

ALBERTA EDUCATION

Planning Branch

I. GENERAL BACKGROUND

In September 1995, the Government of Alberta implemented a new Funding Framework for school jurisdictions. Simplified and streamlined, the new Funding Framework is designed to ensure all Alberta students have a fair share of education dollars and equal access to a quality education regardless of where they live. The key principles of the funding model are:

- § direct as much of the education resources as possible towards the classroom rather than administration;
- § enable greater flexibility and autonomy for school boards to allocate their funds to meet local needs and priorities;
- § full provincial responsibility for the fair and equitable collection and distribution of revenues, including those raised through education property taxes; and
- § school jurisdictions are accountable to the province and public for their expenditure results.

The Funding Framework allocates funding to school boards in three broad categories or blocks:

Instruction Block: provides for the reasonable cost of instructional programs and services. It includes the salaries of principals, teachers and instructional support staff, and the costs of learning resources, equipment and furnishings used in the instructional program.

Support Block: provides for the reasonable costs of plant operations and maintenance, board governance, system administration, student transportation, and the boarding of students away from home.

Capital Block: provides funding to lease, upgrade, modernize and construct school buildings.

In addition to these basic components, the funding framework contains a number of specific provisions, including caps on the amount of funding that can be spent on central office administration and limits to transfers on funds between the three funding blocks.

The funding framework has been in place for four years. A committee is now reviewing the basic elements of the framework to ensure that it continues to reflect changing needs and changing circumstances in Alberta's education system.

Funding Summary 1998–1999

Total State School Aid (All Programs)		\$ 1,880.0 million
Grants in aid	1,880.0 million	
Teacher retirement contributions	million	
FICA	million	
Total Local School Revenue		\$ 1,260.0 million
Property tax	1,260.0 million	
Other local source tax revenue	million	
Local source non-tax revenue	million	
Total Combined State and Local School Revenue		\$ 3,140.0 million
State Financed Property Tax Credits		
Attributable to School Taxes		0

Prior to 1994, locally elected school boards and the province jointly funded education. Beginning January 1, 1994, education in Alberta is fully funded by the province for all schools jurisdictions in the public school districts. School boards in Roman Catholic separate school districts can elect to be responsible for a portion of funding through education property tax requisitions on municipalities. Eligible private schools receive funding from the province equal to approximately 55% of the basic per student grants.

Revenues for funding education come from provincial general revenues, education property tax on residential and non-residential property, and a small portion from the provincial lottery fund. The funds are distributed through a system of block and program grants. The amounts for which school authorities are eligible are based for the most part on the number of students enrolled or served, or specific program criteria. The province has established the Alberta

School Foundation Fund (ASFF) to collect the education property tax requisitions from locally levied taxes and to redistribute them to the public and separate school jurisdictions. Funding also is provided from general revenues for private and public Early Childhood Education programs (ECS), publicly funded public and separate boards and private schools.

II. LOCAL SCHOOL REVENUE

See Part I.

III. TAX AND SPENDING LIMITS

Not reported.

IV. STATE/PROVINCIAL EARMARKED TAX REVENUE

See Part I.

V. BASIC SUPPORT PROGRAM

Funding in 1998–1999: \$2,715.0 million.

Expenditure Accountability Component

Because educational needs vary across the province, the Funding Framework was designed to provide blocks of funding allocations rather than earmark funding for specific expenditures. This enables school boards to exercise a significant degree of autonomy when it comes to spending decisions. The only limitations to this flexibility apply to the amount that can be spent on central administration and the ability to redirect funds from instruction.

The success of a flexible Funding Framework depends on having a number of accountability elements in place and operating effectively. The “back-end” of the Funding Framework concerns itself with how funds are spent by the school jurisdictions. The elements presently in place include school board three-year education plans, annual performance reports, budget reports, audited financial statements, and the evaluation and audit of key components of school jurisdiction programs and operations. In 1997–1998, there were 541,943 students enrolled in 1,683 schools in 73 school jurisdictions. Additionally there were 16,957 students enrolled in 143 funded private schools.

Instruction Block

Funding in 1998–1999: \$2,190.0 million.

The instruction block provides for the reasonable cost of principals, teachers, instructional support staff, learning resources and supplies, equipment and furnishings used in the instructional program.

Basic Instruction. The largest portion of the instruction block is the basic instruction allocation. Jurisdictions receive a set rate for each funded student enrolled in grades 1–9 at September 30 of that school year. Since 1994–1995, funding for grades 10–12 is based on credit enrolment units (CEUs) which represent the courses for which senior high school students have received a mark of 25% and covered at least 50% of the content. The full time equivalent (FTE) number of CEUs for senior high school students is 35, which equals approximately the basic instruction rate for grades 1–9. In 1998–1999, the basic instruction rates were \$3,698 per funded student in grades 1–9 and \$110.25 per CEU in grades 10–12.

