
Transfer from operating reserves	11,817	21,743	9,926
Capital transactions	3,500	(3,700)	(7,200)
	<u>15,317</u>	<u>18,043</u>	<u>2,726</u>
<b>Net operating (deficit) / surplus</b>	<u>-</u>	<u>-</u>	<u>-</u>

As shown above, salaries and benefits have increased by \$47.6 million. At \$43.6 million, the funding increase from Alberta Education is not enough to pay for staffing increases, let alone the maintenance and enhancement of core programming and services.

<sup>1</sup> Throughout this document, the 2013-14 budget figures presented are from the 2013-14 Operating Budget, which was approved by the Board of Trustees on May 28, 2013. Some numbers have been reclassified for comparative purposes.

## Revenues



- **Alberta Education Revenue** – includes grants received based on enrolment projections for the 2014-15 school year.
- **Fees** – parent fees collected for transportation services, the supervision of children 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

	Budget 2014-15		2013-14
	(\$ thousands)	%	(\$ thousands)
Certificated salaries, wages & benefits	715,864	58.2	684,171
Non-certificated salaries, wages & benefits	255,652	20.8	239,722
Services, contracts & supplies	201,867	16.4	199,611
Amortization & other	56,800	4.6	53,361
	<u>1,230,183</u>	<u>100.0</u>	<u>1,176,865</u>



### Expenses by activity<sup>2</sup>

	Budget 2014-15		2013-14
	(\$ thousands)	%	(\$ thousands)
Schools, areas & instructional support	969,651	78.8	928,367
Plant, operations & maintenance	148,299	12.1	140,272
Core services and support	66,601	5.4	63,578
Transportation	44,117	3.6	43,099
Board of Trustees	1,515	0.1	1,549
	<u>1,230,183</u>	<u>100.0</u>	<u>1,176,865</u>



*Schools, areas and instructional support* includes amounts allocated directly to schools via the RAM, 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. It also includes the supports provided centrally by the Learning Innovation and Learning Services service units.

*Core services and supports* include 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 provision of direct business support services to schools such as financial specialists, human resources advisors, communications advisors, web support, etc.

*Plant, operations & maintenance* includes all costs related to the construction, operations, maintenance, safety and security of all 227 CBE schools and other facilities.

*Transportation* includes the costs of all activities related to the transportation of students.

The *Board of Trustees* budget includes the cost of Trustee remuneration and all governance activities.

<sup>2</sup> Expense groupings have been modified from prior reporting periods. Previously, expenses by block were reported using Alberta Education definitions. These groupings are still reported in the Budget Report for Alberta Education (Appendix A) and Service Unit budget detail by Alberta Education block coding (Appendix C). However, we have revised our groupings for reporting purposes to be more understandable to readers.



## Capital activities

In alignment with our values, the CBE is investing significant resources to ensure that needed capital investments are being made today that will support the learning environment our students will need. As a result, the CBE is investing \$23.2 million in more than 26 capital projects. For example, this budget includes \$1.2 million to support the further implementation of IRIS, a key learning tool, \$3.7 million for technology replacement, \$3.1 million for the replacement of the school information management system and \$1.2 million for a corporate performance management (budget and financial reporting) system. In addition, \$3.6 million has been provided 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 regular operating funding. As part of the budget development, decisions are made on the amount of funding to devote to capital spending and how it 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. Further details regarding capital activities are provided in Appendix B.

	Budget 2014-15 (\$ thousands)	Examples of projects
Strategic projects	6,544	IRIS implementation, student information system
Enhancement projects	3,385	Security cameras and electronic door access
Maintenance projects	9,703	Technology replacement, wireless upgrades
School enhancements	3,580	Enhance the learning environment
Total capital projects	23,212	

## Use of reserves

The full amount of operating reserves that are available for use will be applied against the operating deficit in order to balance the budget. The use of these reserves will help us maintain the levels of programming and services we provide to our students and the citizens of Calgary. While reserve funds help us maintain programming, they do not allow us to fully fund the basic education that we feel is necessary for our students. For example, we simply cannot afford to deploy IRIS, a key learning support, to all schools.

The total planned use of reserves is \$21.7 million, which is \$9.9 million greater than the planned use in 2013-14 of \$11.8 million.

	Use of reserves (\$ thousands)
System Transformation	1,500
Utility Expense Stabilization Reserve	3,370
Snow Removal Budget Stabilization	200
Fiscal Stabilization Reserve	1,671
Operating Lease Reserve	13,577
Transportation Fee Stabilization Reserve <sup>3</sup>	1,425
	21,743

<sup>3</sup> The Transportation Fee Stabilization Reserve is added to in years when there is a surplus in the transportation block and is restricted to fund transportation costs.

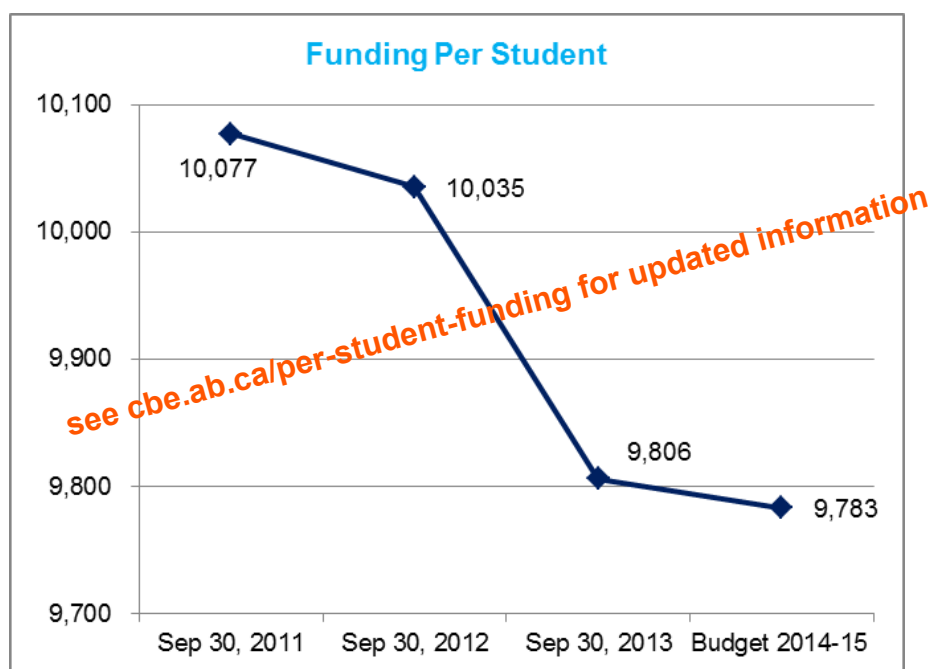
## Budget Background

Budget 2014-15 was crafted within a challenging fiscal environment. The following information helps in the understanding of decisions and strategies applied to develop a balanced budget.

### Implications of the recent provincial budget

The CBE receives 92 per cent of its funding from Alberta Education. When funding from Alberta Education does not keep up with rising costs, the CBE has limited ability to increase other revenues and therefore must make reductions to programming and/or services or use reserves in order to balance the budget.

Some grants from Alberta Education increased marginally from 2013-14<sup>4</sup>, but the majority of grants remained at 2013-14 rates. Many grants are funded based on enrolment, but overall Alberta Education funding per student decreased for the fourth year in a row.



Funding per student has decreased by \$294 per student since 2011-12. If the 2011-12 level of funding were reinstated, it would result in an additional \$33 million for the CBE in 2014-15, which would completely fund the projected shortfall for 2014-15. That \$33 million equates to the budget for three large senior high schools.

<sup>4</sup> Small class size and inclusive education grant rates increased by 2 per cent.

## **Factors affecting the budget**

Even though funding has increased, costs have increased more. In many cases these costs cannot be directly managed by the CBE. These include, but are not limited to:

- costs related to projected enrolment growth;
- additional workload caused by system growth;
- negotiated and anticipated 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 CBE has little or no control in the short term and which is necessary to maintain our programming, services and supports. Non-discretionary costs include things like insurance premiums, utility expenses, technology licencing fees, etc. This creates a challenge as it limits available cost reduction options.

Finally, administration must deliver a balanced budget and is unable to fund a deficit with debt without ministerial approval.

## **Balancing the budget**

### **Budget assumptions and strategies**

On April 1, 2014, CBE Administration provided the Board of Trustees with the Budget Assumptions Report for 2014-17 for information. This report detailed the assumptions that have been incorporated into the 2014-15 operating budget. A copy of this report is provided in Appendix H.

As an accompaniment to the Budget Assumptions Report, the Board of Trustees was also presented with the Request for the Use of Reserves Report on April 1, 2014 (Appendix I). This report requested the approval of the Board to use a level of reserves as a mitigation strategy to balance the budget. The Board approved a motion that all operating reserves that are expected to be available at Sept. 1, 2014 should be applied against the 2014-15 funding gap. This decision is consistent with our values of students come first and learning is our central purpose.

As a result of this decision, the 2014-15 budget is balanced and \$21.7 million of reserves will be applied to fund some of the operating shortfall and generally maintain core service levels in the 2014-15 year.

By using reserves to help balance the budget, the CBE will begin the budget process for 2015-16 with a \$21.7 million deficit before enrolment, programming and service enhancement costs are applied.

### Summary of increased resources and use of funds

The following table presents a summary of the increased funding sources from the 2013-14 budget and the increased use of these funds.

	(\$ thousands)
<b>Sources of funding</b>	
Alberta Education	43,557
Fees revenue	8,941
Other revenue (e.g. rental)	(1,906)
Use of reserves	9,926
	<u>60,518</u>
<b>Use of funding</b>	
Increase to schools via RAM	28,900
Central school support increases	17,200
Increase capital investments	7,200
Core programming supports	7,218
	<u>60,518</u>

Of the increased uses of funding, 76 per cent is allocated to increases in schools or central school based budgets (see pages 18 – 19). 12 per cent is invested in needed capital projects and the remaining 12 per cent is the allocated to core programming supports (see pages 20 – 29 for details). Note, centrally provided core programming supports contain a significant proportion of all the CBE's non-discretionary costs.

### Impacts on student learning

While funding allocations to schools and the investment in capital projects has increased—as well as the ability to maintain centrally provided service levels—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.
- 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. New access to IRIS will be available at a moderate pace of deployment.
- Student learning environments will be impacted as increased costs for supplies and maintenance are not addressed. Costs throughout the system continue to outpace funding.

### Impacts on student learning (cont'd)

- The impact of school leaders on student learning is second only to the teacher in the classroom. Continued excellence in student learning depends on a leadership strategy designed to continuously develop the competencies of all CBE staff.
- Some things that we would like to enhance but that are limited by this budget include fully funding the deployment of IRIS, the replacement of aging computer hardware, expanding internet access and capacity in schools and transitioning libraries to learning commons.

### Three-year financial plan

Operational Expectation 5: Financial Planning requires the development of a three-year financial plan. Detailed mitigation strategies to balance the budget in 2015-16 and 2016-17 (the projection years) are not provided due to the level of uncertainty of provincial funding. Consequently these years show a deficit. This represents the magnitude of mitigation strategies that will be required in each year. In other words, the deficits represent the additional revenue and/or cost reductions needed to balance the budgets in the future and are not plans to overspend in the future.

We will be reviewing programs, services and supports to determine how they might need to change in the future to deal with future deficits. This will be part of a broader engagement approach set out below.

The CBE is in the process of developing a broader approach to engagement with parents and key stakeholders on the large issues, challenges and opportunities facing the CBE and public education in Calgary. These issues include managing scarce budget and facility resources, as well as the evolution of curriculum to meet the needs of 21<sup>st</sup> century learners. Calgarians and CBE parents hold a wide range of perspectives on these topics, and the CBE is expected to respond to a diverse range of needs, interests, priorities and values.

Current CBE engagement and consultation processes have focused on specific decisions and the parents and students directly affected. The CBE recognizes the need for an additional broader conversation about community values which should inform the challenging decisions which will arise in 2014-15 and beyond. An additional question is how we should be working together as a community to ensure that student learning is effectively supported across the system.

CBE administration will present initial plans for this engagement to the Board of Trustees later this spring. The initial plan will look at scope and strategy, as well as cost and resource implications.

The Three-Year Financial Plan chart shows the financial plan for the Calgary Board of Education for the next three years. The 2012-13 financial results and the 2013-14 budget are provided for comparative purposes.

**CALGARY BOARD OF EDUCATION  
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**Three-Year Financial Plan\***

for the periods 2014-15 to 2016-17 (with comparatives for 2012-13 and 2013-14)

(all figures in \$ thousands)

	<b>Actuals</b>	<b>Budget</b>		<b>Projection</b>	
	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>REVENUES</b>					
Alberta Education	1,075,073	1,071,673	1,115,230	1,159,698	1,188,438
Other - Government of Alberta	1,709	1,434	1,134	1,134	1,134
Federal Government and First Nations	2,201	2,381	2,233	2,233	2,233
Other Alberta school authorities	1,756	513	536	536	536
Fees	35,217	37,795	46,736	48,092	49,223
Other sales and services	21,824	20,538	19,684	20,005	20,331
Investment income	4,453	3,002	3,027	3,026	3,026
Gifts and donations	6,083	5,166	5,034	5,116	5,200
Rental of facilities	5,641	7,954	7,226	7,226	7,226
Fundraising	11,267	11,092	11,300	11,484	11,672
Gain on disposal of capital assets	138	-	-	-	-
Other revenue	30	-	-	-	-
<b>Total Revenues</b>	<b>1,165,392</b>	<b>1,161,548</b>	<b>1,212,140</b>	<b>1,258,550</b>	<b>1,289,019</b>
<b>EXPENSES BY OBJECT</b>					
Certificated salaries and benefits	687,795	684,171	715,864	756,328	795,214
Support staff salaries and benefits	227,416	239,722	255,652	265,825	276,577
Services, contracts and supplies	206,240	199,611	201,867	210,797	217,521
Amortization expenses	47,902	50,705	52,313	50,363	52,486
Interest on capital debt expenses	1,718	820	560	383	262
Other interest charges	193	769	758	748	738
Other expenses	1,787	1,067	3,169	3,169	3,169
	<b>1,173,051</b>	<b>1,176,865</b>	<b>1,230,183</b>	<b>1,287,613</b>	<b>1,345,967</b>
<b>Operating deficiency</b>	<b>(7,659)</b>	<b>(15,317)</b>	<b>(18,043)</b>	<b>(29,063)</b>	<b>(56,948)</b>
<b>Transfer from operating reserves/designated funds</b>					
Transfer from operating reserves	979	11,817	21,743	-	-
Transfer from designated funds	1,744	-	-	-	-
Draw from (add to) unrestricted net assets	2,810	-	-	-	-
	<b>5,533</b>	<b>11,817</b>	<b>21,743</b>	<b>-</b>	<b>-</b>
<b>Add/(deduct) capital items paid by operating funds</b>					
Capital assets acquired	(21,570)	(16,535)	(24,712)	(22,812)	(23,003)
Transfer from school purchased assets	1,443	2,500	1,500	1,500	1,500
Capital asset amortization	18,990	20,643	22,262	20,312	22,435
Debt repayments	(3,281)	(3,108)	(2,750)	(3,200)	(5,132)
Transfer from (to) capital carry forwards	6,703	-	-	-	-
	<b>2,285</b>	<b>3,500</b>	<b>(3,700)</b>	<b>(4,200)</b>	<b>(4,200)</b>
<b>Transfer to capital reserves</b>					
Building and equipment reserves	(159)	-	-	-	-
<b>Net operating / deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33,263)</b>	<b>(61,148)</b>

\*In accordance with Operational Expectation OE-5: Financial Planning

## Understanding the Budget

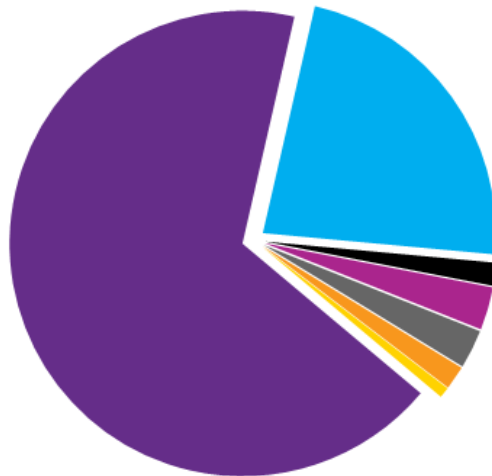
### Revenue

#### Alberta Education funding

Alberta Education provides funding to school jurisdictions via various grants. Many grants are based on enrolment and increase or decrease in relation to enrolment changes. Other grants, such as infrastructure, maintenance and renewal funding (referred to below as Capital Support), are not based on enrolment.

Of the funding received from Alberta Education<sup>5</sup>, ten per cent is targeted or restricted for specific use (e.g. student transportation, expended deferred capital revenue, capital support and provincial priority targeted grants). The remaining amount may be used at the CBE's discretion to support student learning.

	Budget		Variance	
	(\$ thousands)			
	2014-15	2013-14		%
Base provincial instruction grants	752,552	722,831	29,721	4.1
Differential cost funding	255,033	244,897	10,136	4.1
Other provincial education grants	17,789	19,941	(2,152)	(10.8)
Student Transportation	33,244	32,202	1,042	3.2
Expended deferred capital revenue	30,051	30,062	(11)	(0.0)
Capital Support	18,313	14,945	3,368	22.5
Provincial priority targeted grants	8,248	6,795	1,453	21.4
	1,115,230	1,071,673	43,557	4.1



<sup>5</sup> Terminology in the table is consistent with Alberta Education's Funding Manual. See the glossary at the end of this document for further definitions of grants.

**CALGARY BOARD OF EDUCATION  
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**Other revenue**

	Budget		Variance	
	(all figures in \$ thousands)			
	2014-15	2013-14		%
Fees	46,736	37,795	8,941	23.7
Sales and services	19,684	20,538	(854)	(4.2)
Fundraising	11,300	11,092	208	1.9
Gifts and donations	5,034	5,166	(132)	(2.6)
Rentals	7,226	7,954	(728)	(9.1)
Investment income	3,027	3,002	25	0.8
Federal grants and education agreements	2,233	2,381	(148)	(6.2)
Other Alberta school authorities	536	513	23	4.4
Other government of Alberta revenue	1,134	1,434	(300)	(20.9)
	96,910	89,875	7,035	7.8

*Sales and services, Fundraising and Gifts and donations* 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.

*Rentals* revenue have decreased due to the decline in charter school lease revenues that are permitted by the provincial government. See Appendix J for summary of charter school lease revenue.

**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.

For 2014-15, the CBE undertook a significant internal review of fees. This review was done because rapid enrolment growth and a lack of schools close to where students live means 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 meant that we were spending increasing amounts of instructional dollars to subsidize fees. 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, the decision was made to eliminate any subsidy to fee programs from instructional funds.

Eliminating any central budget support for fees means that for 2014-15, 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. This is a change from past practice, but the CBE believes this is more reflective of our values which put the focus on student learning. These changes mean that fees will increase.



**CALGARY BOARD OF EDUCATION  
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**Fees (cont'd)**

To minimize fee increases, the CBE is committed to being as efficient as possible in the provision of services. In some cases this also means that transportation service levels are changing. The CBE will be moving towards many more congregated stops to minimize the number of buses and routes. As always, student and staff safety remains our top priority and any changes will consider impacts on safety.

Although fees are increasing, 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 our central purpose.

**2014-15 fees**

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

	four day			four / five day			five day		
	2013-14	2014-15	% var	2013-14	2014-15	% var	2013-14	2014-15	% var
Non-bused students	\$ 200	\$ 250	25	\$ 215	\$ 270	26	\$ 220	\$ 280	27
Bused students*	\$ 135	\$ 250	85	\$ 140	\$ 270	93	\$ 145	\$ 280	93

\*At 2013-14 rates, the costs for this group would have increased for the four day, four/five day, five day noon supervision by 48 per cent, 65 per cent, and 52 per cent respectively based on the phased-in approach. Moving to one fee rate is fair to all service users. See Appendix G for more details.

Transportation (see Appendix F for key transportation statistics)

Charter rates	2013-14	2014-15	% var
Grades 1 – 9	\$ 295	\$ 330	12
ECS	\$ 215	\$ 330	53

For 2014-15, the CBE will be making a change to its transportation service delivery. Some charter bus stops will be congregated in order to reduce costs and minimize the impact of fee increases. Moving to one fee rate is fair to all service users.

Instructional Supplies and Materials

ISM fees	2013-14	2014-15	% var
Kindergarten	\$15	\$15	-
Grades 1 – 6	\$30	\$30	-
Grades 7 – 9	\$105	\$137	30
Grades 10 - 12	\$132	\$152	15

**CALGARY BOARD OF EDUCATION  
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**Fees (cont'd)**

**Daily rate summary**

Based on 185 instructional days, the daily fee rates are as shown below. The maximum amount that could be incurred by an individual student is **\$3.46 per day** (a Grade 1 – 6 student taking transportation, staying for noon supervision and paying the ISM fee).

Service	Cost per day
Noon supervision	\$1.35 - \$1.50
Transportation	\$1.78
ISM	\$0.08 - \$0.82

**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 all costs in excess of non-fee revenue and reserves.

Budget 2014-15 (\$ thousands)				
	Transportation	Noon Supervision	Instructional Supplies Materials	Total
Government grants	33,244	-	-	33,244
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>	-	-	-	-

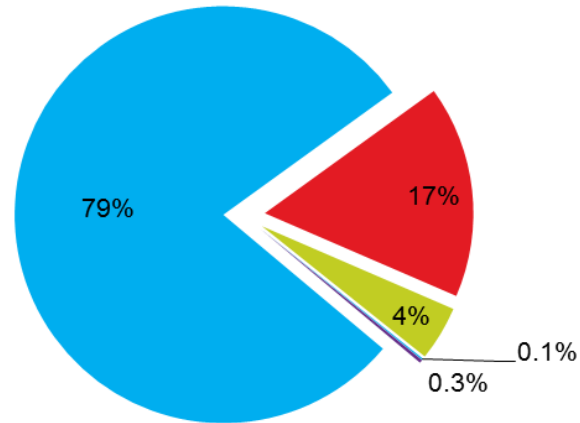
**CALGARY BOARD OF EDUCATION  
BUDGET 2014 – 2017**

## 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.

Summary:

	Schools & Areas	Learning Services	Learning Innovation	Facilities and Environ Services	Legal	Communications	Finance & Supply Chain Services	Human Resources	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)	7,986	169	137	795	3	11	42	95	-	-	9,237
Exempt Staff	5	20	28	54	8	10	26	41	4	2	198
<b>Total FTEs</b>	<b>7,991</b>	<b>190</b>	<b>166</b>	<b>850</b>	<b>12</b>	<b>22</b>	<b>69</b>	<b>137</b>	<b>6</b>	<b>2</b>	<b>9,444</b>
<u>2014-15 Budget in \$ thousands</u>											
Salaries and benefits	829,567	27,863	20,729	65,403	1,681	2,507	7,650	14,297	1,165	654	<b>971,516</b>
Services, contracts and supplies	67,943	5,509	10,991	105,596	1,071	162	1,152	7,446	1,136	861	<b>201,867</b>
Amortization expenses	5	56	6,981	34,486	20	4	10,612	149	-	-	<b>52,313</b>
Interests and finance charges	55	140	-	560	-	-	563	-	-	-	<b>1,318</b>
Other (uncollectible accounts expense)	3,152	-	-	-	-	-	17	-	-	-	<b>3,169</b>
	<b>900,722</b>	<b>33,568</b>	<b>38,701</b>	<b>206,045</b>	<b>2,772</b>	<b>2,673</b>	<b>19,994</b>	<b>21,892</b>	<b>2,301</b>	<b>1,515</b>	<b>1,230,183</b>



**Schools and Areas**

**RAM Summary by major allocation (in \$ thousands)**

	<b>SPRING PROJECTION</b>		<b>FALL ALLOCATION</b>		<b>SPRING PROJECTION</b>	
	<b>2014-15</b>	<b># Students</b>	<b>2013-14</b>	<b># Students</b>	<b>2013-14</b>	<b># Students</b>
<u>Per-student allocations</u>						
K - Grade 3	\$ 181,048	36,819	\$ 172,396	35,111	\$ 172,663	35,082
Grade 4 - 6	94,196	23,795	90,446	22,698	89,573	22,541
Grade 7 - 9	91,605	22,477	89,960	21,928	89,158	21,732
Grades 10 - 12	112,395	27,585	112,155	27,648	110,506	27,224
<u>Other allocations</u>						
Regular, basic staff allocation	66,891		66,718		66,596	
Contract Absences - short-term	10,447		8,280		8,284	
All other allocations	186,886		179,125		177,740	
<b>TOTAL RAM</b>	<b>\$ 743,468</b>		<b>\$ 719,081</b>		<b>\$ 714,521</b>	
RAM increase from Spring 2013-14						
	\$ 28,947					

This table highlights the year-over-year increase in resources allocated to schools via the Resource Allocation Method.

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 2013-14 levels.

**RAM Summary by Area (in \$ thousands)**

	<b>SPRING PROJECTION</b>		<b>FALL ALLOCATION</b>		<b>SPRING PROJECTION</b>	
	<b>2014-15</b>	<b># Students</b>	<b>2013-14</b>	<b># Students</b>	<b>2013-14</b>	<b># Students</b>
Area I	\$ 118,741	18,083	\$ 113,055	17,359	\$ 113,270	17,193
Area II	172,560	25,869	167,093	25,221	163,225	24,586
Area III	144,034	20,554	141,993	20,143	141,312	20,109
Area IV	125,194	17,675	120,894	17,254	121,143	17,389
Area V	182,939	28,495	176,046	27,408	175,572	27,302
<b>TOTAL</b>	<b>\$ 743,468</b>	<b>110,676</b>	<b>\$ 719,081</b>	<b>107,385</b>	<b>\$ 714,521</b>	<b>106,579</b>

**Schools and Areas<sup>6</sup> (cont'd)**

	<b>2014-15 Budget</b>		<b>2013-14 Budget</b>		<b>Increase / (Decrease)</b>	
	FTEs	(\$000)	FTEs	(\$000)	FTEs	(\$000)
Salaries & benefits	7,991	829,567	7,811	785,026	180	44,541
Professional & Technical Serv		9,515		12,398		(2,883)
Dues & Fees		155		198		(43)
Rental		-		127		(127)
Maintenance & Repairs		135		143		(8)
Insurance		10		10		-
Utilities		12		21		(9)
Transportation		2,145		1,502		643
Travel & Subsistence		365		845		(480)
Supplies		44,348		44,335		13
Minor equipment		2,055		2,140		(85)
Textbook & Materials		9,203		6,912		2,291
Amortization		5		5		-
Interests and finance charges		55		90		(35)
Other (uncollectible accounts)		3,152		850		2,302
	<b>7,991</b>	<b>900,722</b>	<b>7,811</b>	<b>854,602</b>	<b>180</b>	<b>46,120</b>

In keeping with the CBE values that students come first and learning is our central purpose, funding allocated to school and central school based budgets have increased by \$46.1 million—\$28.9 million of which has been allocated directly to schools via the RAM. The remaining increase supports central school based budgets to provide an increase for sick leave costs, increased substitute costs in accordance with the Alberta Teachers Association collective agreement, increased Full-Year Temporary Teachers funding, and an increase in the Alberta Teachers Retirement Fund costs. This budget also provides for the expenses associated with school generated funds and instructional supplies and materials.

Significant budget changes from 2013-14 to highlight include:

- Staffing increases included in *Salaries & benefits*
- \$2.9 million decrease in *Professional & Technical* to reflect actual spending expected in 2014-15, based on 2013-14 forecasts.
- \$2.3 million increase in *Textbooks & Materials* due to increased enrolment and to reflect actual spending expected related to ISM fee revenue.
- \$2.3 million increase in *Other* related to fee waivers and uncollectible accounts expense. This increase is due to a change in presentation and revised estimates of these amounts.

<sup>6</sup> The FTE number presented for 2013-14 has been updated to reflect actual deployment of resources in schools for staffing. The original budgeted FTEs in schools was 7,672.8, 137.9 FTE lower than actual staffing for 2013-14. The FTEs have been revised for comparative purposes in order to show a more accurate increase in expected school staffing levels.

### Schools and Areas (cont'd)

The funding allocated through the RAM will allow schools, subject to principal decision-making, to hire approximately 180 school-based full-time equivalent positions year-over-year (or 136 from the Sept 30, 2013 count date, as noted below). We believe this should allow the student to school-based staff ratio to remain at or near 2013-14 levels.

<b>Students to school-based staff ratios</b>				
	<b>2014-15 Budget<sup>1</sup></b>	<b>2013-14 Sept 30</b>	<b>2012-13 Sept 30</b>	<b>2011-12 Sept 30</b>
enrolment	113,995	110,763	107,132	104,182
school-based staff <sup>2</sup>	7,943	7,807	7,592	7,541
<b>ratio</b>	<b>14.4</b>	<b>14.2</b>	<b>14.1</b>	<b>13.8</b>

<sup>1</sup> numbers will be updated following Sept 30, 2014 counts

<sup>2</sup> School-based staff FTEs do not include FTEs under the Area Offices

As noted earlier in the report, the choices made in crafting this budget do have impacts on student learning. Those impacts, both positive and negative are set out here:

- 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.
- 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 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.
- Area Learning Teams will support school staff to provide programming to meet student needs.
- Unanticipated enrolment growth and exceptional student learning needs that emerge during the year will be supported through the Area Office.

## Learning Services

Learning Services provides instructional and programming supports and services for school and system personnel to assist all children and students to successfully realize their learning goals.

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

## Learning Services

	2014-15 Budget		2013-14 Budget		Increase / (Decrease)	
	FTEs	(\$000)	FTEs	(\$000)	FTEs	(\$000)
Salaries & benefits	119	15,987	118	15,554	1	433
Professional & Technical Serv		928		2,017		(1,089)
Dues & Fees		105		105		-
Rental		-		-		-
Maintenance & Repairs		61		61		-
Insurance		12		12		-
Utilities		51		51		-
Transportation		-		-		-
Travel & Subsistence		293		293		-
Supplies		586		586		-
Minor equipment		104		104		-
Textbook & Materials		15		15		-
Amortization		56		287		(231)
Interests and finance charges		50		50		-
	<b>119</b>	<b>18,248</b>	<b>118</b>	<b>19,135</b>	<b>1</b>	<b>(887)</b>

These supports and services include the areas of: aboriginal education, alternative programs, assessment, attendance, curriculum, early learning, English language learning, exceptional needs, international students, IRIS implementation, multicultural services, outreach, psychological services, and suspension.

Supports and services provided by Learning Services are designed and implemented to achieve the CBE's strategic imperatives:

- Assessment and reporting
- Curriculum design
- High school success
- Leadership learning and practice, and
- Resources for learning

In support of these imperatives service unit staff are involved in:

- Providing opportunities for developing professional capital to support students in successfully realizing their learning goals;
- Developing a system strategy aimed at making IRIS available to more students and, in the process, eliminating the growing issues around equity generated presently by having IRIS available in only some of our schools;
- Moving CBE towards a single system K – Grade 9 report card; and
- Supporting the work of curriculum development prototyping

**Learning Services (cont'd)**

**Chinook Learning Services**

	<b>2014-15 Budget</b>		<b>2013-14 Budget</b>		<b>Increase / (Decrease)</b>	
	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>
Salaries & benefits	72	11,875	68	12,201	4	(326)
Professional & Technical Serv		1,485		1,487		(1)
Dues & Fees		10		10		-
Rental		56		66		(10)
Maintenance & Repairs		156		161		(5)
Utilities		125		125		-
Transportation		1		1		-
Travel & Subsistence		24		25		(1)
Supplies		864		978		(114)
Minor equipment		203		203		-
Textbook & Materials		430		430		-
Interests and finance charges		90		90		-
	<b>72</b>	<b>15,320</b>	<b>68</b>	<b>15,777</b>	<b>4</b>	<b>(457)</b>

Chinook Learning Services is the CBE's provider of high school upgrading, adult English language learning, non-credit Continuing Education, summer school for Grades 10 – 12, off-campus programs and summer band programs.

Budget change highlights have been categorized as follows:

**Supports to schools**

- Reorientation of funds to hire continuous contract teachers to support ongoing instructional leadership in staff development for student success.
- There are increasing numbers of students registered at Chinook Learning Services and this trend is expected to continue with the extension of attendance eligibility (September 2015), the number of students requesting concurrent registrations and increasing enrolments at summer school.



## Learning Innovation

	2014-15 Budget		2013-14 Budget		Increase / (Decrease)	
	FTEs	(\$000)	FTEs	(\$000)	FTEs	(\$000)
Salaries & benefits	166	20,729	166	20,092	-	636
Professional & Technical Serv		920		546		374
Dues & Fees		182		170		12
Rental		1		1		-
Maintenance & Repairs		4,116		3,760		356
Utilities		4,124		3,953		172
Travel & Subsistence		122		97		25
Supplies		1,250		913		336
Minor equipment		242		4,557		(4,315)
Textbook & Materials		35		76		(40)
Amortization		6,981		6,827		153
	<b>166</b>	<b>38,701</b>	<b>166</b>	<b>40,992</b>	<b>-</b>	<b>(2,291)</b>

Learning Innovation includes several teams that directly work with and support schools including, Corporate Partnerships, Comprehensive School Health, Campus Calgary/Open Minds, School Nutrition and Noon Hour Programs, K - 12 Curriculum including Off-Site and Off-Campus learning programs, Innovation and Learning Technologies (school technology support and professional learning), Information Technology Services, Information Management including Records Management, Student Records Systems, and Research and Innovation - reporting to the province.

The work in Learning Innovation will support student learning directly in many ways.

- Students and teachers will have increased access to the learning tools, resources, and environments that help create flexible, responsive and personalized learning opportunities and support student success.

Expanded access to digital tools, resources and environments supports students and teachers in working with information, each other and the broader community. This helps build engagement and knowledge, address the outcomes of student learning programs, and create new opportunities for the development of cross-curricular learning competencies.

For example: all students have access to digital platforms to extend the classroom, online libraries and support to bring digital devices into their schools in a safe environment. All students and staff complete digital citizenship requirements to support their use and effectiveness in learning in digital environments. Students connect online with local, national and international communities to exchange and build project, inquiry and information networks.

- Students will be given greater opportunities to contribute their perceptions, experiences, needs and suggestions in their schools and the school district.

For example: student voice exists in classrooms through the co-construction of learning tasks, assessment processes and the design of learning resources in all subject areas and across schools. Through student learning plans, student-lead parent conferences, student advisories, and student/community events.

**Learning Innovation (cont'd)**

- Students will benefit from new opportunities for parents to access learning information and be informed about ongoing learning processes.

For example: students information systems support and expand home access for parents for student report cards and online conferencing with parents. Online learning platforms will provide parent auditing this coming fall. We will extend learning resources and tools for home access i.e. Collaborative Online Learning Environment (CORE), licensing online productivity, information and communication tools and offering preferred pricing from our vendor community for parents and students to purchase devices.

Budget change highlights have been categorized as follows:

**Supports to schools**

- Increased support required for Calgary High School Athletics Association.
- Due to a change in accounting policy, the budget for technology replacement has been eliminated from Minor Equipment for 2014-15 and is budgeted under non-facility capital acquisitions. The amount of this change is a decrease of \$4.2 million.

**Core system functions**

- Increased support for connectivity charges, software licences and fees.
- Grid movement for unionized employees.

**Facilities and Environmental Services**

	<b>2014-15 Budget</b>		<b>2013-14 Budget</b>		<b>Increase / (Decrease)</b>	
	FTEs	(\$000)	FTEs	(\$000)	FTEs	(\$000)
Salaries & benefits	850	65,403	846	64,731	4	672
Professional & Technical Serv		5,396		4,526		870
Dues & Fees		305		305		-
Rental		9,438		9,318		120
Maintenance & Repairs		16,373		13,007		3,366
Insurance		4,949		2,867		2,082
Utilities		20,800		19,933		867
Transportation		40,248		40,360		(112)
Travel & Subsistence		275		275		-
Supplies		7,649		7,540		109
Minor equipment		161		161		-
Textbook & Materials		2		2		-
Amortization		34,485		34,528		(43)
Interests and finance charges		560		820		(260)
	<b>850</b>	<b>206,045</b>	<b>846</b>	<b>198,374</b>	<b>4</b>	<b>7,671</b>

Facilities & Environmental Services (FES) provides students and employees with quality learning and working environments. This includes planning for student accommodation and transportation; construction, renovation, maintenance and day-to-day operations of school and CBE facilities; internal deliveries; environmental initiatives; and, emergency, safety and security services.

Included in *Salaries & benefits*, *Maintenance & Repairs* and *Supplies* is \$18.3 million for Infrastructure, Maintenance and Renewal work which is required to maintain our aging facilities. 57 per cent of CBE schools were built prior to 1970.

The most recent estimate of deferred maintenance costs is \$969 million, and it is growing at a rate of approximately \$40 million per year.

Budget change highlights have been categorized as follows:

**Supports to schools**

- 1.0 FTE has been added relating to the monitoring of Career and Technology equipment safety
- \$0.5 million increase in Career and Technology equipment safety inspections
- 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.

**Core system functions**

- FTEs have increased due to a transfer in from Finance and Supply Chain Services as well as a re-organization where a permanent position was created from temporary salary budget funds
- Grid movement for unionized employees
- \$2.1 million increase in insurance premiums and uninsured losses
- \$0.9 million net increase in utility costs
- \$3.4 million increase in maintenance costs related to the corresponding increase in Infrastructure, Maintenance and Renewal grant funding (capital support)

## Legal Services

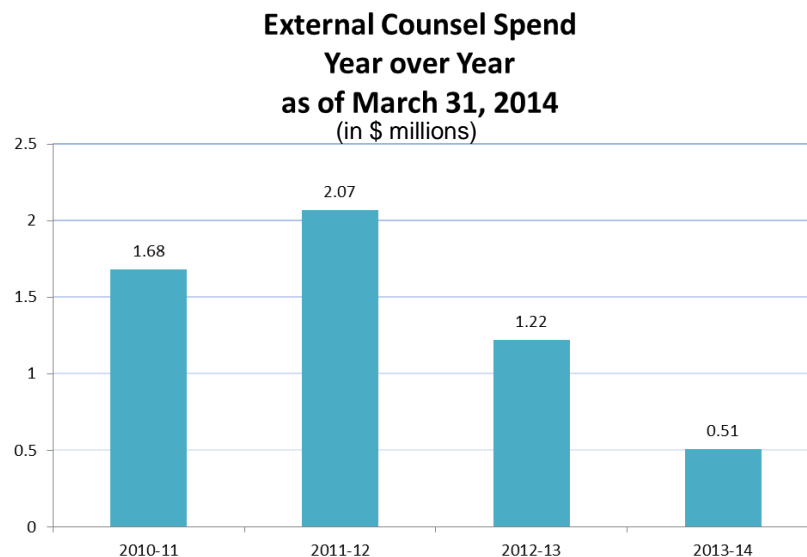
	2014-15 Budget		2013-14 Budget		Increase / (Decrease)	
	FTEs	(\$000)	FTEs	(\$000)	FTEs	(\$000)
Salaries & benefits	12	1,681	12	1,770	-	(89)
Professional & Technical Serv		954		954		-
Dues & Fees		24		24		-
Rental		-		-		-
Maintenance & Repairs		2		2		-
Utilities		6		6		-
Travel & Subsistence		18		18		-
Supplies		43		43		-
Minor equipment		17		17		-
Textbook & Materials		7		7		-
	<b>12</b>	<b>2,772</b>	<b>12</b>	<b>2,854</b>	<b>-</b>	<b>(82)</b>

The Legal Services Department provides oversight in the area of risk mitigation for the Calgary Board of Education by:

- managing the legal affairs of the CBE and providing or coordinating the delivery of legal services on behalf of the institution;
- overseeing CBE's compliance with applicable law, regulations and policies;
- managing the CBE's compliance with the Freedom of Information and Protection of Privacy Act;
- coordinating development of the CBE's administrative regulations and procedures;
- managing contract processes and standards and maintaining repository; and
- providing legal counsel to the Board of Trustees and the Chief Superintendent.

There is no change in the services planned in Legal Services. There has been a decrease in the budget for salaries and benefits related to an over-stated budget in 2013-14.

In recent years, Legal Services have made significant efforts to minimize the amounts spent on external legal counsel:



**Communications**

	<b>2014-15 Budget</b>		<b>2013-14 Budget</b>		<b>Increase / (Decrease)</b>	
	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>
Salaries & benefits	22	2,507	23	2,592	(1)	(85)
Professional & Technical Serv		92		92		-
Dues & Fees		13		13		-
Rental		3		3		-
Maintenance & Repairs		5		5		-
Utilities		2		2		-
Travel & Subsistence		12		12		-
Supplies		19		19		-
Minor equipment		11		11		-
Textbook & Materials		5		5		-
Amortization		4		4		-
	<b>22</b>	<b>2,673</b>	<b>23</b>	<b>2,758</b>	<b>(1)</b>	<b>(85)</b>

The 2014-15 Communications budget will support:

**Supports to schools**

- Maintenance, technical and communications support for corporate and school websites
- Management and upgrading of the CBE corporate website to support parent and school communication and service, including the migration of school websites to a SharePoint environment to support parents with more timely content and enhanced features
- Communications support for school special events, critical incidents, issues management, parent information and school councils
- Delivery of the public information phone and email service (primarily utilized by parents and prospective CBE parents)
- Management, maintenance and updating of the Staff Insite – the CBE's intranet resource for schools and service units to serve more than 13,000 employees and 227 schools
- Photography, videography and graphic design services. This includes supports to teaching and learning with the production of numerous educational videos.