Severe Disabilities. Funds are allocated to school boards for severely disabled student enrolled in an appropriate special education program. This funding provides for the additional costs of staff, learning resources, and equipment associated with programs for students with severe disabilities.

English as a Second Language. This funding is available to assist students from non-English speaking homes who have insufficient fluency in English to achieve their grade level in English language arts.

Enhanced Opportunity Programs. Enhanced Opportunity project funds are provided to school jurisdictions for special programs and services in schools where sizeable numbers of students are economically disadvantaged.

Native Education. Funding for Native education projects provides for instructional programs in Native languages and culture and the development of liaison arrangements with Native parents and communities.

Institutional Programs. Funding is provided to school jurisdictions that provide educational programs for students in institutions such as hospitals, young offender centers and women's shelters.

Regional Assessment Services. Funding for regional assessment services is provided to designated school jurisdictions to provide assessment and consultation services for students identified as sensory-impaired multi-handicapped, and to assist school jurisdictions in designing programs for these students.

Sparsity and Distance. Sparsity funding assists school jurisdictions in sparsely populated areas of the province to provide instruction to meet the learner expectations of students in smaller schools. The distance portion of this funding assists school jurisdictions located outside of urban centers to meet the learner expectations of students in schools with above average instruction costs.

Teacher Assistant Program. This program provides funding to school jurisdictions to employ more teacher assistants. These additional resources enable teachers to better plan and deliver instruction to individual students and groups of students.

Early Literacy Initiative. The Early Literacy Initiative program is designed to address the needs of student in grades 1 and 2 who are experiencing difficulties in developing reading readiness and early literacy skills. The Initiative provides school boards with additional human resources that may be flexibly deployed as long as the ultimate benefit of any assignment serves to enhance the early literacy skills of those students identified as at risk.

Initiatives B Regional Consortia. Funding for Regional Consortia infrastructure enables resources to be linked and coordinated at the local, regional and provincial level to support the development of knowledge and skills necessary for all people who influence student learning.

Initiatives B Technology Integration. Funding for the integration of technology into the curriculum supports the acquisition of computer technology for Alberta classrooms to enhance student learning.

Emergent Funding. Emergent funding is designed to assist school jurisdictions in addressing extraordinary costs that are beyond the control of the board.

Home Education. Funding for home education assists parents to help their children meet the learner expectations through home schooling. Funding may be provided to school jurisdictions and accredited private schools for home education students they have agreed to supervise and provide with learning resources.

Parents can claim up to 50% of the grant for the purchase of programs of study and instructional materials.

Funding also is provided for grade 1–9 students participating in a blended home education program whereby at least 50% of the educational program for students in grades 1–9 is provided at school. For students in grades 10–12, 20% or more of the education program must be provided at school.

Learning Resources. A credit for learning resources obtained through the Learning Resources Distribution Center (LRDC) assists eligible schools (including band operated and Federal Government administered First Nations schools) in purchasing learning resources for students.

Support Block

Funding in 1998–1999: \$525.0 million.

The Support Block provides for the reasonable costs of plant operations and maintenance (i.e., buildings and facilities), board governance, system administration, student transportation, and the boarding of students away from home.

Plant operations and maintenance funding is calculated using both the square footage of school facilities and the funded enrolment of the jurisdiction, as well as a sparsity and distance factor. This method of funding was adopted to promote the full utilization of school facilities.

Board governance and system administration are funded as a percentage of instruction, transportation, and plant operations and maintenance funding.

The province provides different types of support for student transportation in rural areas and urban areas including special support for disabled students, and maintenance grants for students required to live away from home to attend school. School jurisdictions are eligible for funding if a student resides at least 2.4 kilometers from the school designated by the jurisdiction for the student to attend. This distance requirement does not apply in the case of transportation for disabled children. The province provides basic block funding support for the four largest urban school jurisdictions.

VI. TRANSPORTATION

Included in Basic Program—Support Block.

VII. SPECIAL EDUCATION

Included in Basic Program—Instruction Block.

VIII. COMPENSATORY EDUCATION

Included in Basic Program—Instruction Block

IX. GIFTED AND TALENTED EDUCATION

Not reported.

X. BILINGUAL EDUCATION

Not reported.

XI. EARLY CHILDHOOD EDUCATION

Funding in 1998–1999: \$96.6 million.