**Core system functions**

- Development of corporate information products (reports, stories, videos, and web material) for print and web communication
- Communications support for the Board of Trustees
- Management of corporate media relations and social media
- Communications support for service units
- Support for corporate and service unit parent and community engagement processes
- Corporate communications planning and strategic counsel
- Crisis communications

The decrease in FTEs is related to a position transferred to Human Resources. The salary and benefit decrease is due to this transfer, net of salary budget increases.

**Finance and Supply Chain Services**

	<b>2014-15 Budget</b>		<b>2013-14 Budget</b>		<b>Increase / (Decrease)</b>	
	FTEs	(\$000)	FTEs	(\$000)	FTEs	(\$000)
Salaries & benefits	69	7,650	67	6,018	2	1,632
Professional & Technical Serv		848		2,343		(1,497)
Dues & Fees		72		(228)		300
Rental		-		5		(5)
Maintenance & Repairs		5		9		(4)
Utilities		9		9		-
Travel & Subsistence		33		33		-
Supplies		136		195		(59)
Minor equipment		50		50		-
Textbook & Materials				970		(970)
Amortization		10,612		8,445		2,167
Interests and finance charges		563		539		24
Other (uncollectible accounts)		17		217		(200)
	<b>69</b>	<b>19,994</b>	<b>67</b>	<b>18,606</b>	<b>2</b>	<b>1,388</b>

**Supports to Schools**

Finance and Supply Chain Services (FSCS) provides a range of services that directly support schools. The School Financial Management team provides direct financial and administrative support to five area directors and 227 principals and their office staff. FSCS staff maintain and administer the Resource Allocation Method, an Access and Excel based budget allocation system that supports all schools. FSCS staff are also directly involved in the School Financial Management project that seeks to increase efficiency in financial and administrative processes, while reducing the burden on school-based staff.

The Fee Central team operates and maintains the CBE's centralized fee collection system and administers all centrally processed waivers.

**Core System Functions**

Services provided to the CBE, including schools, include budget development, monitoring and reporting. FSCS maintains the CBE's financial records and generates all internal and external financial reports.

Other than changes to FTEs and grid movement, all other changes in this budget are related to system accounts. That is, they are not budgets related to the operation of the Finance and Supply Chain Services service unit.

- Adjustment of corporate-level budgets impacting several lines:
  - \$0.9 million increase in *Salaries and benefits*
  - \$0.4 million decrease in *Professional and Technical*
  - \$0.3 million increase in *Dues and Fees*
  - \$1.0 million decrease in *Textbooks and Materials*
  - \$2.2 million increase in *Amortization*
  - \$0.2 million decrease in *Other (uncollectible accounts expense)*
- Transfer of \$1.2 million for the ATA Staff Development Fund to Human Resources (included in *Professional and Technical*)

**CALGARY BOARD OF EDUCATION  
BUDGET 2014 – 2017**

**Human Resources**

	<b>2014-15 Budget</b>		<b>2013-14 Budget</b>		<b>Increase / (Decrease)</b>	
	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>
Salaries & benefits	137	14,297	137	14,251	-	46
Professional & Technical Serv		6,606		4,456		2,150
Dues & Fees		434		434		-
Rental		6		6		-
Maintenance & Repairs		10		10		-
Utilities		29		29		-
Travel & Subsistence		130		130		-
Supplies		194		194		-
Minor equipment		30		30		-
Textbook & Materials		7		7		-
Amortization		149		595		(446)
	<b>137</b>	<b>21,892</b>	<b>137</b>	<b>20,142</b>	<b>-</b>	<b>1,750</b>

Human Resources supports the CBE's collective commitment to student success by:

- Proactively recruiting talent, balancing current and future projected needs
- Supporting continuous learning and leadership development for all employees
- Developing HR services, systems and processes that employees and leaders require to optimize their efforts and contributions

CBE's Human Resources department oversees recruitment, total rewards, workforce planning, labour & employee relations, employee development, payroll, human resources management system, Employee Health Resource Centre, organizational development and most recently, leadership.

Through *Inspiring Education*, Albertans have said that as the education system changes, so too will the roles and responsibilities of educators. The CBE has identified leadership learning and practice as a strategic imperative, envisioning a focussed and ongoing approach to the learning of all staff throughout their careers with the Calgary Board of Education, be they teachers, leaders or employees who support the work of schools.

The following corporate-level budgets are included in the Human Resources budget:

- \$2.1 million in *Salaries & benefits* for the Professional Improvement Fund (PIF) leave budget
- \$1.9 million in *Salaries & benefits* for secondments
- 53 FTEs cited in the *Salaries & benefits* line correspond to the PIF and secondment budgets
- \$3.5 million in *Professional & Technical Services* for the payroll services agreement with a 3<sup>rd</sup> party vendor

Budget change highlights have been categorized as follows:

**Supports to schools**

- 1 FTE position has been transferred from Communication Services; additionally, a budget of \$1.0 million has been established to support the delivery of the leadership program.
- Budget transfer of \$1.2 million from Finance & Supply Chain Services to HR for the ATA Staff Development Fund

**Core system functions**

- 1 FTE decrease due to the re-organization of the service unit, resulting in a net change of 0 FTE

**Chief Superintendent's Office**

	<b>2014-15 Budget</b>		<b>2013-14 Budget</b>		<b>Increase / (Decrease)</b>	
	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>
Salaries & benefits	6	1,165	5	999	1	166
Professional & Technical Serv		1,015		958		57
Dues & Fees		21		21		-
Rental		54		54		-
Maintenance & Repairs		2		2		-
Utilities		2		2		-
Travel & Subsistence		15		15		-
Supplies		22		22		-
Minor equipment		4		4		-
Textbook & Materials		1		1		-
	<b>6</b>	<b>2,301</b>	<b>5</b>	<b>2,078</b>	<b>1</b>	<b>223</b>

The Chief Superintendent's Office includes all salaries, benefits and office expenses of the Chief Superintendent, Deputy Chief Superintendent and support staff. The Chief Superintendent, as both the Chief Executive Officer and Chief Educational Officer, leads the strategic planning of the organization on behalf of the Board of Trustees' values, policies and comprehensive view of 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 CBE school. The Chief Superintendent's Office is a key liaison point between all components of the Calgary Board of Education and with the many individuals and groups who hold an interest in public education.

There are two significant changes in the budget from 2013-14:

- Transfer of 1.0 FTE in from the Learning Support service unit. This Director position leads work in the areas of research for strategic planning, organizational learning, and monitoring of the Board of Trustees' Results.
- The Professional & Technical Services budget has increased by \$57,000. This is half of the contract for services provided by external governance consultants. The other half of this budget is held within the Board of Trustees budget.



Board of Trustees

	2014-15 Budget		2013-14 Budget		Increase / (Decrease)	
	FTEs	(\$000)	FTEs	(\$000)	FTEs	(\$000)
Salaries & benefits	2	654	2	660	-	(6)
Professional & Technical Serv		559		630		(71)
Dues & Fees		246		208		38
Rental		2		2		-
Utilities		1		1		-
Travel & Subsistence		34		29		5
Supplies		19		19		-
Textbook & Materials		2		2		-
	<b>2</b>	<b>1,515</b>	<b>2</b>	<b>1,549</b>	<b>-</b>	<b>(34)</b>

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:

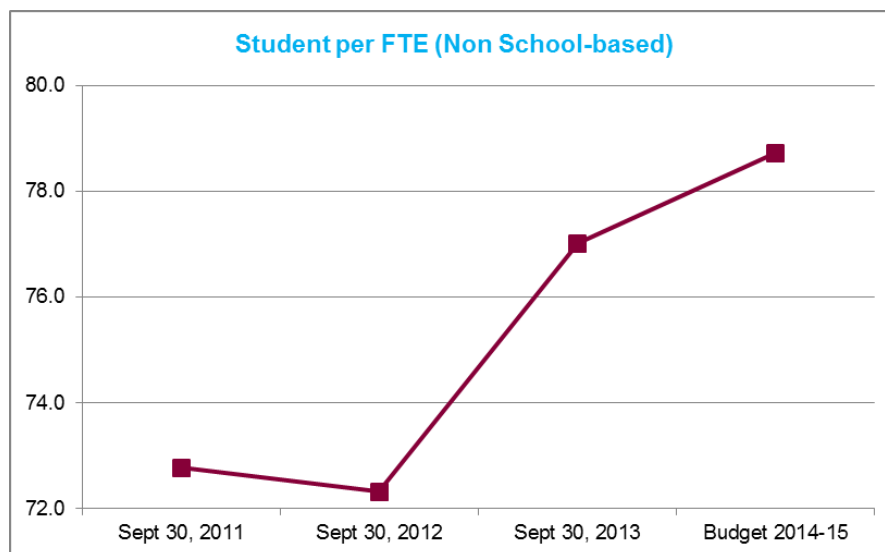
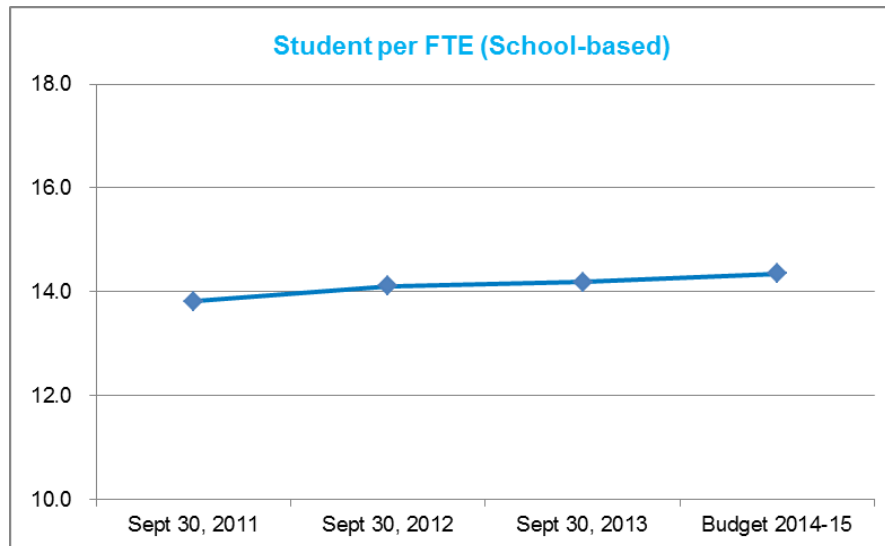
- \$44,000 reduction of services provided by external governance consultants, included in *Professional & Technical*. Half of this contract (\$57,000) has been included under the Chief Superintendent's Office budget.
- \$40,000 reduction in legal budget, included in *Professional & Technical*.
- \$38,000 increase in Alberta School Boards Association fees, included in *Dues & Fees*.

The Board of Trustees budget for 2014-15 was approved by the Board on April 15, 2014.

## Staffing and Full-Time Equivalents (FTEs)

The CBE spends the greatest proportion of the budget (79 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 grid movement for teachers and support staff. As a result, the number of FTEs has not been increasing at an equal rate to enrolment growth. This impacts the ratio of students to school-based staff.

The following table shows the average number of CBE students per full-time equivalent staff position<sup>7</sup>.



<sup>7</sup> School based staff includes all staff hired via RAM deployment as well as FTEs budgeted under centrally held school budgets where: specific funding has been received in support of schools, such as Regional Collaborative Service Delivery (formerly Student Health Partnership) and Program Unit Funding; the resources are highly specialized and are deployed to schools based on need (i.e. Braille Assistants) or support specialized classes.

For purposes of budget presentation, school-based staff does not include staff in service units that work directly in schools, such as caretakers, cleaners, psychologists, etc.

## Staff complement

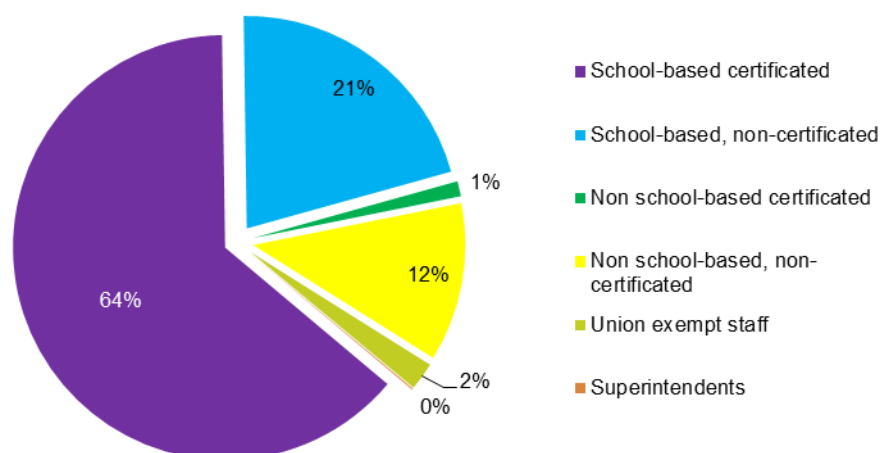
More than 13,000 people work for the CBE, which equates to 9,444 full time equivalent (FTE) positions budgeted in 2014-15.

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 decisions were in progress. Therefore, actual positions in 2014-15 may differ from the budget, depending on staffing deployment decisions made by principals.

This chart shows the breakdown of staff positions. Over 85 per cent of staff work in schools. The remaining 15 per cent work in core programming support, many of whom work directly with and support schools every day including facility operators, cleaners, psychologists, speech language therapists, financial specialists, HR consultants, and others.

**Staff complement 2014-15**



It is anticipated that students to school-based staff ratios will be generally maintained in 2014-15.

### Students to school-based staff ratios

	2014-15 Budget <sup>1</sup>	2013-14 Sept 30	2012-13 Sept 30	2011-12 Sept 30
enrolment	113,995	110,763	107,132	104,182
school-based staff <sup>2</sup>	7,943	7,807	7,592	7,541
ratio	14.4	14.2	14.1	13.8

<sup>1</sup> numbers will be updated following Sept 30, 2014 counts

<sup>2</sup> School-based staff FTEs do not include FTEs under the Area Offices

## Student enrolment

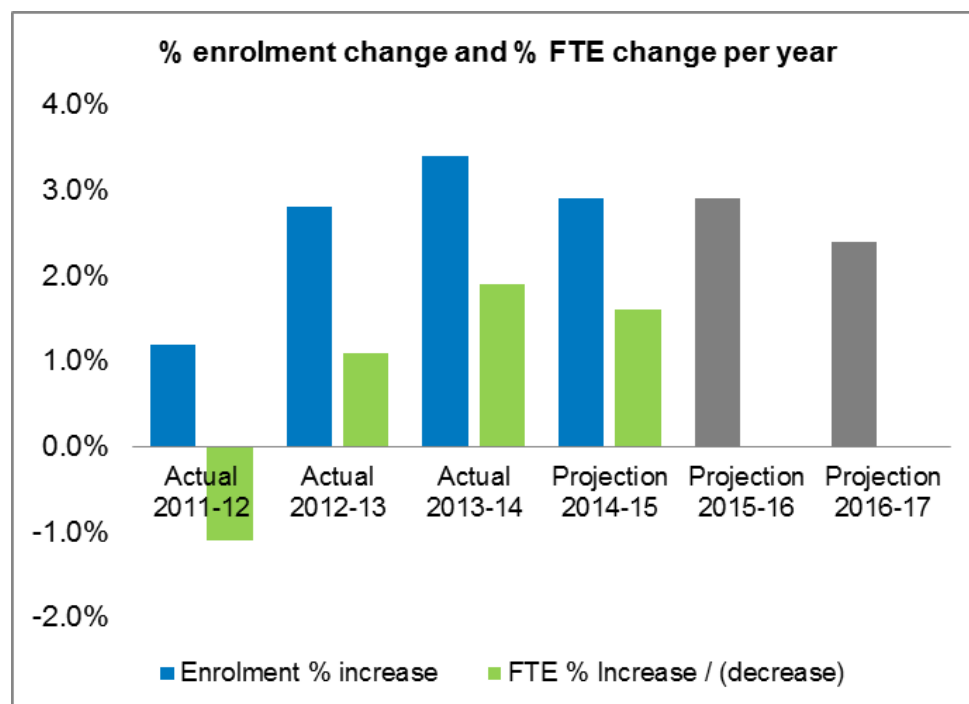
Enrolment projections are made for the 2014-15 school year and the next two years. These are based on City of Calgary population changes, market share, and student retention rates. It is expected that student enrolment will continue to increase between 2.7 per cent and 2.9 per cent annually.

### Student enrolment by year

<b>Enrolment by Program</b>	<b>Projection 2013-14</b>	<b>Actual Sep 30 2013-14</b>	<b>Projection 2014-15</b>	<b>Projection 2015-16</b>	<b>Projection 2016-17</b>
Pre-K & Kindergarten	9,044	9,081	9,228	9,262	8,912
Grades 1-6	48,501	48,511	51,170	53,820	55,946
Grades 7-9	21,617	21,751	22,300	23,033	24,217
Grades 10-12	25,818	26,270	26,185	26,479	26,346
Unique/Outreach	1,853	2,069	2,130	1,819	1,843
Chinook Learning Serv	2,843	2,515	2,434	2,357	2,281
Cbe-Learn	700	566	548	531	515
<b>Total</b>	<b>110,376</b>	<b>110,763</b>	<b>113,995</b>	<b>117,301</b>	<b>120,060</b>

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 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 superintendent's team. The recommended projects then form part of the CBE's non-facility capital budget for the year.

For 2014-15 the CBE is investing \$23.2 million, an increase over 2013-14 of \$7.2 million, in more than 26 capital projects. Examples of the major projects planned include \$1.2 million to support the further implementation of IRIS, \$3.7 million to support the replacement of aging technology in schools, \$3.1 million for the replacement of the school information system which maintains student records, and \$1.2 million for a corporate performance management system which will significantly enhance the CBE's ability to efficiently and effectively manage its financial planning and reporting activities. In addition, \$3.6 million has been provided to support school enhancements based on student learning needs. These investments that we are making today will allow us to maintain and enhance the learning environment that supports student success into the future.

While we are investing more in capital projects in 2014-15, there is still important work that will not be done due to budget constraints. The initial budget request for capital projects was \$26.2 million; \$3.0 million more than what is included in the final budget. In order to reduce the budget, projects have been deferred, spread over a number of years and/or have had a scope reduction. For example, we will not deploy IRIS to all CBE schools in 2014-15.

### 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 2014-15 is \$22.3 million.

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.

### Non-facility capital (cont'd)

Capital activities in 2014-15 are budgeted to be \$3.7 million in excess of the targeted amortization provision of \$22.3 million. This is due, in part, to the change in accounting policy employed whereby technology replacement costs will be capitalized rather than expensed. That budget was previously held in Learning Innovation. In order to maintain a reasonably similar level of capital activity, additional funds from operations are required for capital, which results in the \$3.7 million excess, or in other words, a contribution from operating activities.

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

## Reserves

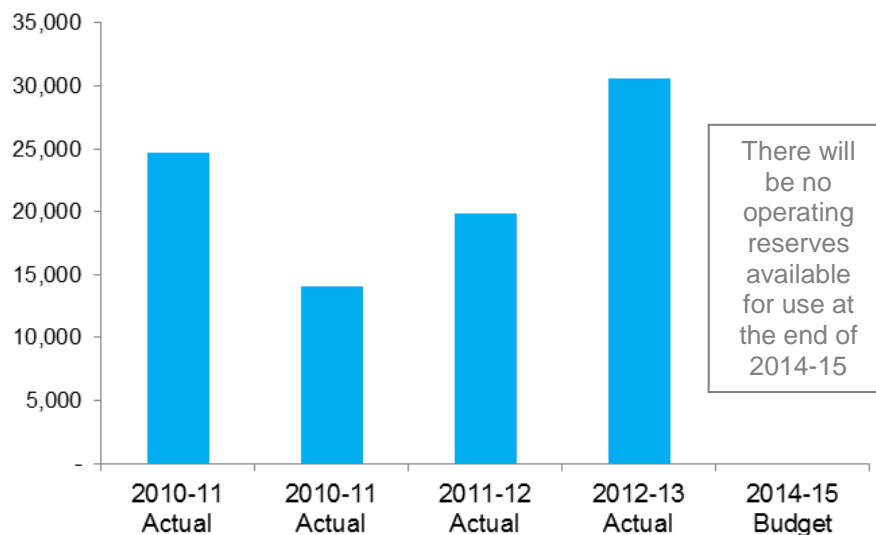
The CBE is required to balance its budget every year. As described throughout this document, we have diligently evaluated services and implemented strategies to achieve this balance while remaining true to our values. To help with this work, a funding source that is available to the CBE is to use our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

During the March 7, 2014 budget announcement the CBE was encouraged by the Minister of Education to use all reserves to backfill shortfalls that the provincial funding cuts created. On April 1, 2014, the Board of Trustees directed that all operating reserves that are expected to be available at Sept 1, 2014 should be used to help balance the 2014-15 budget. The use of reserves has been applied to the maintenance of core programming and services across the CBE.