Early Childhood Services (ECS) programs are voluntary programs offered by school jurisdictions and private ECS operators to meet the development needs of children in the transition from home to school. To qualify, a child must be a minimum of 4 years and 6 months of age on September 1 of the year in which he or she is counted. Approved ECS operators are eligible for Basic Instruction funding as well as various programs for children with special needs. In 1998–1999, programs received \$1,206 per funded student for basic instruction, \$1,360 per special needs child with mild or moderate disabilities, and up to \$19,000 for the 1st child with severe disabilities with an additional \$3,800 for each additional child with severe disabilities.

XII. OTHER CATEGORICAL PROGRAMS

None reported.

XIII. TEACHERS RETIREMENT AND BENEFITS

The Teachers' Retirement Fund (TRF) is a defined benefit pension plan established in 1939 to provide pensions for Alberta teachers. The Alberta government pays the employer's portion of current services contributions, which match the teachers' contributions. The government is also paying an additional contribution to assist in discharging the plan's unfunded liabilities.

XIV. TECHNOLOGY

Technology is included in the Basic Program—Instruction Block

XV. CAPITAL OUTLAY AND DEBT SERVICE

Funding in 1998–1999: \$141.0 million.

The capital block provides for the cost of school building and facilities projects supported by Alberta Education. This includes: school capital projects; building quality restoration programs; and debt owing on school buildings.

XVI. STANDARDS/ACCOUNTABILITY MEASURES

None reported.

XVII. REWARDS/SANCTIONS

None reported.

XVIII. FUNDING FOR NON-TRADITIONAL PUBLIC SCHOOLS

Charter Schools

Charter schools were established to encourage innovative approaches to improve student learning by offering unique or enhanced education programs, teaching methods or learning environments not available in the regular system. These schools are established only when there is significant community support, and parents must be active partners in the school.

Charter schools follow the Alberta Programs of Study, and students are required to write provincial achievement tests and grade 12 diploma exams. They cannot

be affiliated with a religious faith or denomination except when the school is established by a separate school board. They may offer religious instruction as may any other public or separate school under the *School Act*. Charter schools are run on a non-profit basis and any student may enroll as long as space and resources are available. Funding is provided to charter schools on the same basis as school jurisdictions except that they are not eligible for Capital Block funding.

Francophone Schools

Under the 1982 Canadian Charter of Rights and Freedom, parents whose first language is French have the constitutional right to have their child educated in French, where numbers warrant. They also have the right to govern these schools themselves. Alberta currently has eighteen francophone schools and is committed to maintaining appropriate funding and resources to ensure equitable access to quality francophone programs.

In addition to Francophone schools, French immersion programs are offered in more than 160 Alberta schools. Some public and separate school boards also offer francophone programs, and most schools in the province offer French second language programs.

XIX. AID TO PRIVATE SCHOOLS

Funding in 1998–1999: \$32.7 million.

The province has established two categories of private schools, accredited and registered. Funding is provided to accredited private schools which employ certificated teachers, follow the Alberta curriculum, have students write provincial achievement tests and diploma examinations, and meet provincial health and safety standards. Private schools are eligible for Basic Instruction funding at 55% of the public school rates for 1999–2000, and 60% of the public school rates for the following years. As well, accredited private schools receive full funding for disabled students, supervising home education students, resident students of the government and institutional programs. Basic Instruction Rates for 1998–1999 were \$1,902 per funded student in grades 1–9 and \$54.25 per CEU for grades 10–12.

XX. RECENT/PENDING LITIGATION

Education Property Tax

From the time Alberta first became a province, property taxes have been used as a source of funding for education. The Alberta School Foundation Fund (ASFF) was established in 1994 to collect education property taxes and redistribute them to school jurisdictions on an equal per student basis. Separate school boards can opt-out of the ASFF and requisition education tax from individual and corporate ratepayers who declare support for the separate school system. The tax rates applied must not be lower than the provincial uniform rates. Top up payments are made to these boards from the ASFF if the per student requisition is below the per student ASFF allocation. This ensures that separate schools receive an equal amount of property tax dollars per student. There is no financial gain for opting out of the ASFF.

The Public School Boards' Association of Alberta and the Alberta School Boards Association initiated a legal challenge to the province's restructuring initiatives in 1995. The basis of the challenge is twofold. First, the Associations assert that the new method of funding schools discriminates against public schools when compared to separate schools. Second, they claim that the new system is a contravention of a reasonable autonomy of local school institutions, implicitly guaranteed by the Constitution of Canada.

The Alberta Court of Appeal decision of March 31, 1998, found for the province on both issues. The Public School Boards' Association of Alberta and the Alberta Catholic School Trustees Association have appealed to the Supreme Court of Canada. The case is expected to be heard in the fall of 1999.

XXI. SPECIAL TOPICS

None reported.