<b>Description</b>	<b>Forecasted reserve balance, Sept 1, 2014 (\$000)</b>	<b>Budgeted use of reserves (\$000)</b>	<b>Forecasted reserve balance, Aug 31, 2015 (\$000)</b>
<b>ACCUMULATED OPERATING RESERVES</b>			
<b><u>Available for use reserves</u></b>			
System Transformation	1,500	(1,500)	-
Utility Expense Stabilization Reserve	3,370	(3,370)	-
Snow Removal Budget Stabilization	200	(200)	-
Administrative Systems Renewal	-	-	-
General Instruction	-	-	-
Fiscal Stabilization Reserve	1,671	(1,671)	-
Continuing Education Fee Stabilization	-	-	-
Operating Lease Reserve	13,577	(13,577)	-
Unrestricted Operating Surplus	-	-	-
<b>Total available for use reserves</b>	<b>20,318</b>	<b>(20,318)</b>	<b>-</b>
<b><u>Restricted reserves</u></b>			
Transportation Fee Stabilization Reserve	1,425	(1,425)	-
Unrealized Investment Gains and Losses	9,371	-	9,371
Changes in Accounting Policy Reserve	(10,164)	-	(10,164)
<b>Total restricted reserves</b>	<b>632</b>	<b>(1,425)</b>	<b>(793)</b>
<b>TOTAL OPERATING RESERVES</b>	<b>20,950</b>	<b>(21,743)</b>	<b>(793)</b>

## Reserves (cont'd)

### Available operating reserves at the end of each year



The graph above shows that there will be no operating reserves available for use at the end of 2014-15.

The large increase in available operating reserves in 2012-13 was due to the establishment of the Operating Lease reserve. This reserve was transferred from capital following ministerial approval to use for operating purposes.

The original intention of this operating reserve was to mitigate the annual costs of the Education Centre lease at a rate of \$1.0 million per year. The reserve is now planned to be fully used in 2014-15 to fund the entire budgeted cost of the lease and operating costs, which amounts to \$13.3 million.

Although there will be no reserves remaining at the end of 2014-15, this does not put the CBE in a position of risking fiscal jeopardy. First and foremost, the CBE is funded by the province of Alberta and has the ability to discuss funding challenges or issues with that funding source. As well, due to the nature of our activities, the CBE retains the ability to make adjustments to programming, services and supports in order to balance the budget in future years. While this is certainly not the preferred approach to balancing the budget, it will be necessary if provincial funding does not increase to keep pace with both rising costs and enrolment in future years. In summary, while many difficult choices remain before us, the CBE is not at risk of fiscal jeopardy during the three-year period covered by this report.

## **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**

With ever increasing costs and declining funding on a per-student basis, 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 2014-15. While the budget makes a reasonable provision for anticipated costs we are unable to know what the final negotiated settlement may be. 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. In addition, there is uncertainty related to many other non-discretionary costs. Utilities and insurance are but two examples.

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.

- **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 are estimated to be between \$14.0 - \$18.0 million in 2015-16 and will create an additional budget pressure in that year. Currently we have no identified source of funding for these costs. In addition, the construction of 12 new schools, all of 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.



**Risks (cont'd)**

- 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.

## **Glossary of terms<sup>8</sup>**

<p><b>Alberta Education revenue</b></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><b>Amortization</b></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><b>Base provincial instruction grants (Alberta Education)</b></p> <p>Funding includes base instruction grant funding and class size grant funding.</p>
<p><b>Non-facility capital</b></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><b>Capital assets</b></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><b>Collective agreement</b></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><b>Differential cost funding (Alberta Education)</b></p> <p>Funding is comprised of the following: Outreach, ECS Program Unit Funding, English as a Second Language, First Nations, Metis and Inuit Education, Socio-Economic Status, Inclusive Education, Small Schools by Necessity, Equity of Opportunity, and Plant Operations and Maintenance.</p>
<p><b>EducationMatters</b></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 M for information purposes.</p>
<p><b>Enhancement (capital-related)</b></p> <p>Projects that improve or extend the functionality of existing systems, technologies and processes.</p>
<p><b>Enrolment</b></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><b>Exempt employee</b></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>

<sup>8</sup> Some terms are defined by Alberta Education

**Glossary of terms (cont'd)**

<p><b>Grid Movement</b></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><b>Inspiring Education</b></p> <p>Alberta Education's vision for education</p>
<p><b>Interest and charges</b></p> <p>Interest expenses charged for both supported and unsupported debenture debt and all other interest charges.</p>
<p><b>Maintenance (capital-related)</b></p> <p>Projects that are required to maintain current systems and keep them working in good conditions.</p>
<p><b>Non-discretionary costs</b></p> <p>Specific costs that are difficult to regulate in the short term, such as contractual obligations, utilities, and insurance premiums.</p>
<p><b>Operational Expectations</b></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><b>Provincial priority targeted funding</b></p> <p>Funding is comprised of the following: Alberta Initiative for School Improvement (AIS), eliminated April 1, 2013), SuperNet and Student Health. Other funding categories from the province that have prescribed guidelines on their use include: Infrastructure Maintenance Renewal (IMR), Regional Assessment Services (REACH) and Institutional Funding.</p>
<p><b>Reserves</b></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><b>Resource Allocation Method (RAM)</b></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>

**Glossary of terms (cont'd)**

**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**

### **Budget Report for Alberta Education Submission**

*Contains highlights, plans, assumptions and risks summary for the 2014-15 Budget Report*

School Jurisdiction Code: 3030

## BUDGET REPORT FOR THE YEAR ENDING AUGUST 31, 2015

[School Act, Sections 147(2)(b) and 276]

Calgary Board of Education

Legal Name of School Jurisdiction

(t) 403.817.4000 (f) 403.294.8254

Telephone and Fax Numbers

### BOARD CHAIR

Sheila Taylor

Name

Signature

### SUPERINTENDENT

David Stevenson

Name

Signature

### SECRETARY TREASURER or TREASURER

Brad Grundy

Name

Signature

Certified as an accurate summary of the year's budget as approved by the Board  
of Trustees at its meeting held on .





Date

School Jurisdiction Code: 3030

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Color coded cells:

	blue cells: require the input of data/descriptors wherever applicable.		Grey cells: data not applicable - protected
	salmon cells: contain referenced juris. information - protected		white cells: within text boxes REQUIRE the input of points and data.

### HIGHLIGHTS, PLANS, ASSUMPTIONS AND RISKS SUMMARY- 2014/2015 BUDGET REPORT

The following were presented to the Board and approved as underlying the budget. These key points and assumptions used in development of the budget take into consideration the economic environment of the jurisdiction, focus on anticipated changes from current year, and are realistic and consistent with the three year Education Plan. At a minimum, they disclose key budget assumptions, financial & business risks, and specific strategies explaining how this budget will support the jurisdiction's plans.

#### **Budget Highlights, Plans & Assumptions:**

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 \$28.9 million and are sufficient to maintain the current ratio of students to school-based staff, pending principal deployment decisions. An additional \$17.2 million have increased centrally held school-related budgets.
- Fee revenue will be increased by \$8.9 million year-over-year. Fee revenue for transportation, noon supervision and Instructional Materials and Supplies (ISM) will fully fund the gap between targeted Alberta Education funding and direct program costs, including waivers and bad debts. There will be no contribution from the instructional budget to support fee-based programs and services.
- Funding for board-funded capital projects has been increased by \$7.2 million in order to invest in strategic projects that will enable the system to better accommodate growth in future years.
- Following Board of Trustee direction, all available operating reserves will be applied to balance the budget in order to maintain programs and service levels. The amount of available reserves as at Aug 31, 2014 is projected to be \$21.7 million.
- As required by law, the operating budget for 2014-15 is balanced.

#### **Significant Business and Financial Risks:**

Notable risk areas include:

- Long-term decline in per-student provincial funding**  
With ever increasing costs and declining funding on a per-student basis, there is a risk that budget decisions related to programs and services will impact negatively on student learning.
- Future collective bargaining**  
A number of collective agreements come up for negotiation in 2014-15. As a result, there are two broad risks. One is that future settlements may exceed available funding, putting services and programs in jeopardy. The second risk is that an inability to reach a negotiated settlement may impact CBE operations as a result of labour action.
- School commissioning**  
Start-up costs associated with new schools are the responsibility of the school jurisdiction. These costs are estimated to be between \$14.0 - \$18.0 million in 2015-16 and will create an additional budget pressure in that year. Currently we have no identified source of funding for these costs.
- Implementation of *Inspiring Education* and curriculum re-design increasing stress on current financial and human resources.
- Systemic health – technology, infrastructure, volume, etc.

Due to significant funding shortfalls over the last few years there is an increased risk that key 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 ever changing environment.

School Jurisdiction Code: 3030

**BUDGETED STATEMENT OF OPERATIONS**  
for the Year Ending August 31

	Approved Budget 2014/2015	Fall Budget Update 2013/2014	Actual 2012/2013
<b>REVENUES</b>			
Alberta Education	\$1,115,230,332	\$1,084,707,149	\$1,075,073,124
Other - Government of Alberta	\$1,134,319	\$1,433,977	\$1,708,937
Federal Government and First Nations	\$2,232,659	\$2,380,519	\$2,200,970
Other Alberta school authorities	\$536,387	\$537,192	\$1,756,402
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes	\$0	\$0	\$0
Fees	\$46,736,156	\$37,794,985	\$35,216,851
Other sales and services	\$19,683,753	\$21,002,807	\$21,824,279
Investment income	\$3,025,549	\$3,002,000	\$4,453,204
Gifts and donations	\$5,034,000	\$5,455,872	\$6,083,028
Rental of facilities	\$7,226,498	\$7,954,128	\$5,641,323
Fundraising	\$11,300,000	\$11,092,000	\$11,267,228
Gains on disposal of capital assets	\$0	\$0	\$138,039
Other revenue	\$0	\$38,801	\$30,139
<b>TOTAL REVENUES</b>	<b>\$1,212,139,653</b>	<b>\$1,175,399,430</b>	<b>\$1,165,393,524</b>
<b>EXPENSES</b>			
Instruction	\$979,529,800	\$947,138,257	\$929,031,215
Plant operations & maintenance	\$148,298,523	\$142,177,310	\$141,178,137
Transportation	\$44,116,881	\$43,099,338	\$37,849,367
Administration	\$35,689,548	\$33,514,547	\$38,448,203
External Services	\$22,548,596	\$26,544,686	\$26,544,883
<b>TOTAL EXPENSES</b>	<b>\$1,230,183,348</b>	<b>\$1,192,474,138</b>	<b>\$1,173,051,805</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(\$18,043,695)</b>	<b>(\$17,074,708)</b>	<b>(\$7,658,281)</b>



**BUDGETED ALLOCATION OF EXPENSES (BY OBJECT)**  
for the Year Ending August 31

	Approved Budget 2014/2015	Fall Budget Update 2013/2014	Actual 2012/2013
<b>EXPENSES</b>			
Certificated salaries	\$590,993,628	\$567,142,666	\$570,963,110
Certificated benefits	\$124,871,241	\$123,456,202	\$116,831,435
Non-certificated salaries and wages	\$204,623,484	\$191,111,970	\$183,878,765
Non-certificated benefits	\$51,028,402	\$49,791,831	\$43,537,613
Services, contracts, and supplies	\$201,866,689	\$206,163,915	\$206,240,566
Capital and debt services			
Amortization of capital assets			
supported	\$30,050,852	\$30,061,928	\$28,912,353
unsupported	\$22,261,663	\$22,089,772	\$18,989,578
Interest on capital debt			
supported	\$560,320	\$819,977	\$1,116,395
unsupported	\$563,334	\$538,877	\$601,885
Other interest and finance charges	\$195,000	\$230,000	\$192,726
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$3,168,735	\$1,067,000	\$1,787,378
<b>TOTAL EXPENSES</b>	<b>\$1,230,183,348</b>	<b>\$1,192,474,138</b>	<b>\$1,173,051,805</b>

School Jurisdiction Code: 3030

PROJECTED SCHEDULE OF CHANGES IN ACCUMULATED OPERATING SURPLUS (SUMMARY)  
for the Year Ending August 31

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	ACCUMULATED OPERATING SURPLUS (2+3+4+7)	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	ACCUMULATED SURPLUS FROM OPERATIONS (5+6)	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
						OPERATING RESERVES	CAPITAL RESERVES
Actual balances per AFS at August 31, 2013	\$186,325,277	\$123,989,400	\$2,744,000	\$30,090,922	\$0	\$30,090,922	\$29,500,955
<b>2013/2014 Estimated impact to AOS for:</b>							
Estimated surplus (deficit)	(\$15,317,262)			(\$15,317,262)	(\$15,317,262)		
Estimated Board funded capital asset additions		\$14,035,449		(\$14,035,449)	(\$14,035,449)	\$0	\$0
Estimated Disposal of unsupported tangible capital assets	\$0			\$0	\$0		\$0
Estimated amortization of capital assets (expense)		(\$50,705,377)		\$50,705,377	\$50,705,377		
Estimated capital revenue recognized - Alberta Education		\$30,061,928		(\$30,061,928)	(\$30,061,928)		
Estimated capital revenue recognized - Other GOA		\$0		\$0	\$0		
Estimated capital revenue recognized - Other sources		\$0		\$0	\$0		
Estimated changes in Endowments	\$0		\$0	\$0	\$0		
Estimated Unsupported debt principal repayment		\$3,108,000		(\$3,108,000)	(\$3,108,000)		
Estimated reserve transfers (net)				\$0	\$11,817,262	(\$11,817,262)	\$0
Estimated Assumptions/Transfers of Operations (Explain)	\$0	\$0		\$0	\$0	\$0	\$0
<b>Estimated Balances for August 31, 2014</b>	<b>\$171,008,015</b>	<b>\$120,489,400</b>	<b>\$2,744,000</b>	<b>\$18,273,660</b>	<b>\$0</b>	<b>\$18,273,660</b>	<b>\$29,500,955</b>
<b>2014/2015 Budget projections for:</b>							
Budgeted surplus (deficit)	(\$18,043,695)			(\$18,043,695)	(\$18,043,695)		
Projected Board funded capital asset additions		\$23,211,000		(\$23,211,000)	(\$23,211,000)	\$0	\$0
Budgeted Disposal of unsupported tangible capital assets	\$0	\$0		\$0	\$0		\$0
Budgeted Amortization of capital assets (expense)		(\$52,312,515)		\$52,312,515	\$52,312,515		
Budgeted capital revenue recognized - Alberta Education		\$30,050,852		(\$30,050,852)	(\$30,050,852)		
Budgeted capital revenue recognized - Other GOA		\$0		\$0	\$0		
Budgeted capital revenue recognized - Other sources		\$0		\$0	\$0		
Budgeted changes in Endowments	\$0		\$0	\$0	\$0		
Budgeted Unsupported debt principal repayment		\$2,750,000		(\$2,750,000)	(\$2,750,000)		
Projected reserve transfers (net)				\$0	\$21,743,071	(\$21,743,071)	\$0
Projected Assumptions/Transfers of Operations (Explain)	\$0	\$0		\$0	\$0	\$0	\$0
<b>Projected Balances for August 31, 2015</b>	<b>\$152,964,320</b>	<b>\$124,188,737</b>	<b>\$2,744,000</b>	<b>(\$3,469,371)</b>	<b>\$40</b>	<b>(\$3,469,411)</b>	<b>\$29,500,955</b>

ANTICIPATED CHANGES IN ACCUMULATED OPERATING SURPLUS SUMMARY- 2014/2015 BUDGET REPORT

The following explains the anticipated changes to Unrestricted Surplus, Investment in Tangible Capital Assets, Endowments, Operating Reserves and Capital Reserves for 2013/2014 and 2014/2015 and breaks down the planned additions to unsupported capital. Additional space is provided in the next tab.

**Reason for Changes in Unrestricted Surplus; Investment in Tangible Capital Assets; Endowments; Operating Reserves; and Capital Reserves  
2013/2014**

- 2013-14 planned use of \$11.8 million operating reserves to fund projected deficit for the 2013-14 budget year;
- Decrease in 'Investment in Tangible Capital Assets' in 2013-14 due to investing less in board-funded capital than the amortization provision. More will be invested in 2014-15, bringing the balance back up near Aug 31, 2013 levels.

School Jurisdiction Code: 3030

ANTICIPATED CHANGES IN ACCUMULATED OPERATING SURPLUS  
#VALUE!

The following explains the anticipated changes to Unrestricted Surplus, Investment in Tangible Capital Assets, Endowments, Operating Reserves and Capital Reserves for 2013/2014 and 2014/2015 and breaks down the planned additions to unsupported capital.

**Reason for Changes in Unrestricted Surplus; Investment in Tangible Capital Assets; Endowments; Operating and Capital Reserves 2014/2015**

- 2014-15 operating reserve movement of \$21.7M to fund projected deficit for the 2014-15 budget year;
- Decrease in 'Investment in Tangible Capital Assets' in 2013-14 due to investing less in board-funded capital than the amortization provision. More will be invested in 2014-15, bringing the balance back up near Aug 31, 2013 levels.

**Other Information:**

School Jurisdiction Code: 3030

**PROJECTED STUDENT STATISTICS  
FULL TIME EQUIVALENT (FTE) ENROLLED STUDENTS**

	Budgeted 2014/2015 (Note 2)	Actual 2013/2014	Actual 2012/2013	Notes
<b>GRADES 1 TO 12</b>				
<b>Eligible Funded Students:</b>				
Grades 1 to 9	73,788	70,532	67,725	Head count
Grades 10 to 12	29,001	29,500	29,331	Note 3
Total	102,789	100,032	97,056	Grades 1-12 students eligible for base instruction funding from Alberta Education.
<b>Other Students:</b>				
Total	1,632	1,342	1,478	Note 4
<b>Total Net Enrolled Students</b>	104,421	101,374	98,534	
<b>Home Ed and Blended Program Students</b>	336	297	247	Note 5
<b>Total Enrolled Students, Grades 1-12</b>	104,757	101,671	98,781	
<b>Of the Eligible Funded Students:</b>				
Severely Disabled Students served	4,191	3,873	5,032	Total eligible funded severely disabled student FTEs; including Code 40s (excluding Code 47s).
<b>EARLY CHILDHOOD SERVICES (ECS)</b>				
<b>Eligible Funded Children</b>	9,235	9,092	8,351	ECS children eligible for ECS base instruction funding from Alberta Education.
<b>Other children</b>	3	-	-	ECS children not eligible for ECS base instruction funding from Alberta Education.
<b>Total Enrolled Children - ECS</b>	9,238	9,092	8,351	
<b>Program Hours</b>	475	475	475	Minimum: 475 Hours
<b>FTE Ratio</b>	0.500	0.500	0.500	Actual hours divided by 950
<b>FTE's Enrolled, ECS</b>	4,619	4,546	4,176	
<b>Of the Eligible Funded Children:</b>				
Severely Disabled Children served	550	497	344	Total eligible funded severely disabled children FTEs, including Code 40 children in program units.
<b>NOTES:</b>				
1) Enrolment is to be completed WHEREVER APPLICABLE and are 'as at September 30th' for each year.				
2) Budgeted enrolment is to be based on best information available at time of the 2014/2015 budget report preparation.				
3) The # of FTE grade 10-12 students is determined by taking the total # of students' credits / 35; where 35 CEU's = 1 FTE.				
4) Other Grade 1-12 students that are not eligible for base instruction funding from Alberta Education include First Nations students living on reserves for which tuition fee payments are made from Band or INAC (Code 330), students younger than 5 1/2 or older than 20, and out-of-province and foreign students.				
5) Because they are funded separately, Home Education students are not included with total net enrolled students. In the blended program, funding per student is pro-rated on the percentage of the student's program which is taken at school and at home; home education students are assigned a weighting of 0.25 FTE for base funding.				

School Jurisdiction Code: 3030

**PROJECTED STAFFING STATISTICS  
FULL TIME EQUIVALENT (FTE) PERSONNEL**

	Budgeted 2014/2015	Actual 2013/2014	Actual 2012/2013	Notes
<b><u>CERTIFICATED STAFF</u></b>				
School Based	5,978.5	5,875.3	5,738.3	Teacher certification required for performing functions at the school level.
Non-School Based	127.4	115.1	124.7	Teacher certification required for performing functions at the system/central office level.
Total Certificated Staff FTE	6,105.9	5,990.4	5,863.0	FTE for personnel possessing a valid Alberta teaching certificate or equivalency.
<b>Certificated Staffing Change due to:</b>				
Enrolment Change	113.1	137.0	88.6	If negative change impact, the small class size initiative is to include any/all teachers retained.
Other Factors	2.4	(9.6)	(2.4)	Descriptor (required): Non-certificated positions converted to certificated
Total Change	115.5	127.4	86.2	Year-over-year change in Certificated FTE
<b>Breakdown, where total change is Negative:</b>				
Continuous contracts terminated	-	-	-	FTEs
Non-permanent contracts not being renewed	-	-	-	FTEs
Other (retirement, attrition, etc.)	-	-	-	Descriptor (required):
Total Negative Change in Certificated FTEs	-	-	-	Breakdown required where year-over-year total change in Certificated FTE is 'negative' only.
<b><u>NON-CERTIFICATED STAFF</u></b>				
Instructional	1,963.2	1,956.2	1,916.5	Personnel providing instruction support for schools under 'Instruction' program areas.
Non-Instructional	1,322.2	1,298.5	1,294.0	Personnel in Transportation, Board & System Admin., O&M and External service areas.
Total Non-Certificated Staff FTE	3,285.4	3,254.7	3,210.5	FTE for personnel not possessing a valid Alberta teaching certificate or equivalency.
<b>Non-Certificated Staffing Change due to:</b>				
Enrolment Change	33.1	39.7	63.3	FTEs
Other Factors	(2.4)	4.5	(37.5)	Descriptor (required): Non-certificated positions converted to certificated
Total Change	30.7	44.2	25.8	Year-over-year change in Non-Certificated FTE

## **Appendix B**

### **Capital Budget Detail**

***Includes spreadsheets showing capital budget for Non-facility projects, categorized as strategic, enhancement and maintenance.***

	Capital Budget		
	2014-15 (\$000)	2015-16 Estimate (\$000)	2016-17 Estimate (\$000)
<b>Capital Lease Payments (Contracts)</b>			
Performance Contracts	2,750	3,200	5,132
<b>Total Capital Lease Payments (Contracts)</b>	<b>2,750</b>	<b>3,200</b>	<b>5,132</b>
<b>Non-Facility Related Projects</b>			
Strategic	6,544	2,611	586
Enhancement	3,385	5,025	3,480
Maintenance	9,703	13,676	10,525
<b>Total Non-Facility Related Projects</b>	<b>19,632</b>	<b>21,312</b>	<b>14,591</b>
<b>School Enhancements</b>	<b>3,580</b>	<b>-</b>	<b>6,912</b>
	<b>3,580</b>	<b>-</b>	<b>6,912</b>
<b>Total Capital Expenditures</b>	<b>25,962</b>	<b>24,512</b>	<b>26,635</b>
<b>Financed by the Following:</b>			
Total Amortization Expense (non-cash)	22,262	20,312	22,435
Contribution from / (to) operating activities	3,700	4,200	4,200
<b>Total Capital Financing</b>	<b>25,962</b>	<b>24,512</b>	<b>26,635</b>

	Capital Budget		
	2014-15 (\$000)	2015-16 Estimate (\$000)	2016-17 Estimate (\$000)
<b>Strategic</b>			
Integrated Workplace System	\$ 498	\$ 493	\$ 486
Corporate Performance Management (Hyperion)	1,166	-	-
Flammable and Corrosive Cabinets	290	-	-
Student Information System	3,100	1,000	-
Software Asset Management	290	300	-
Electronic Bidding Software	-	10	-
IRIS	1,200	808	100
<b>Total Strategic - Non-Facility Related</b>	<b>\$ 6,544</b>	<b>\$ 2,611</b>	<b>\$ 586</b>

	Capital Budget		
	2014-15 (\$000)	2015-16 Estimate (\$000)	2016-17 Estimate (\$000)
<b>Enhancement</b>			
Security Cameras	\$ 300	\$ 1,150	\$ 800
Electronic Door Access	200	500	350
Fees Central	473	580	580
Wireless Capacity/Density Improvement	250	250	250
Eyewash and Chemical Storage	310	75	-
Online Application System and Database	140	-	-
Oracle iProcurement	-	520	-
Replacement Camera and Supporting Equipment	12	-	-
Windows Upgrade	200	-	-
Parent Portal	-	450	-
School Purchased Assets	1,500	1,500	1,500
<b>Total Enhancement - Non Facility Related</b>	<b>\$ 3,385</b>	<b>\$ 5,025</b>	<b>\$ 3,480</b>

	Capital Budget		
	2014-15 (\$000)	2015-16 Estimate (\$000)	2016-17 Estimate (\$000)
<b>Maintenance</b>			
Program Moves and Expansions	\$ 900	\$ 1,000	\$ 1,100
Core Switch Replacement	424	-	-
Client Access Technology Refresh	3,700	5,556	6,000
3 Ton Bucket Truck	-	-	108
Municipal Tractor with attachments	130	130	-
Service Vans	221	192	99
Auto Scrubbers	194	225	159
Infrastructure Maintenance & Growth	1,111	1,380	2,148
Core Infrastructure System Wide Wireless Upgrades	1,470	2,902	-
Records & Archive Centre Modernization	750	748	-
Musical Instrument Evergreening	300	1,090	695
Other Maintenance Items < \$120k	503	453	216
<b>Total Maintenance - Non-Facility Related</b>	<b>\$ 9,703</b>	<b>\$ 13,676</b>	<b>\$ 10,525</b>



## **Appendix C**

### **Budget Detail by Alberta Education Block Coding**

***Schools and Areas, Learning Services, Learning Innovation, Facilities & Environmental Services, Legal Services, Communications, Finance & Supply Chain Services, Human Resources, Office of the Chief Superintendent and Board of Trustees.***

Calgary Board of Education 2014-15 Expenses Budget Details Expenditures by Block - Schools & Areas												
	Instruction: ECS - Grade 12		Plant,operations & maintenance		Transportation		Board & system administration		External services		Total	
	FTEs	(\$000)	FTEs	(\$000)	FTEs	(\$000)	FTEs	(\$000)	FTEs	(\$000)	FTEs	(\$000)
Salaries & benefits	7,765	819,022	-	-	30	1,394	-	-	196	9,151	7,991	829,567
Professional & Technical Serv		9,515		-		-		-		-		9,515
Dues & Fees		155		-		-		-		-		155
Maintenance & Repairs		135		-		-		-		-		135
Insurance		10		-		-		-		-		10
Utilities		12		-		-		-		-		12
Transportation		2,145		-		-		-		-		2,145
Travel & Subsistence		365		-		-		-		-		365
Supplies		44,348		-		-		-		-		44,348
Minor equipment		2,055		-		-		-		-		2,055
Textbook & Materials		9,203		-		-		-		-		9,203
Amortization		5		-		-		-		-		5
Interests and finance charges		55		-		-		-		-		55
Other (uncollectible accounts expense)		130		-		1,091		-		1,931		3,152
	7,765	887,155		-	30	2,485		-	196	11,082	7,991	900,722
2013-14 budget	7,533	838,381		-	29	1,348		-	249	14,873	7,811	854,602
Increase / (decrease) from 2013-14	232	48,774		-	1	1,137		-	(52)	(3,791)	180	46,120

Calgary Board of Education  
2014-15 Expenses Budget Details by Object & Block  
Learning Services

	Instruction: ECS - Grade 12		Plant, operations & maintenance		Transportation		Board & system administration		External services		Total	
	FTEs	(\$000)	FTEs	(\$000)	FTEs	(\$000)	FTEs	(\$000)	FTEs	(\$000)	FTEs	(\$000)
Salaries & benefits	151	21,487	-	-	-	-	2	410	37	5,964	190	27,861
Professional & Technical Serv		1,897		-		-		-		517		2,414
Dues & Fees		113		-		-		-		2		115
Rental		12		-		-		-		45		57
Maintenance & Repairs		185		-		-		-		32		217
Insurance		12		-		-		-		-		12
UtiliLSties		94		-		-		-		82		176
Transportation		-		-		-		-		1		1
Travel & Subsistence		312		-		-		-		5		317
SuppLSes		1,117		-		-		-		332		1,449
Minor equipment		291		-		-		-		16		307
Textbook & Materials		251		-		-		-		194		445
Amortization		56		-		-		-		-		56
Interests and finance charges		127		-		-		-		14		141
	<b>151</b>	<b>25,954</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>410</b>	<b>37</b>	<b>7,204</b>	<b>190</b>	<b>33,568</b>
2013-14 budget	<b>146</b>	<b>26,851</b>		-		-	<b>2</b>	<b>408</b>	<b>38</b>	<b>7,653</b>	<b>186</b>	<b>34,912</b>
Increase / (decrease) from 2013-14	<b>5</b>	<b>(897)</b>		-		-		<b>2</b>	<b>(1)</b>	<b>(449)</b>	<b>4</b>	<b>(1,346)</b>

**Calgary Board of Education  
2014-15 Expenses Budget Details by Object & Block  
Learning Innovation**

	<b>Instruction: ECS - Grade 12</b>		<b>Plant, operations &amp; maintenance</b>		<b>Transportation</b>		<b>Board &amp; system administration</b>		<b>External services</b>		<b>Total</b>	
	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>
Salaries & benefits	132	16,021	4	453	1	135	28	4,050	1	70	166	20,729
Professional & Technical Serv		856		-		-		64		-		920
Dues & Fees		73		-		-		109		-		182
Rental		-		-		-		1		-		1
Maintenance & Repairs		2,951		217		-		915		33		4,116
Utilities		4,010		35		-		80		-		4,124
Travel & Subsistence		109		-		-		13		-		122
Supplies		1,300		1		-		(51)		-		1,250
Minor equipment		210		-		-		32		-		242
Textbook & Materials		35		-		-		1		-		35
Amortization		5,725		16		-		1,239		-		6,981
Interests and finance charges		-		-		-		-		-		-
Other (uncollectible accounts expense)		-		-		-		-		-		-
	<b>132</b>	<b>31,289</b>	<b>4</b>	<b>723</b>	<b>1</b>	<b>135</b>	<b>28</b>	<b>6,451</b>	<b>1</b>	<b>103</b>	<b>166</b>	<b>38,701</b>
<i>2013-14 budget</i>	<b>144</b>	<b>35,157</b>	<b>3</b>	<b>669</b>	<b>1</b>	<b>119</b>	<b>18</b>	<b>5,014</b>		<b>33</b>	<b>166</b>	<b>40,992</b>
<i>Increase / (decrease) from 2013-14</i>	<b>(12)</b>	<b>(3,868)</b>	<b>1</b>	<b>54</b>		<b>16</b>	<b>10</b>	<b>1,437</b>	<b>1</b>	<b>70</b>		<b>(2,291)</b>

**Calgary Board of Education  
2014-15 Expenses Budget Details by Object & Block  
Facilities & Environmental Services**

	<b>Instruction: ECS - Grade 12</b>		<b>Plant,operations &amp; maintenance</b>		<b>Transportation</b>		<b>Board &amp; system administration</b>		<b>External services</b>		<b>Total</b>	
	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>
Salaries & benefits	16	1,844	818	61,534	9	812	3	314	4	899	850	65,403
Professional & Technical Serv		1,998		1,393		40		1,290		675		5,396
Dues & Fees		14		277		3		6		5		305
Rental		5,240		184		-		2,603		1,411		9,438
Maintenance & Repairs		1		16,323		-		26		23		16,373
Insurance		900		3,937		-		112		-		4,949
Utilities		753		19,779		1		267		-		20,800
Transportation		-		-		40,248		-		-		40,248
Travel & Subsistence		18		252		2		1		2		275
Supplies		22		7,491		20		105		11		7,649
Minor equipment		-		152		7		1		1		161
Textbook & Materials		-		2		-		-		-		2
Amortization		-		34,480		-		5		1		34,486
Interests and finance charges		-		560		-		-		-		560
	<b>16</b>	<b>10,790</b>	<b>818</b>	<b>146,364</b>	<b>9</b>	<b>41,133</b>	<b>3</b>	<b>4,730</b>	<b>4</b>	<b>3,028</b>	<b>850</b>	<b>206,045</b>
<i>2013-14 budget</i>	<b>13</b>	<b>10,666</b>	<b>817</b>	<b>139,078</b>	<b>9</b>	<b>41,266</b>	<b>3</b>	<b>4,542</b>	<b>4</b>	<b>2,822</b>	<b>845</b>	<b>198,374</b>
<i>Increase / (decrease) from 2013-14</i>	<b>3</b>	<b>124</b>	<b>1</b>	<b>7,286</b>	<b>-</b>	<b>(133)</b>		<b>188</b>	<b>-</b>	<b>206</b>	<b>4</b>	<b>7,671</b>

**Calgary Board of Education  
2014-15 Expenses Budget Details by Object & Block  
Legal Services**

	<b>Instruction: ECS - Grade 12</b>		<b>Plant, operations &amp; maintenance</b>		<b>Transportation</b>		<b>Board &amp; system administration</b>		<b>External services</b>		<b>Total</b>	
	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>
Salaries & benefits	2	194	-	-	-	-	10	1,487	-	-	12	1,681
Professional & Technical Serv		106		-		-		848		-		954
Dues & Fees		-		-		-		24		-		24
Maintenance & Repairs		-		-		-		2		-		2
Utilities		-		-		-		6		-		6
Travel & Subsistence		-		-		-		18		-		18
Supplies		-		-		-		43		-		43
Minor equipment		-		-		-		17		-		17
Textbook & Materials		-		-		-		7		-		7
Amortization		-		-		-		20		-		20
	<b>2</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>2,472</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>2,772</b>
<i>2013-14 budget</i>	<b>2</b>	<b>305</b>		-		-	<b>10</b>	<b>2,549</b>		-	<b>12</b>	<b>2,854</b>
<i>Increase / (decrease) from 2013-14</i>		<b>(5)</b>		-		-		<b>(77)</b>		-		<b>(82)</b>

**Calgary Board of Education  
2014-15 Expenses Budget Details by Object & Block  
Communications**

	<b>Instruction: ECS - Grade 12</b>		<b>Plant, operations &amp; maintenance</b>		<b>Transportation</b>		<b>Board &amp; system administration</b>		<b>External services</b>		<b>Total</b>	
	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>
Salaries & benefits	8	793	-	-	-	-	14	1,715	-	-	22	2,508
Professional & Technical Serv		5		-		-		87		-		92
Dues & Fees		-		-		-		13		-		13
Rental		2		-		-		1		-		3
Maintenance & Repairs		1		-		-		4		-		5
Utilities		-		-		-		2		-		2
Travel & Subsistence		2		-		-		10		-		12
Supplies		11		-		-		8		-		19
Minor equipment		11		-		-		-		-		11
Textbook & Materials		2		-		-		2		-		4
Amortization		-		-		-		4		-		4
	<b>8</b>	<b>827</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>1,846</b>	<b>-</b>	<b>-</b>	<b>22</b>	<b>2,673</b>
<i>2013-14 budget</i>	<b>8</b>	<b>831</b>		-		-	<b>15</b>	<b>1,927</b>		-	<b>23</b>	<b>2,758</b>
<i>Increase / (decrease) from 2013-14</i>		<b>(4)</b>		-		-	<b>(1)</b>	<b>(81)</b>		-	<b>(1)</b>	<b>(85)</b>

Calgary Board of Education  
2014-15 Expenses Budget Details by Object & Block  
Finance & Supply Chain Services

	Instruction: ECS - Grade 12		Plant, operations & maintenance		Transportation		Board & system administration		External services		Total	
	FTEs	(\$000)	FTEs	(\$000)	FTEs	(\$000)	FTEs	(\$000)	FTEs	(\$000)	FTEs	(\$000)
Salaries & benefits	22	2,416	2	21	4	364	36	4,344	5	505	69	7,650
Professional & Technical Serv		678		40		-		(432)		560		847
Dues & Fees		9		-		-		63		-		72
Maintenance & Repairs		-		-		-		5		-		5
Utilities		1		-		-		9		-		9
Travel & Subsistence		11		-		-		22		-		33
Supplies		30		-		-		55		50		136
Minor equipment		-		-		-		50		-		50
Amortization		9,019		81		-		1,504		9		10,612
Interests and finance charges		-		556		-		-		7		563
Other (uncollectible accounts expense)		7		-		-		10		-		17
	<b>22.0</b>	<b>12,171</b>	<b>2.0</b>	<b>698</b>	<b>3.5</b>	<b>364</b>	<b>36.0</b>	<b>5,630</b>	<b>5.0</b>	<b>1,131</b>	<b>68.5</b>	<b>19,994</b>
2013-14 budget	<b>20.5</b>	<b>12,556</b>	<b>2.0</b>	<b>2</b>	<b>3.0</b>	<b>364</b>	<b>36.0</b>	<b>4,522</b>	<b>4.5</b>	<b>1,162</b>	<b>66.0</b>	<b>18,606</b>
Increase / (decrease) from 2013-14	<b>1.5</b>	<b>(385)</b>		<b>696</b>	<b>0.5</b>			<b>1,108</b>	<b>0.5</b>	<b>(31)</b>	<b>2.5</b>	<b>1,388</b>



**Calgary Board of Education  
2014-15 Expenses Budget Details by Object & Block  
Human Resources**

	<b>Instruction: ECS - Grade 12</b>		<b>Plant, operations &amp; maintenance</b>		<b>Transportation</b>		<b>Board &amp; system administration</b>		<b>External services</b>		<b>Total</b>	
	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>
Salaries & benefits	76	7,175	4	459	-	-	57	6,663	-	-	137	14,297
Professional & Technical Serv		2,302		39		-		4,265		-		6,606
Dues & Fees		361		-		-		73		-		434
Rental		-		-		-		6		-		6
Maintenance & Repairs		-		-		-		10		-		10
Utilities		5		-		-		25		-		29
Travel & Subsistence		20		-		-		110		-		130
Supplies		124		17		-		53		-		194
Minor equipment		-		-		-		30		-		30
Textbook & Materials		-		-		-		7		-		7
Amortization		86		-		-		63		-		149
	<b>76</b>	<b>10,073</b>	<b>4</b>	<b>515</b>	<b>-</b>	<b>-</b>	<b>57</b>	<b>11,304</b>	<b>-</b>	<b>-</b>	<b>137</b>	<b>21,892</b>
<i>2013-14 budget</i>	<b>73</b>	<b>7,888</b>	<b>4</b>	<b>522</b>		<b>-</b>	<b>60</b>	<b>11,732</b>		<b>-</b>	<b>137</b>	<b>20,142</b>
<i>Increase / (decrease) from 2013-14</i>	<b>3</b>	<b>2,185</b>		<b>(7)</b>		<b>-</b>	<b>(3)</b>	<b>(428)</b>		<b>-</b>	<b>(0)</b>	<b>1,750</b>

**Calgary Board of Education  
2014-15 Expenses Budget Details by Object & Block  
Office of the Chief Superintendent**

	<b>Instruction: ECS - Grade 12</b>		<b>Plant,operations &amp; maintenance</b>		<b>Transportation</b>		<b>Board &amp; system administration</b>		<b>External services</b>		<b>Total</b>	
	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>
Salaries & benefits	-	-	-	-	-	-	6	1,165	-	-	6	1,165
Professional & Technical Serv		950		-		-		65		-		1,015
Dues & Fees		-		-		-		21		-		21
Rental		21		-		-		33		-		54
Maintenance & Repairs		-		-		-		2		-		2
Utilities		-		-		-		2		-		2
Travel & Subsistence		-		-		-		15		-		15
Supplies		-		-		-		22		-		22
Minor equipment		-		-		-		4		-		4
Textbook & Materials		-		-		-		1		-		1
	<b>-</b>	<b>971</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>1,330</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>2,301</b>
<i>2013-14 budget</i>		<b>971</b>		<b>-</b>		<b>-</b>	<b>5</b>	<b>1,107</b>		<b>-</b>	<b>5</b>	<b>2,078</b>
<i>Increase / (decrease) from 2013-14</i>		<b>-</b>		<b>-</b>		<b>-</b>	<b>1</b>	<b>223</b>		<b>-</b>	<b>1</b>	<b>223</b>

**Calgary Board of Education  
2014-15 Expenses Budget Details by Object & Block  
Board of Trustees**

	<b>Instruction: ECS - Grade 12</b>		<b>Plant, operations &amp; maintenance</b>		<b>Transportation</b>		<b>Board &amp; system administration</b>		<b>External services</b>		<b>Total</b>	
	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>	<b>FTEs</b>	<b>(\$000)</b>
Salaries & benefits	-	-	-	-	-	-	2	654	-	-	2	654
Professional & Technical Serv		-		-		-		557		-		557
Dues & Fees		-		-		-		246		-		246
Rental		-		-		-		2		-		2
Utilities		-		-		-		1		-		1
Travel & Subsistence		-		-		-		34		-		34
Supplies		-		-		-		19		-		19
Textbook & Materials		-		-		-		2		-		2
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>1,515</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>1,515</b>
<i>2013-14 budget</i>		-		-		-	<b>2</b>	<b>1,549</b>		-	<b>2</b>	<b>1,549</b>
<i>Increase / (decrease) from 2013-14</i>		-		-		-	<b>(34)</b>			-	<b>(34)</b>	

## **Appendix D**

### **Alberta Education Block coding Criteria Flowchart**

*The process that Corporate Finance allocated expenses to blocks presented in flowchart format.*

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### **Summary of Block Coding Review Process**

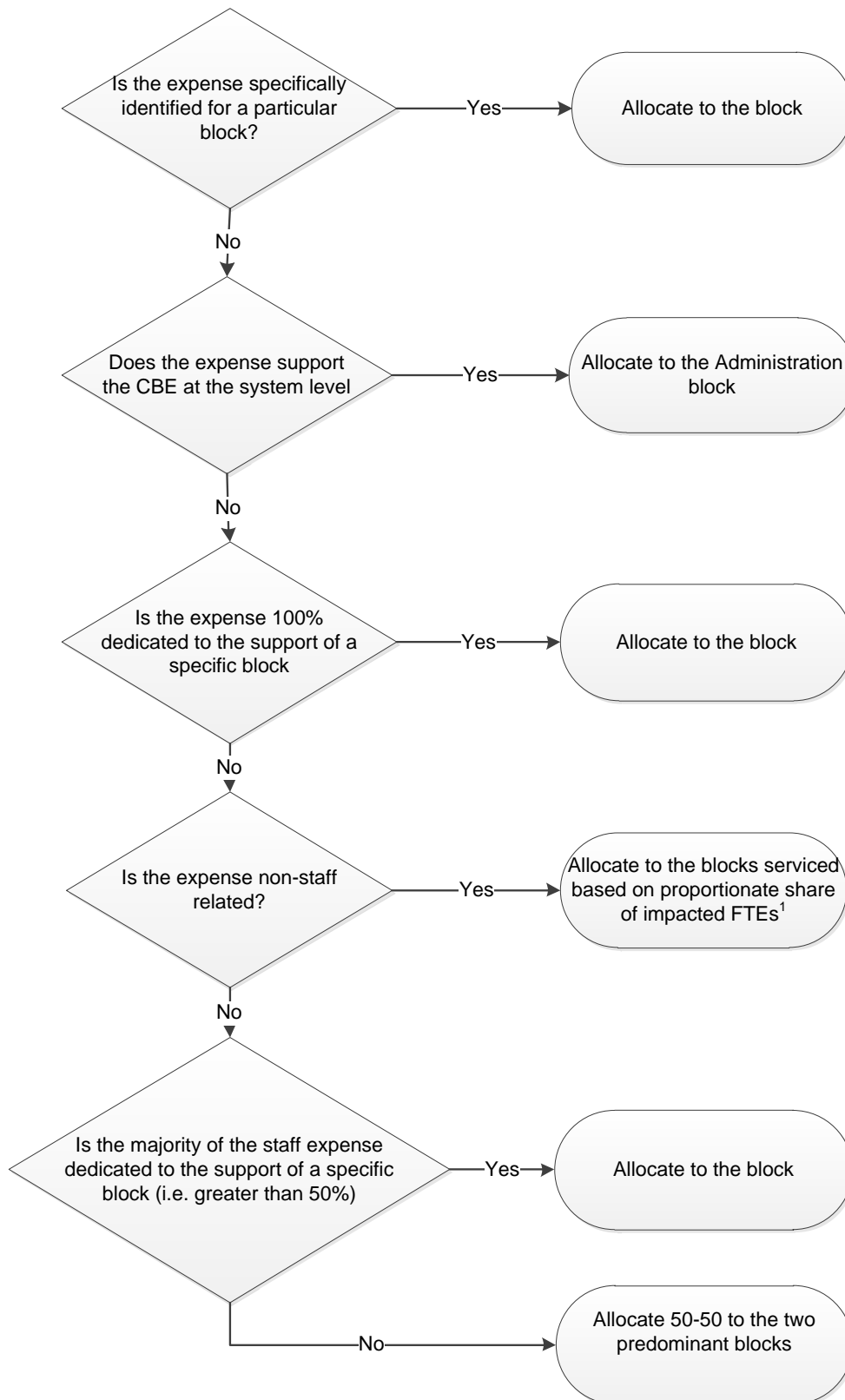
The CBE periodically reviews its expenses to ensure they are categorized in accordance with the program allocation guidelines set out by Alberta Education. The five programs are:

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 E**

### **Fees Notes for Budget 2014-15:**

***Emphasizing issues, background, analysis and impacts concerning noon supervision, transportation and instructional supplies & materials fees.***



### School Fees for 2014-15

#### Issue:

The CBE is funded 92 per cent by the Province of Alberta. Outside of the province there is no other sustainable source of funding. Specific grants are received for transportation services and the general per student grant received may be used to purchase Instructional Supplies and Materials (ISM). However, for the noon supervision service provided by the CBE, no provincial funding is received. The funding from the province, on a per student basis has declined over the last four years.

Service charges (or fees) are charged to cover the costs of the services provided that is over and above any funding received. The reduced per student funding year over year is necessitating different decisions with respect to budget and the treatment of fees.

Fees are a small portion of overall revenue for the CBE (approximately . 4 per cent), however, a loss of fees would have significant consequences to the operations of the system. 4 per cent represents an estimated \$46.7 million for Budget 2014-15. This amount equates to the entire funding for four high schools or the entire funding for the Finance & Supply Chain Services and Human Resource service units combined.

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.

### Background:

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. For example, transportation fee was set at \$295 per rider in the 2013-14 budget, well below the estimated cost of \$344 per rider.

Historical fee levels have been:

	2013-14	2012-13	2011-12	2010-11	2009-10
	(in \$)				
Noon Supervision Fees					
Non bused students	200 - 220	185 - 230	240 - 295	230 - 280	220 - 260
Bused students	135 - 145	65 - 80	-	-	-
Transportation Fees – Charter Buses					
Kindergarten	215	215	215	200	165
Elementary	295	295	295	200	165
Junior High	295	295	335	200	165
ISM					
Kindergarten	15	15	15	15	15
Elementary	30	30	30	30	30
Junior High	105	105	105	105	105
Senior High	132	132	132	132	132

Traditionally, fees have been calculated based on the assumption that all parents whose students use the service will pay. Therefore, when parents accessed waivers or did not pay their fees, these costs have been supported by the CBE global budget. This was explicitly stated to the public in the April 17, 2012 report to the Board of Trustees on fees. In 2012-13, the cost to the global budget of waivers and unpaid fees for transportation, noon supervision and ISM was \$2.9 million.

Prior to the 2011-12 fiscal year, fees have been reported on a cash basis, meaning they were shown as revenue only if received. In the reporting of the 2011-12 and 2012-13 fiscal years, financial statements have included the amount for the unpaid fees, i.e. uncollectible accounts in revenue and as a cost. Waivers have not been reported.

### Analysis:

#### Fees Calculation & Reporting

The CBE centrally manages and reports on three fees: noon supervision, transportation, and ISM. The setting of these fees takes into consideration the full costs associated with the service including the costs of unpaid fees and waivers. This is a change from prior years and in the 2014-15 budget results in \$3.9 million being returned to the global budget which then can be used to support student learning. This is consistent with our values.

Musical Instrument Registration fees are also collected centrally and subject to waivers; however, there will be no changes recommended to the fee until the ongoing work on the music instrument model is completed.

#### 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.

Public engagement completed in 2012 informed the CBE that parents viewed family size as an individual choice. Therefore, family maximums for fees was not considered appropriate. However, waivers are available to and approved on a family basis.

For 2013-14 reporting, waivers will be reported as a cost charged to the global budget. This will add a level of transparency on the costs of waivers to the CBE.

#### 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. This is a change for the ISM fees, where the schools received 50 per cent of the unpaid amount in their individual budgets through the following year's RAM. Therefore, schools are relieved of the administrative burden associated with fee collection of the central fees and able to focus more time on student learning.

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 per cent 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. Historical collection rates are approximately 30 per cent of the total value of the accounts sent to collection. This is in the range of \$0.3 million.

As noted above, the cost of unpaid fees has been reported in CBE financial statements starting in the 2011-12 fiscal year.

### Service Delivery

The fee collection group within Finance & Supply Chain Services consists of six fee clerks and one supervisor. To improve service delivery to parents and schools the fee clerks have been assigned to specific schools within the five areas. Giving each parent and school one point of contact improves their access to information, enhances the consistency of messaging and improves the relationship between central support, the schools and parent groups.

Finance and Supply Chain Services and Information Technology Services are working closely to develop the Fees Central application which allows parents to register their children for Noon Supervision and pay their fees online. Currently, parents can pay Noon Supervision fees, ISM fees, Transportation fees and any school driven fees that are entered into SIRS online.

The payment of fees online significantly decreases the delays in fee processing that typically occur in the paper process including enabling the prompt receipt of funds. It also, allows flexibility for parents to pay for fees using credit card or debit card and to break up payments into manageable amounts.

Further, the two departments, in conjunction with a pilot group of schools, are developing the Fee Waiver process which will allow parents to initiate the waiver process and improve reporting to schools. This will decrease the administrative burden associated with inquiring into the status of parent waivers.



### 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 per cent of the costs associated with these staff members is not supported by the fee and is covered by the school. Further review of this practice will be completed in the coming year.
- included in the fee is \$16.78 for centralized costs (absence relief in schools and registration and fee collection costs, noon supervision co-ordination costs).
- in 2014-15 the bused students will pay the same amount as the non-bused students, in accordance with, the phased-in approach for noon supervision fees that commenced in 2012-13.

	4 day			4/5 day			5 day		
	2013-14	2014-15	% var	2013-14	2014-15	% var	2013-14	2014-15	% var
<b>Non bused students</b>	\$200	\$250	25	\$215	\$270	26	\$220	\$280	27
<b>Bused students</b>	\$135	\$250	85	\$140	\$270	93	\$145	\$280	93

\*At 2013-14 rates the transportation costs for this group would have increased for the 4 day, 4/5 day, 5 day noon supervision by 48%, 65%, and 52% respectively based on the phased-in approach.

### Transportation Fees

- the building of schools has not kept pace with the growth of CBE enrolment. 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.
- a change in service delivery to congregated stops was approved by the Superintendents' Team as recommended in the "Transportation Fee Analysis" report dated March 17, 2014. Congregating stops saves money.
- at the date of this report it is assumed that \$2.3 million of the total \$3.7 million Transportation Fee Reserve (the reserve) will be used in 2013-14. The remaining balance of \$1.4 million in the reserve will be applied to moderate fees in 2014-15.

- As more information on current costs is known each \$0.1 million change in the use of the reserve will change the fee by approximately \$5.

Charter rates	2013-14	2014-15*	% var
Grades 1 – 9	\$295	\$330	12
Kindergarten	\$215	\$330	54

\*Estimates subject to change based on actual revenue and expense projections each spring for the following year.

#### 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 four years of data.
- To ensure full cost recovery, an increase in the junior and senior high school ISM fees is recommended.

ISM fees	2013-14	2014-15*	% var
Kindergarten	\$15	\$15	0
Grades 1 - 6	\$30	\$30	0
Grades 7 – 9	\$105	\$137	30
Grades 10 - 12	\$132	\$152	15

#### Chinook Learning Services & CBe-learn Course Fees - Over 20

- Each fee for the academic courses offered for students over 20 years of age is increased by \$20 on a cost recovery basis.

#### 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.

##### To the Parents

The majority of parents pay the fees for their students. In 2012-13, \$19.1 million of the total \$21.7 million, or 88 per cent, 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	41,100	3,650	8.9	3,500	8.5
Transportation	23,950	*2,350	9.8	850	3.5
ISM	103,300	9,150	8.9	3000	2.9

\*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.

#### Attachments:

- Attachment I: 2014-15 Fee Schedule
- Attachment II: Calculation of Central Fees

## Attachment I Calgary Board of Education 2014-15 Fee Information

The following is a list of fees approved by Superintendents' Team for the 2014-15 school year for the Calgary Board of Education, with comparative information presented for the 2013-14 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	2014-15	2013-14
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	\$105
Senior High (Grades 10 to 12)	\$152	\$132
<b>Refundable Security Deposit</b>	<b>2014-15</b>	<b>2013-14</b>
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 (public transportation)	2014-15	2013-14
Grades 7 to 9 as designated and all Grades 10 - 12 (net of rebate of \$19 monthly)*	\$41 monthly	\$38.50 monthly
Ineligible Transit	\$60	\$57.50
<b>Charter Transportation</b>		
Kindergarten Charter Transportation	\$330	\$215
Grades 1 to 12 Charter Transportation	\$330	\$295





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.

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

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.

### 3. Elementary Noon Supervision Fee

Conditional riders and students who do not use Transportation Services – kindergarten (full-day) and Grades 1 to 6	2014-15	2013-14
4 day program	\$250	\$200
4/5 day program	\$270	\$215
5 day program	\$280	\$220
Students who are both bused and eligible for transportation – kindergarten (full-day) and grades 1 to 6		
4 day program	\$250	\$135
4/5 day program	\$270	\$140
5 day program	\$280	\$145

### 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	2014-15	2013-14
Elementary (grades 1 to 6)	\$10	\$10
Junior High (grades 7 to 9)	\$30	\$30

### 5. Musical Instrument Registration Fees

All Programs	2014-15	2013-14
Annual	\$100	\$100

### 6. Non-Resident Student Fees

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

Non-resident (of Alberta) fees were updated to reflect actual school year costs in 2013-14. The following basic fees represent the projected average cost per student of the programs offered:

Non-Resident Student Fees	2014-15	2013-14
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 2014-15 (inclusive of English language support, as required) are recommended:

	2014-15	2013-14
Non-refundable application fee	\$250	\$250
Grade 1 – Grade 12 (full year and full day Kindergarten where offered)	\$11,000	\$11,000
Kindergarten (full year, half day)	\$5,500	\$5,500
Senior High - Grades 10-12 (one semester only)	\$5,700	\$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 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 – Age 19 and under Academic Fees**

Students who are 19 years of age or younger (at September 1, 2014) and enrolled in Chinook Learning Services will be required to pay the following fees per course:

	2014-15	2013-14
<b>Course Fees for Students Under 20 Years of Age</b>		
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 (2013-14 \$60)	\$85	\$85

Chinook Learning fees are based on a cost recovery model.

#### 8. Chinook Learning Services – Age 20 and over Adult Academic Fees

Students who are 20 years of age or older (as at September 1, 2013), 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:

	2014-15	2013-14
<b>Course Fees for Students Over 20 Years of Age</b>		
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 (2013-14 \$60)	\$85	\$85
4 or 5 credit Classroom Learning daytime courses	\$545	\$525
4 or 5 credit Self-Directed Learning and Classroom Learning evening courses	\$480	\$460
3 credit Classroom Learning daytime courses	\$355	\$335
3 credit Self-Directed Learning and Classroom Learning evening courses	\$295	\$275
1 credit Classroom Learning daytime courses	\$205	\$185
1 credit Self-Directed Learning and Classroom Learning evening courses	\$140	\$120
<b>Course Fees for Diploma Exam Preparation</b>		
Power Week - 15 hours of instruction	\$165	\$145
Power Weekend – 15 hours of instruction	\$165	\$145
<b>Course Fees for International Students</b>		
5 – Credit Courses	\$1,110	\$1,110
3 – Credit Courses	\$655	\$655

#### 9. CBe-learn Fees

These fees apply to students who are 19 years of age or younger (as at September 1, 2014), 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:

	2014-15	2013-14
<b>CBe-learn Registration Fees</b>		
<b>Junior High Fees</b>		
CBe-learn students (not attending another CBE school)		
A non-refundable Instructional Supplies and Materials Fee per school year		
Maximum	\$137	\$105



First course	\$86	\$66
Two courses	\$129	\$99
Full-time access	\$137	\$105
<b>Senior High Fees</b>		
<b>Students under 20 (not attending another CBE school)</b>		
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
Learning Resources Rental Fee, including a refundable learning resource Security Deposit of \$50 (2013-14 \$60)	\$85	\$85

CBe-learn fees are set in alignment with Chinook Learning fees.

#### 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, 2014) or non-resident and enrolled with CBe-learn will be required to pay fees, as follows:

	2014-15	2013-14
<b>Students over 20</b>		
5 – Credit Courses	\$480	\$460
3 – Credit Courses	\$295	\$275
Learning Resources Rental Fee including a refundable learning resources Security Deposit of \$50 (2013-14 - \$60)	\$85	\$85
<b>Out of province (non-resident of Alberta)</b>		
Per course	\$870	\$870
<b>International student (non-resident of Canada)</b>		
5 – Credit Courses	\$1,110	\$1,110
3 – Credit Courses	\$655	\$655

#### 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.

	2014-15	2013-14
Maximum annual fee	\$40	\$40

## Attachment II Calculation of 2014-15 Transportation Fees

	(in \$ thousands)
Government grants	33,243
Reserve funding	1,425
<b>Available funding</b>	<b>34,669</b>
<b>Salaries and Benefits</b>	
Busing Aides	1,390
Central Administration	1,383
<b>Contracts and Services</b>	
Transportation Services	40,253
Waivers	810
Bad Debt	281
	<b>44,117</b>
<b>Funding Gap</b>	<b>(9,448)</b>
<b>Fees</b>	<b>9,448</b>
<b>Net surplus / (deficit)</b>	<b>-</b>
<b>Total riders</b>	<b>28,631</b>
<b>Transportation fee</b>	<b>\$ 330</b>

## Calculation of 2014-15 Noon Supervision Fees

	(in \$ thousands)
Government grants	-
Reserve funding	-
<b>Available funding</b>	-
<b>Salaries and Benefits</b>	
Central Administration	-
Noon Supervision	9,775
<b>Contracts and Services</b>	
Other Supplies and Services	
Waivers	937
Bad Debt	995
	<u>11,707</u>
<b>Funding Gap</b>	<b>(11,707)</b>
<b>Full recovery fees</b>	<u><b>11,707</b></u>
<b>Net surplus / (deficit)</b>	<u><b>-</b></u>
<b>Total registered students</b>	<b>44,685</b>
<b>Fees</b>	
4 day	\$ 250
4/5 day	\$ 270
5 day	\$ 280

### Calculation of 2014-15 Instructional Supplies & Materials Fees

	(in \$ thousands)
Government grants	-
Reserve funding	-
<b>Available funding</b>	<b>-</b>
<b>Salaries and Benefits</b>	
Central Administration	-
<b>Contracts and Services</b>	
Other Supplies and Services	8,057
<b>Waivers</b>	616
<b>Bad Debt</b>	259
	<b>8,933</b>
<b>Funding Gap</b>	<b>(8,933)</b>
<b>Full recovery fees</b>	<b>8,933</b>
<b>Net surplus / (deficit)</b>	<b>-</b>
<b>Number of students</b>	<b>110,520</b>
<b>Fees</b>	
ECS	\$ 15
Elementary	\$ 30
Junior High	\$ 137
Senior High	\$ 152

## **Appendix F**

### **Transportation statistics**

***Statistics as of September 30, 2013 based on processed transportation contracts.***



---

**Transportation numbers are taken from September 30, 2013 date based on processed contracts**

- There are over 26,000 riders projected to ride by Charter bus this year, including more than 1,800 special needs and 650 conditional riders.
- Provincial funding for transportation is based on a student living beyond 2.4 km to their designated school. However, the Calgary Board of Education provides student transportation to alternative programs, programs of choice and many regular community programs within the 2.4 km identified walk limit.
- Over 10,500 students are expected to ride Calgary Transit.
- The fee charged to all charter riders is \$295, with the exception of kindergarten who have a reduced fee of \$215.
- All charter riders are charged the same fee, regardless of program, distance, needs or grade (with the exception of kindergarten).
- Calgary Transit riders will receive a rebate of \$19 for each month upon presentation of their pass.
- A total of 764 regular charter routes including 236 special needs routes and 120 mid-day kindergarten routes are driven daily.
- Shortest ride time for a regular route is 8 minutes and the longest is 89 minutes for special needs riders who live at a long distance from their school site.
- Over 760 charter bus routes, carrying over 26,000 students; more routes than Calgary Transit runs at a similar time period.

## **Appendix G**

### **Noon Supervision Services Summary**

*List of services offered for Grades K – 6*

## 1 | CBE Noon Supervision

- CBE Noon Supervision goes far beyond just providing childcare by ;
  - providing a safe 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 which 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 reduces bullying
  - providing unstructured time for active living which can also build leadership, teamwork and mentorship skills
  - providing information on healthy eating
  - providing training to assist staff to support students in a variety of ways
  - providing system support
  - providing a Noon Supervision Handbook
  - site visits to connect with Administration and the Noon Supervision staff to;
    - share best practices
    - note deficiencies such as lockdown and fire safety procedures at lunch
    - bring questions to the forefront – seek answers
  - developing three newsletters that are distributed to administrators and noon supervision staff
  - development of 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
- |                                                                                                                                                                                                                                                              |                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• successful supervisors</li><li>• student expectations</li><li>• playground supervision</li><li>• code of ethics</li><li>• Leader in me schools – lunchroom poster linking the 7 habits to noon supervision</li></ul> | <ul style="list-style-type: none"><li>• encouraging students to become environmental citizens</li><li>• creating a climate of collaboration</li><li>• FOIP – best practices</li></ul> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## 2 | Staffing

- At present there are 1,343; not including casual noon supervisors. This number includes all active employees (some may be on leaves).

## 3 | Staffing Challenges

- Staff turnover - entry level position, used sometimes as a stepping stone. September 2013 there was approximately 100 permanent noon supervisors positions needing filled.
- Casual supervisor roster is limited as this is used to fill permanent positions.

#### 4 | Position Challenges

- Constraints on staff with reduced allotted time for noon supervision;
- set up time, cleaning and take down time
- no built-in time to attend professional development workshops
- number of students to supervise
- limited time for task rotation – from lunch to outdoor supervision - a tight schedule
- Ergonomic/safety issues for staff;
- Lunchroom table lifts especially when there is a tight turnaround is now being done by one person. It is recommended that a two person lift be used – JDA from Brennan and Associates
- Icy yard conditions
- Safety issues when replacements cannot be found
- Administration or teaching staff may fill the supervision gap but may not help with table lifts, cleaning the tables or sweeping the floors.

#### 5 | Middle School Challenges

The supervision of the elementary students in middle schools is challenging. A handbook for middle schools is currently being developed.

#### 6 | Standardization of staff training

- The following skill building sessions were offered during 2013/2014

Session	Cost
• Ever Active - DPA's Greatest Hits - noon activities	• \$225.00 paid by Staff Association – Staff Development, Group Funding
• The Power of a Positive Lunchroom	• In house – \$20.00 beverages
• 2 focus groups of Lead Lunchroom Supervisors and Noon Supervisors	• In house – \$40.00 beverages
• Four introductory Noon Supervision courses by Chinook Learning	• 65 X \$129.00 = \$8385.00
• Healthy Relationships	• Staff Association Convention – no cost
• Staff Association Convention	• Staff Association Convention – no cost
• Inclusion in the lunchroom – don't forget about me	• Staff Association Convention – no cost

#### 7 | Parent communications

- Leader in Me Lunchroom poster – Crossing Park Leader in Me Newsletter
- Noon supervision Handbook posted on CBE website
- Tip sheets posted on CBE website
- The ability for parents to connect to help facilitate questions or concerns.

One example of noon supervision programming



### Lunchroom Idea Sheet

Everyone is capable. Everyone is a leader.

**LEAD - Learn, Empower, Achieve, Dream**

How does this look in our Lunch Program?

Leader in Me	Students	Staff	Parents
<p><b>Be Proactive</b> You are in charge</p>	<ul style="list-style-type: none"> <li>A positive, energetic attitude is contagious</li> <li>Respect and care for                             <ul style="list-style-type: none"> <li>your belongings</li> <li>the school</li> <li>others students' belongings</li> </ul> </li> <li>Stay in control by                             <ul style="list-style-type: none"> <li>stopping to take a breath</li> <li>asking for quiet time to gain composure</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>A positive, energetic attitude is contagious</li> <li>Build trust with the students</li> <li>Address situations by modeling a calm, controlled "inside voice"</li> <li>Influence students to take ownership for their behaviour</li> </ul>	<ul style="list-style-type: none"> <li>A positive, energetic attitude is contagious</li> <li>Identify your children's allergies or medical conditions to the school</li> <li>Watch to see what is coming home in your child's lunch bag and talk to them about "why" the food is left</li> </ul>

\*Habit 1 means to take responsibility for choices and behaviours and to choose to be happy or sad. Make a choice to be positive and focus on those things you can change. Stop and think before you act or react.


Leader in Me	Students	Staff	Parents
<p><b>Begin with the end in mind</b></p>	<p>Students are integral in making the lunchroom successful and pleasurable by</p> <ul style="list-style-type: none"> <li>planning to enjoy your lunch</li> <li>remembering to bring your lunch</li> <li>following school rules that keep all students safe</li> </ul>	<p>Noon supervisors are integral in setting up children for success in the lunchroom and success in the afternoon by</p> <ul style="list-style-type: none"> <li>creating a climate of belonging</li> <li>having alternate activities ready for "Indoor Lunch Days"</li> <li>ensuring lunchroom is set up for ease of supervision</li> </ul>	<p>Parents are integral in setting up children for success in the lunchroom by</p> <ul style="list-style-type: none"> <li>providing your child with a lunch that meets their needs</li> <li>letting your child help make their lunch</li> <li>ensuring your child is dressed for the weather so they can play outdoors.</li> </ul>

\*Habit 2 means to decide what is most important and take care of that first.


Leader in Me	Students	Staff	Parents
<p><b>Put First Things First</b></p>	<p>Responsibilities can be:</p> <ul style="list-style-type: none"> <li>washing your hands</li> <li>refuelling your body with lunch</li> <li>visiting with your friends</li> <li>re-energizing with activity</li> <li>saying no to things you should not do</li> </ul>	<p>Supervising students by</p> <ul style="list-style-type: none"> <li>moving, scanning and recognizing potential problems</li> <li>knowing your students and providing "friendly" reminders</li> <li>enjoying your job and finding ways to have fun with the students</li> </ul>	<p>Talk with your children about being responsible in the lunchroom by</p> <ul style="list-style-type: none"> <li>washing their hands</li> <li>eating their lunch</li> <li>using their inside voice in the lunchroom</li> </ul>

\*Habit 3 is about focusing on your top priorities and eliminating the unimportant. Plan weekly, plan daily. Failing to plan means you're planning to fail.




Leader in Me	Students	Staff	Parents
 <p>Think Win-win</p>	<p>Treat others with kindness and respect Resolve differences without:</p> <ul style="list-style-type: none"> <li>- physical violence</li> <li>- abusive language</li> <li>- inappropriate gestures</li> </ul> <p>Be confident in yourself</p>	<p>Actively project a friendly, helpful, open attitude, treating everyone with respect:</p> <ul style="list-style-type: none"> <li>- avoid favouritism and comparisons</li> <li>- focusing on the positives</li> <li>- helping with friendship skills</li> <li>- helping identify rules for games and encourage taking turns</li> <li>- encouraging win-win situations</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage and practice win-win solutions at home for disputes among siblings or friends</li> <li>• Involve your children in choosing lunch items they like and are good for them</li> </ul>

\*Habit 4 is the belief that everyone can win. It's not me or you - it is both of us.


Leader in Me	Students	Staff	Parents
 <p>Seek first to understand then to be understood</p>	<ul style="list-style-type: none"> <li>• Be a good listener with your ears, eyes and heart</li> <li>• Value others by <ul style="list-style-type: none"> <li>- being courteous</li> <li>- treating others with respect</li> <li>- using appropriate language</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Be a good listener by "Actively" listening</li> <li>• Look for ways to provide empathy and understanding: <ul style="list-style-type: none"> <li>- allow students to express their point of view</li> <li>- acknowledge their feelings</li> <li>- encourage the use of "I" statements and feeling words to describe situations</li> <li>- encourage students to recognize the other person's feelings</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Be a good listener with your ears, eyes and heart</li> <li>• Encourage your child to use "I" statements and feeling words to describe situations that have happened at school</li> </ul>

\*Habit 5 means that to communicate effectively, we must first understand each other. Instead of listening with the intent to reply, listen with the intent to understand.

Leader in Me	Students	Staff	Parents
 <p>Synergize T - together E - effective A - and M - meaningful</p>	<ul style="list-style-type: none"> <li>• Playing and getting along with other students, even if they are different</li> <li>• Valuing other peoples' opinions</li> <li>• Together is better</li> </ul>	<p>Understanding and applying the principle of collaboration by</p> <ul style="list-style-type: none"> <li>- engaging other employees and students to find fair solutions</li> <li>- inviting students to contribute ideas</li> <li>- encouraging students to show leadership in creating a positive lunchroom</li> </ul>	<p>Nurturing key desirable social awareness qualities for getting along:</p> <p>Empathy A Conscience Self-control Kindness Fairness Respect</p>

\*Habit 6 is about practicing creative cooperation by working as a team. Together we can create a better way, a higher way.

Leader in Me	Students	Staff	Parents
	<p>Take care of "Yourself" by</p> <ul style="list-style-type: none"> <li>- eating right</li> <li>- exercising</li> </ul>	<ul style="list-style-type: none"> <li>• Take care of "Yourself" by finding balance in life between work</li> </ul>	<ul style="list-style-type: none"> <li>• Take care of "Yourself" by finding balance in life between work</li> </ul>

Leader in Me	Students	Staff	Parents
 <p><b>Sharpen the Saw</b></p>	<p>Take care of "Yourself" by</p> <ul style="list-style-type: none"> <li>- eating right</li> <li>- exercising</li> <li>- socializing with friends</li> <li>- learning in lots of different ways</li> </ul>	<ul style="list-style-type: none"> <li>• Take care of "Yourself" by finding balance in life between work, family and other commitments</li> <li>• Learning is a life long journey – never stop</li> </ul>	<ul style="list-style-type: none"> <li>• Take care of "Yourself" by finding balance in life between work, family and other commitments</li> <li>• Learning is a life long journey – never stop</li> </ul>

\*Habit 7 means to have balance in your life. Every day provides a new opportunity for renewal, mind, body and soul.

## **Appendix H**

### **Budget Assumptions Report**

***The Chief Superintendent's interpretation of the budget-planning assumptions including financial, economic and other relevant factors where uncertainty exists and resource allocation strategies.***



[cbe.ab.ca](http://cbe.ab.ca)



April 1, 2014



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### **Superintendent |**

Brad Grundy, CA CIA

Superintendent, Chief Financial Officer, Corporate Treasurer

### **Contributors |**

Corporate Finance staff

## Introduction

### Mega-result

The Board of Trustees sets as its Mega-Result 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 the needs of each individual student and his or her learning needs as we make budget decisions while balancing the needs across the organization.

### Values

Administration's approach to the operating budget is guided by our 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 examination.

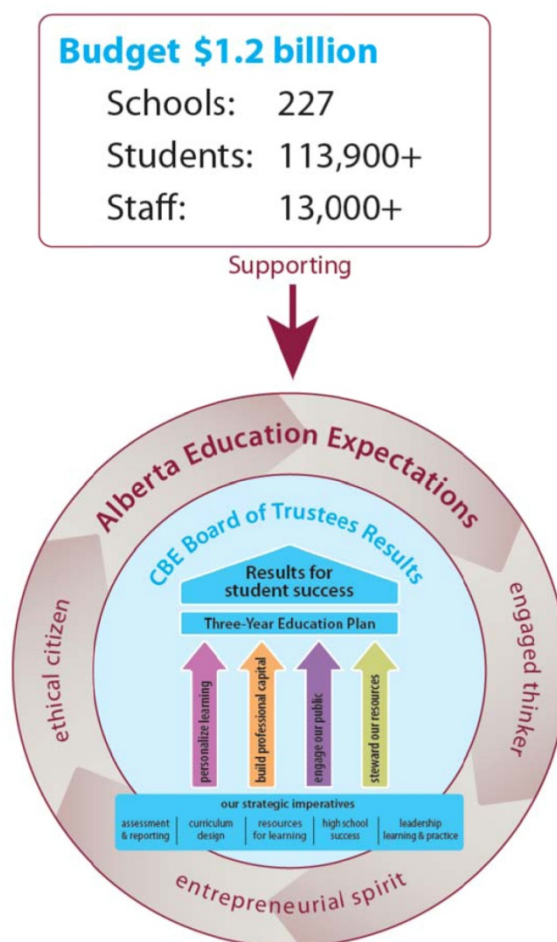
We are also guided by CBE's Three-Year Education Plan, which focuses attention on personalized learning, building our professional capital, engaging our publics and stewarding our resources. Taken together these action areas allow us to maximize student learning.

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 learner and entrepreneurial spirit
- [CBE Three-year Education Plan](#) – Personalize learning, build professional capital, engage our public, steward our resources
- CBE Strategic Imperatives – assessment and reporting, curriculum design, resources for learning, high school success, leadership learning and practice.



## Current Context

The March 6 provincial budget has presented challenges for the CBE which are similar to those we have experienced often in recent years. Net funding has increased, for which we are grateful. However, for the fourth year in a row our per-student funding has decreased, and the CBE is faced with the familiar requirement to adjust its spending to balance the budget. This is another lean budget for the CBE, and we will be faced with making difficult decisions during this budget process, which may affect students and parents. The assumptions underlying those decisions are presented in this report.

The provincial budget provided additional funding to cover increased enrolment but not enough to cover other cost increases. These cost increases include such things as inflation on goods and materials, salary grid movement and negotiated increases for unionized employees.

For instance, about half of CBE teachers are eligible for grid movement, which are time-based increases in salary. Grid movement for teachers will increase costs for the CBE by about \$7.6 million in 2014-15. In addition, the Alberta Teachers' Association and provincial government ratified the Framework Agreement in May 2013. This included a number of enhancements expected to cost \$1.8 million in 2014-15 and an additional \$1.8 million in 2015-16.

As a result, the CBE will have to make choices as it faces a lean budget situation for 2014-15. We have limited reserve funds to tap. Reserves have been steadily diminished over the past four years of challenging budgets. In addition, significant staffing cuts were made to central services last year and schools (high schools). The impact of those cuts on the CBE's ability to support student success is being carefully monitored. Therefore, there is little room to cut administrative costs which we will keep well within the government-mandated 3.6 per cent or school budgets.

In short, the CBE is a system that is under strain as a result of rapidly growing enrolment, high student and parent expectations for educational choice, increasing costs and government revenues that haven't kept pace over the past four years. The challenge is to ensure that we do not put the organization at risk as we are

required to do more with less. The organization is also managing an extreme school accommodation crunch which further increases cost pressures.

This budget assumption report provides the first look into how administration proposes to optimize student learning while balancing the budget.

## Background

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. Alberta Education funding is expected to increase to \$1,115.0 million from \$1,071.7 million budgeted in 2013-14. This is a \$43.3 million increase, or four per cent.

Despite the increase, the per-student funding provided by Alberta Education is down three per cent from \$10,077 in September 2011 to \$9,780 expected in 2014-15. At the same time, enrolment is forecast to be 113,995 for 2014-15. This is a year-over-year increase of 3.3 per cent or 3,619 new students to be accommodated within the system.

In all, 86 per cent of provincial funding is spent on staffing costs. 91 per cent of staff positions are working directly in schools (based on the 2013-14 budget data).

The CBE's programs and services are delivered under collective agreements with four unions: Alberta Teachers' Association, Staff Association, skilled trades and Canadian Union of Public Employees.

The CBE also has about 200 staff that are exempt from the above noted unions. This group makes up two per cent of total staff positions. Other than superintendents and directors, 86 per cent of the exempt group (172 positions) 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; managers and supervisors from various service units.

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 information technology, utilities, transportation and leased facilities. Long-term agreements support cost certainty and increased cost effectiveness.

Additional costs are incurred because we have 27,000 students transported daily via 981 bus routes using more than 750 buses. In addition, 42,600 students are supervised over the noon hour (2013-14 data) in CBE schools.

In response to student needs and high public demand and expectations, the CBE offers a wide variety of programs and program delivery options, including but not limited to community school based programs, summer school, off campus programs, outreach, Chinook Learning, online learning, homeschooling, Aboriginal programs, art-centred learning, English language learners, Canadian studies, language programs, science schools, Montessori, Traditional Learning Centres and gender specific schools.

A pressure on the system is the fact that 57 per cent of CBE schools were built prior to 1970 and are in need of maintenance and repairs. The CBE's deferred maintenance has increased to \$969 million. This is growing at a rate of approximately \$40 million per year.

Given all of this, with anticipated revenues of \$1,207.7 million and expenses projected to be \$1,235.4 million, the current 2014-15 shortfall is \$27.7 million.

## General Assumptions

The budget will:

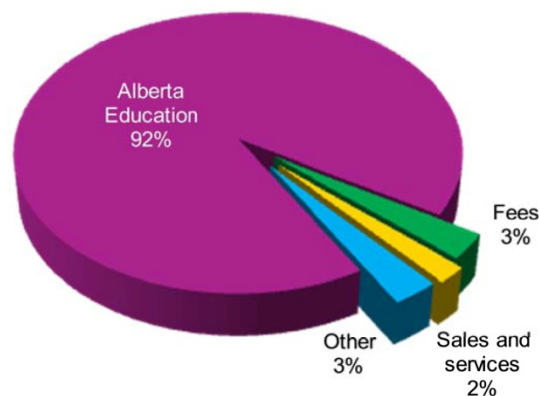
- Support the CBE mega-result, operational expectations and core values:
  - Students come first;
  - Learning is our central purpose; and
  - Public education serves the common good.
- Support the direction provided by *Inspiring Education*, the Three-Year Education Plan and the CBE's strategic imperatives which focus on:



- Assessment and reporting
  - Curriculum development
  - Resources for learning
  - High school success; and
  - Leadership learning and practice.
- Recognize that principals make the ultimate school-based spending decisions, including staffing, within the resources allocated.
- 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 and strategic imperatives.
- Take a CBE-wide approach, 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 Board of Trustees' mandated Operational Expectations, legal requirements and the School Act.
- Support our commitment to attracting and retaining the highest quality employees that will enable the organization to achieve its policies.
- Prioritize investment in infrastructure and programs to address current challenges and anticipate future-year enrolment growth. We will make critical investments now that will position us for the future.
- Avoid putting the organization in long-term fiscal jeopardy.
- Be balanced.



## Revenue Assumptions



Our budget revenue assumptions are:

- Operating reserves will be applied in a manner consistent with Alberta Education's encouragement to use reserves to support the delivery of services: "Many school boards have savings for a rainy day. Government encourages school jurisdictions to make every effort to maintain the level of services to ensure student success." *Alberta Education (March, 2014)*

A prudent level of reserves will be retained 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".

- Alberta Education will fund:
  - enrolment growth at 2013-14 rates
  - a two per-cent-rate increase for Inclusive Education and the Small Class Size Initiative
  - the 0.41 per cent general wage increase under the Alberta Teachers' Association collective agreement
- We will apply Alberta Education targeted funding for the specified purpose as directed.
- All revenue from Alberta Education related to transportation, noon supervision and instructional materials and supplies (ISM) is fully applied to the cost of these services. There will be no contribution from the

instructional budget to support fee-based programs and services. The full Transportation Fee Reserve at Aug. 31, 2014 will be applied to moderate transportation fee increases. 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.

- Opportunities to grow non-Alberta Education revenue will be explored where it is consistent with our vision and values.
- Lease revenues from charter schools will continue to be restricted by Alberta Education. In most cases revenue is \$1 per year.
- Facility rental rates are set to break-even (cover direct costs) as set out in Administrative Regulation 8004.
- Revenue from the sale of CBE-owned property is not anticipated because all such properties are currently utilized.
- 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.
- All opportunities to recover flood-related costs will be pursued.
- Investment income on CBE cash balances will be assumed to accrue at a rate averaging six per cent over the medium to long term. Short-term investments will average one per cent.

## Expense assumptions

Our budget expense assumptions are:

- The budget will include the costs of covering current collective agreement increases, including general wage increases, employee salary grid movement, and benefits.
- Other salary adjustments which impact 2014-15 will be funded through access to operating reserves.
- For the second budget year in a row, there will be no salary increase for Superintendents Team.
- CBE expenses increase in relation to enrolment growth. Enrolment projections are based on the Sept 30, 2013 actual enrolment of 110,763 and reflect the City of Calgary forecasted population changes, market share, and student retention rates. Forecast enrolment figures are:

○ 2014-15	113,995
○ 2015-16	117,301
○ 2016-17	120,060
- Consistent with the Alberta Education budget, no inflationary increases have been built into the 2014-15 budget. Projections for 2015-16 and 2016-17 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:
  - The budget will cover significant increases in the cost of insurance premiums and uninsured losses. The increase in 2014-15 is budgeted at 72.6 per cent, or \$2.1 million.
  - The cost of utilities continues to increase with a year-over-year increase of 1.4 per cent.
- The CBE will face continued accommodation challenges (new schools don't come into service until fiscal 2016-17) as enrolment numbers increase and more students from the outer areas are bussed to schools with available capacity.

- System administration costs will remain within the provincially mandated cap of 3.6 per cent of total expenditures. Current projections suggest that the CBE's administrative costs in 2013-14 will be at 3.1 per cent.

Note: The average of the three other Alberta metro boards for 2013-14 is reported at 3.1 per cent; Calgary Catholic School Division is reported at 3.3 per cent, Edmonton Public Schools at 3.2 per cent, and Edmonton Catholic Schools at 2.5 per cent.

## 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 mega-result 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. 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. Choices made in reaching the final budget may impact students' success.
- Actual costs may be higher than assumed. 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 are more susceptible to extreme weather events. This reality could increase costs beyond assumed levels.
- Four years of reductions in funding per student have resulted in support services that are minimally resourced. Significant events or broad system changes could impact the continuity of operations.

## Conclusion

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

Inevitably, this challenging budget will impact students and families and require us to make choices around the use reserves, increases in fees, and learning supports and school spending levels. Our choices will be guided and informed by our values.

## Glossary of terms

Alberta Education revenue	All funds received from Alberta Education, including amortization of Alberta Education-funded facilities. This is sometimes referred to as provincial 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.
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.
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 (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.
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

## Conclusion

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

Inevitably, this challenging budget will impact students and families and require us to make choices around the use reserves, increases in fees, and learning supports and school spending levels. Our choices will be guided and informed by our values.

## Glossary of terms

Alberta Education revenue	All funds received from Alberta Education, including amortization of Alberta Education-funded facilities. This is sometimes referred to as provincial 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
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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.
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**

### **Request for use of reserves**

***Report requesting the use of the reserves fund to balance the 2014-15 budget.***



cbe.ab.ca

**report to  
Board of Trustees**

**Request approval to draw from reserves to  
balance the 2014-15 budget**

Date	April 1, 2014
Meeting Type	Regular Meeting, Public Agenda
To	Board of Trustees
From	Naomi E. Johnson, Chief Superintendent of Schools
Purpose	Decision
Originator	Brad Grundy, Superintendent, Chief Financial Officer
Governance Policy Reference	OE-6: Financial Administration
Resource Person(s)	Donna Rogers, Manager, Corporate Planning & Reporting

**1 | Recommendation**

It is recommended:

- THAT the Board of Trustees approves, in principle, the use of operating reserves to balance the 2014-15 budget.

**2 | Issue**

In accordance with Operational Expectation - 6, the Board of Trustees must approve all transfers in and out of reserves. CBE Administration seeks the Board of Trustees approval to draw on reserves in order to balance the 2014-15 budget.

### 3 | Background

On March 6, 2014, the provincial government announced the funding to school jurisdictions for the 2014-15 fiscal year. While funding will increase primarily for enrolment, the total increase is not enough to cover projected 2014-15 expenses. The projected deficit is \$31.7 million.

The 2014-15 budget will be balanced by way of increased fees, use of reserves, reduced expenditures or a combination of those strategies.

### 4 | Analysis

The decision to use reserves to balance ongoing operations is a controversial one. The factors to consider are as such:

- As at August 31, 2014, the CBE anticipates having \$20.3 million in 'available-for-use' operating reserves and \$24.8 million in capital reserves for a total of \$45.1 million.
- Operational Expectation – 5 requires that Administration “strive to develop and maintain an operating reserve base equal to 1% of jurisdiction revenues, whenever possible”. One per cent of revenues for 2014-15 is calculated to be \$12.0 million.
- Alberta Education has encouraged school jurisdictions to use reserves to support the delivery of services:  
“Many school boards have savings for a rainy day. Government encourages school jurisdictions to make every effort to maintain the level of services to ensure student success.” Alberta Education (March, 2014)
- The Auditor General has reportedly advised that a prudent level of reserves for a public sector organization is 2.5 – 3.0 per cent. This translates into \$30.0 million - \$36.0 million for the CBE.

### 5 | Financial Impact

As discussed in the Budget Assumptions Report, CBE Administration evaluates competing factors and values when building the annual operating and capital budgets.

If the use of reserves is not approved, CBE Administration will review the other alternatives which include:

- Reduction in funding allocated to schools. Under this scenario and dependent on principal staffing deployment decisions, it is likely that class sizes will increase.
- Reduction in central supports. This would result in reduced ability to meet Operational Expectation compliance. It would also result in fewer resources available to support schools with their administrative and instructional support functions.
- Greater ability to cover costs resulting from unexpected events or collective agreement settlements

## 6 | Conclusion

---

The 2014-15 budget will be balanced, with or without the use of reserves. Administration seeks the Board of Trustees approval to incorporate the use of reserves in balancing the 2014-15 budget.

NAOMI E. JOHNSON  
CHIEF SUPERINTENDENT OF SCHOOLS

### ATTACHMENTS

Attachment I: Reserve balances at August 31, 2014 (forecasted)

### 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

CALGARY BOARD OF EDUCATION  
AUGUST 31, 2014 FORECASTED RESERVES

Description	Reserve Balance Aug 31, 2013 (\$000)	2013-14 anticipated addition to / (use of) reserves (\$000)	Forecasted reserve balance, Aug 31, 2014 (\$000)
<b>ACCUMULATED OPERATING RESERVES</b>			
<u>Available for use reserves*</u>			
System Transformation	2,000	(500)	1,500
Utility Expense Stabilization Reserve	5,007	(1,637)	3,370
Snow Removal Budget Stabilization	200	-	200
Administrative Systems Renewal	2,248	(2,248)	-
General Instruction	1,000	(1,000)	-
Fiscal Stabilization Reserve	4,017	(2,346)	1,671
Continuing Education Fee Stabilization	1,593	(1,593)	-
Operating Lease Reserve	14,577	(1,000)	13,577
<u>Restricted reserves</u>			
Transportation Fee Stabilization Reserve	3,681	(2,256)	1,425
Unrealized Investment Gains and Losses	9,371	-	9,371
Changes in Accounting Policy Reserve	(10,164)	-	(10,164)
<b>Total Operating Reserves</b>	<b>33,531</b>	<b>(12,580)</b>	<b>20,950</b>
<b>DESIGNATED OPERATING FUNDS</b>			
Instructional and Service Unit initiatives	779	(779)	-
School Decentralized Budgets	118	(118)	-
Education Matters	1,839	-	1,839
<b>Total Designated Funds</b>	<b>2,736</b>	<b>(897)</b>	<b>1,839</b>
<b>ENDOWMENT FUND</b>	<b>2,744</b>	<b>-</b>	<b>2,744</b>
<b>UNRESTRICTED OPERATING SURPLUS</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OPERATING RESERVES AND DESIGNATED FUNDS</b>	<b>39,011</b>	<b>(13,477)</b>	<b>25,533</b>
<b>CAPITAL RESERVES</b>			
Building Reserve (\$1.4m restricted)	18,393		18,393
Plant, Operations & Maintenance Asset Replacement	768		768
Other Capital Reserves	10,340	(4,670)	5,671
<b>TOTAL CAPITAL RESERVES</b>	<b>29,501</b>	<b>(4,670)</b>	<b>24,831</b>
<b>TOTAL OPERATING AND CAPITAL RESERVES</b>	<b>68,512</b>	<b>(18,146)</b>	<b>50,365</b>
*Of the total, operating reserves that are available for use	30,643	(10,324)	20,319

## **Appendix J**

### **Charter Lease Summary**

#### ***Summary of building lease revenue***

## 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 K**

### **Principal feedback**

***Results from March 5, 2014 presentation***

## WHAT WE HEARD FROM YOU:

On March 12<sup>th</sup> we heard from you on our values, our system, and our challenges. In terms of your conversations, here's what was on your minds.

Area of Discussion	Number of Comments
Staffing	114
Funding	81
Values	76
Class Size	66
Programs	61
Inclusion	38
Communications	34
Facilities	27
Equity	23
Technology	23
Fees	13
Lunchroom	13
Purchasing	6

## THOUGHTS ON STAFFING

Staffing was the top concern by number of comments. You said (in part):

- Teachers need more preparation time
- A better transfer pool system is needed
- Assistance needed in knowing how to work smarter
- More support for professional development.

You were concerned about low staff morale, high stress, and illness leading to high rate of staff absences and leaves



### THOUGHTS ON FUNDING

With regard to funding you said (in part):

- It is a challenge to balance the individual needs of students while considering the general school population
- You were concerned that the current school-based budgeting process does not allow for appropriately attending to individual student needs
- You were concerned about “unfunded” students coming to your school after the fall RAM

### WHAT HAPPENS WITH THE INPUT

Thank you for the incredibly thoughtful and helpful feedback.

- We are not fully able to respond to the thoughts, suggestions and comments in building the 2014/15 budget
- The information you have provided will be very helpful as we begin now to plan the 2015/16 and 2016/17 budgets
- Realistically, many of your concerns speak directly to the level at which public education is funded in Alberta. The CBE’s ability to respond meaningfully is constrained by the funding we receive.
- We are choosing between NEEDS and NEEDS, not needs and wants. It is our values that will guide us, inform us and direct us.
- Please stay tuned for future engagement sessions.

## **Appendix L**

### **Remarks from Public Report**

***Budget response remarks from public and employees regarding the 2014-15 Budget***

cbe.ab.ca

## budget response | public and employees



Calgary Board  
of Education

## **budget response | public and employees**

When the 2014-15 budget process began, the Calgary Board of Education asked the public and CBE employees for their comments and feedback. Each piece of budget-related public communication has included a request for such comments.

In total, 45 comments have been received from the public and CBE employees.

These comments are consolidated into three categories: possible cost-saving measures, requests for additional services, and priorities/general commentary.

### **Possible cost-saving measures**

Comments in this category included many mentions of CBE staffing and management. This includes cutting salaries and pensions for senior administration and/or reducing the number of senior administrators, reducing number of superintendents and directors and their administrative assistants, combining service units, move to four areas/quadrants instead of five, decreasing number of communications staff, decreasing spending on legal services, eliminating positions such as noon services facilitator, and hiring an experienced CEO as superintendent. Also mentioned was cutting wages paid to teachers and substitute teachers.

Other ideas related to staffing include ensuring professional development activities are effective, maximizing support staff utilization, and holding support staff accountable for their efficiency. Support staff convention could also be eliminated and instead turned into two days off without pay.

Ideas for raising money include doubling student fees, partnering with a parking authority to charge for parking after school hours, renting out facilities after hours, holding community fundraising concerts, providing for-profit after-school care, and subletting floors of the Education Centre for market value.

General ideas for saving money include using electronic text books, eliminating the use of Apple computers and instead only using PCs, using one general field trip form for students to cover the entire year instead of creating new forms each time, asking volunteers to absorb the costs of their police clearance checks, and accepting volunteer police clearances from other agencies. Volunteers could also be used to complete jobs currently reserved for trades employees, such as snow

removal and painting. Also mentioned was not spending money on vanity projects and an idea to turn the Career and Technology Centre at Lord Shaughnessy High School into a school that will serve a larger, more general population.

Splurging on non-essential programs should occur only when there is extra funding. No full-day kindergarten programs should be offered if not fully funded by the government. Some services provided could be completely user pay and not subsidized, such as transportation costs to alternative programs and lunch supervision. Services and programs should be reduced to fit within the budget limits. Put money where it matters: student to teacher ratio. Stop allowing schools to spend on extra things that enrich the learning process if the CBE doesn't have the funds for it.

Another idea was to run a deficit until the funding situation improves.

Curriculum redesign was also mentioned a few times. Comments range from being worried about the optics of devoting money to this project to discussing that this might be extremely expensive to plan and implement, especially in a time of tight budgets. Another comment was that switching to discovery based learning without some sort of adjustment to the basic education infrastructure and underlying resources seems destined to fail students.

Several comments mentioned the CBE's relationship with the Alberta government. This includes comments that the Alberta government is failing citizens and needs to provide adequate and sustainable operational and capital funding, and that there is a complete lack of planning and coordination between the CBE and the government with respect to new school construction. The infrastructure deficiency is inconceivable. Also noted is that the CBE should appeal for more funding and that parents and the Board should advocate for the education our kids deserve.

#### **Requests for additional services**

This category includes items that are currently not budgeted for or items that commenters do not want to see lost in future budgets.

Comments included the need for and importance of arts classes, a need for more cleaning staff, more maintenance to outdoor fields, updated technology and wireless systems, and more money for items that parent groups are currently fundraising for (such as gym equipment, computers, printers, and ink refills).

Issues in high schools were brought up several times. One commenter noted the need for more physical space in high school classrooms, saying students are standing during class or even attending classes outside of school hours. There are too many students in our high school classrooms, which leaves a huge burden on our teachers and how they can effectively teach our children. Classes of 35-40 students in academic diploma courses are unacceptable. The CBE needs more high school counsellors. High schools should not bear the brunt of budget cutbacks. Do not make high schools take all of the cuts again.

**Priorities/ general commentary**

Commenters would like to see class sizes remain small, high-needs students have more support from aides, teachers have more trained support in the classroom, and more full time counsellors at schools. Aides and counsellors could be taken out of school budget allocations and funded centrally because they are essential for the well-being of students. There is an expectation of student services but fewer people to provide them. Another budget item to possibly centralize is the cost of substitute teachers. Principals should be able to budget for schools without having to worry about teacher absences that they cannot control.

Teachers are trying hard to remain dedicated but it is getting harder amidst wage freezes, cost of living increases, and heavier workloads. Young teachers are motivated and working hard for the CBE but are getting frustrated by the instability of temporary contracts.

Another commenter noted that children are entitled to an education, but learning has become far more difficult for children because of large class sizes, budget cuts and an outdated curriculum.

## **Appendix M**

### **EducationMatters Financial Information**

***Financial Statements as at December 31, 2013***



**Financial Statements**  
**December 31, 2013**





Collins Barrow Calgary LLP  
1400 First Alberta Place  
777 - 8th Avenue S.W.  
Calgary, Alberta, Canada  
T2P 3R5

T. 403.298.1500

F. 403.298.5814

email: calgary@collinsbarrow.com

## 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, 2013, 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.

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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, 2013, 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 Barron Calgary LLP*

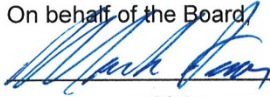

CHARTERED ACCOUNTANTS

Calgary, Canada  
March 26, 2014

**EducationMatters, Calgary's Public Education Trust**  
**Statement of Financial Position**  
**December 31, 2013**

	2013	2012
<b>Assets</b>		
Current assets		
Cash and cash equivalents (notes 3 and 6)	\$ 1,977,556	\$ 1,895,793
Goods and Services Tax recoverable	548	1,632
Prepaid expenses	<u>5,000</u>	<u>5,000</u>
	1,983,104	1,902,425
Investments (notes 4 and 6)	2,996,467	2,103,142
Property and equipment (note 5)	<u>2,735</u>	<u>6,308</u>
	<u>\$ 4,982,306</u>	<u>\$ 4,011,875</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 21,331	\$ 86,539
Deferred operating contributions (note 7)	<u>440,000</u>	<u>125,000</u>
	<u>461,331</u>	<u>211,539</u>
<b>Funds</b>		
Operating funds (including investment in capital assets)	614,842	532,149
Flow-through funds	844,975	934,683
Endowment funds (note 6)	<u>3,061,158</u>	<u>2,333,504</u>
	<u>4,520,975</u>	<u>3,800,336</u>
	<u>\$ 4,982,306</u>	<u>\$ 4,011,875</u>
Commitments (note 8)		

On behalf of the Board,

 \_\_\_\_\_, Governor  
 \_\_\_\_\_, Governor

**EducationMatters, Calgary's Public Education Trust**  
**Statement of Operations**  
**Year Ended December 31, 2013**

	2013				2012
	Operating Funds	Flow-Through Funds	Endowment Funds	Total	
Revenue					
Contributions (note 7)	\$ 763,075	\$ 858,608	\$ 342,602	\$ 1,964,285	\$ 2,778,555
Gains on investments	2,406	-	449,004	451,410	147,463
Interest, dividends and fee revenue	<u>50,628</u>	<u>-</u>	<u>55,076</u>	<u>105,704</u>	<u>113,102</u>
	<u>816,109</u>	<u>858,608</u>	<u>846,682</u>	<u>2,521,399</u>	<u>3,039,120</u>
Expenditures					
Grants (notes 7 and 10)	-	952,192	81,667	1,033,859	1,698,415
Salaries and benefits (note 10)	531,513	-	-	531,513	526,596
Communications	3,177	-	-	3,177	12,045
Fund expenses	-	-	36,045	36,045	30,716
Fund development (note 10)	20,878	-	-	20,878	16,771
Office	34,174	-	-	34,174	45,541
Professional fees	52,972	939	1,316	55,227	52,424
Special events (note 10)	3,952	-	-	3,952	33,658
Computer applications & support	35,964	-	-	35,964	32,156
Rent	42,398	-	-	42,398	48,496
Amortization (note 10)	<u>3,573</u>	<u>-</u>	<u>-</u>	<u>3,573</u>	<u>3,216</u>
	<u>728,601</u>	<u>953,131</u>	<u>119,028</u>	<u>1,800,760</u>	<u>2,500,034</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 87,508</u>	<u>\$ (94,523)</u>	<u>\$ 727,654</u>	<u>\$ 720,639</u>	<u>\$ 539,086</u>

**EducationMatters, Calgary's Public Education Trust**  
**Statement of Changes in Fund Balances**  
**Year Ended December 31, 2013**

	Operating Funds	Flow- Through Funds	Endowment Funds	Total
Fund balances, December 31, 2011	\$ 448,226	\$ 698,310	\$ 2,114,714	\$ 3,261,250
Excess of revenue over expenditures	153,039	172,774	213,273	539,086
Interfund transfers	<u>(69,116)</u>	<u>63,599</u>	<u>5,517</u>	<u>-</u>
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	<u>\$ 614,842</u>	<u>\$ 844,975</u>	<u>\$ 3,061,158</u>	<u>\$ 4,520,975</u>

**EducationMatters, Calgary's Public Education Trust**  
**Statement of Cash Flows**  
**Year Ended December 31, 2013**

	2013	2012
Cash provided by (used in):		
Operating activities		
Excess of revenue over expenditures	\$ 720,639	\$ 539,086
Add (deduct) items not affecting cash		
Amortization	3,573	3,216
Unrealized loss (gain) on investments	<u>650</u>	<u>(119,571)</u>
	<u>724,862</u>	<u>422,731</u>
Changes in non-cash working capital		
Goods and Services Tax recoverable	1,084	1,616
Prepaid expenses	-	(5,000)
Accounts payable and accrued liabilities	(65,208)	48,059
Deferred operating contribution	<u>315,000</u>	<u>-</u>
	<u>250,876</u>	<u>44,675</u>
	<u>975,738</u>	<u>467,406</u>
Investing activities		
Purchase of equipment	-	(3,565)
Purchase of investments, net	<u>(893,975)</u>	<u>(279,204)</u>
	<u>(893,975)</u>	<u>(282,769)</u>
Cash inflow	81,763	184,637
Cash and cash equivalents, beginning of year	<u>1,895,793</u>	<u>1,711,156</u>
Cash and cash equivalents, end of year	<u>\$ 1,977,556</u>	<u>\$ 1,895,793</u>
Cash and cash equivalents is comprised of:		
Cash	\$ 164,470	\$ 161,727
Term deposits (note 3)	<u>1,813,086</u>	<u>1,734,066</u>
	<u>\$ 1,977,556</u>	<u>\$ 1,895,793</u>

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**EducationMatters, Calgary's Public Education Trust**  
**Notes to Financial Statements**  
**December 31, 2013**

---

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.

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*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.



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(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.

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3. Cash and cash equivalents

Cash and cash equivalents include short-term investments of \$1,813,086 (2012 - \$1,734,066) 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 0.87% (2012 - 0.98%).

4. Investments

Investments include pooled investment funds that have a market-based unit value. Investments are comprised of \$2,996,467 (2012 - \$2,103,142) 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, 2013.

5. Property and equipment

			Net Book Value	
	Cost	Accumulated Amortization	2013	2012
Computer equipment	\$ 14,300	\$ 14,061	\$ 239	\$ 3,099
Office equipment	<u>3,566</u>	<u>1,070</u>	<u>2,496</u>	<u>3,209</u>
	<u>\$ 17,866</u>	<u>\$ 15,131</u>	<u>\$ 2,735</u>	<u>\$ 6,308</u>

6. Endowment funds

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

	2013	2012
Cash and cash equivalents	\$ 66,007	\$ 230,362
Investments	<u>2,996,467</u>	<u>2,103,142</u>
	<u>\$ 3,062,474</u>	<u>\$ 2,333,504</u>

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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 \$720,000 (2012 - \$750,000) from the CBE. \$125,000 of the funding for 2013 was received in October 2012, \$375,000 was received in January 2013 and a payment of \$660,000 was received in September 2013. \$440,000 of the contributions received was deferred to 2014, 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 \$42,397 (2012 - \$48,496) and \$6,726 (2012 - \$6,424), 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 2013, this amount was \$788,208 (2012 - \$1,413,167), of which \$827 (2012 - \$69,612) is included in accounts payable and accrued liabilities.

8. Commitments

The Trust's office lease with the CBE was renewed in November 2013 for an additional one-year term to August 31, 2014 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.

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10. Additional information on fund development

(a) Expenses incurred to raise funds

	2013	2012
Fundraising event	\$ -	\$ 33,658
Fund development expenses	20,878	16,771
Fund development salaries and benefits	<u>159,423</u>	<u>138,399</u>
	<u>\$ 180,301</u>	<u>\$ 188,828</u>

(b) Funds raised during 2013 were \$1,206,025 (2012 - \$1,970,696).

(c) Summary of disbursements

	2013	2012
Grants	\$ 788,208	\$ 1,450,288
Scholarships	<u>245,651</u>	<u>248,127</u>
	<u>\$ 1,033,859</u>	<u>\$ 1,698,415</u>

There was one disbursement greater than 10% of the funds raised in 2013, 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, \$140,524 (2012 - \$239,960) 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:

	2013	2012
Grant disbursements	\$ 1,033,859	\$ 1,698,415
Communication expenses	3,177	50,430
Fund development expenses, excluding events	180,301	155,170
Events	-	33,658
Program expenses	579,850	559,145
Amortization expense	<u>3,573</u>	<u>3,216</u>
	<u>\$ 1,800,760</u>	<u>\$ 2,500,034</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.