

PURPOSE, PRINCIPLES AND FEATURES OF THE FUNDING FRAMEWORK

Purpose

The **Funding Framework** allocates the necessary financial resources to **school jurisdictions** so that they can provide a quality education that reflects the needs of students and those of our society. It is a funding system that distributes funds equitably, is flexible to accommodate local decision making, and is publicly accountable for the use of resources and the results achieved.

Principles

Public education is a commitment by the people of Alberta to all its **children**. The provision of public education is a provincial responsibility, one that is best discharged through a funding scheme which recognizes the right of all Alberta **children** to an equitable share of the province's resources in a universally accessible education system.

It is the responsibility of government to determine the mandate and goals of the education system, provide the necessary financial resources to achieve the goals, determine the desired level of performance, and report the results of the system's performance to the public on a regular basis. The province has delegated to school boards the responsibility to deliver education programs and provides funding for this purpose.

Principles:

1. Financial resources for education identified by the provincial government are to be allocated to **school jurisdictions** on a fair and equitable basis that recognizes the similarities and differences among students and school systems and the associated costs.
2. The level of funding provided reflects the government's commitment to the provision of opportunities for every student to meet the standards of the province's curriculum.
3. The framework for funding provides flexibility for **school jurisdictions** to plan and budget the delivery of education programs and services. **School jurisdictions** are accountable to the province and the public for their expenditures and results.
4. The province determines the education funding to school boards. School boards are responsible for the allocation of funding to **schools**.

Features

The funding framework for education ensures that every student receives a fair share of education resources and has fair access to a quality education. Every school board receives the same amount of funding per student for basic instruction. Additional funds are provided depending on a number of factors such as the incidence of students with severe disabilities, the sparsity of the student population, transportation needs, and other non-instructional costs.

The funding framework allocates funds to school boards using three blocks: the instruction block, the support block, and the capital block. The block allocations take into account a number of education programs and operations to ensure equitable funding allocations to all **school jurisdictions**.

The funding framework has fewer funding categories than previous funding systems, is straightforward to administer, and provides school boards with greater flexibility. Funding allocations are provided rather than expenditure directions. With the exception of limits on administrative expenditures and on re-allocations within and between blocks, school boards may allocate funds to reflect needs and delivery efficiencies, as long as program objectives have been met.

The funding framework facilitates school-based decision making and the involvement of principals, teachers, school support staff, and **parents** in deciding how education funds are expended in their **schools**. The provision that instruction funding follows students to the public and separate **schools** they attend, provides **parents** and students with greater choice of education programs. The choice of programs includes various learning environments for students, such as formal school setups, home education, outreach and institutional programs. In some locations, choices are also available for the regular program year or a multi-track program of **year round education**.

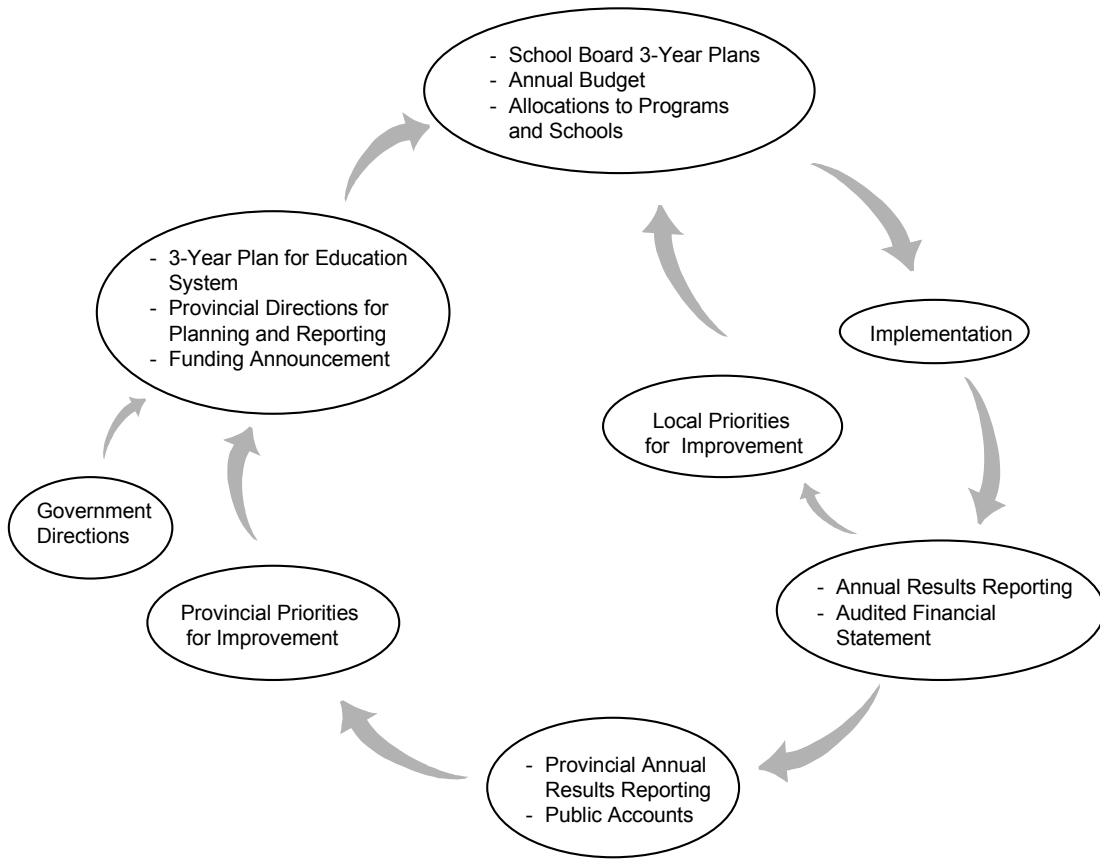
The decisions made by **school jurisdictions** on education programs and services will be reflected in school board education plans and budget forecasts and in the quality of education Alberta's students receive.

Alberta Learning, with the help of **school authorities**, will review the funding framework annually to streamline it further, and to provide more flexibility for decision making at the local level to meet local needs.

FUNDING FRAMEWORK AS PART OF A THREE-YEAR PLAN

The provincial **Three-Year Plan for Education** outlines directions to provide students the quality of education they need so that they can become self-reliant, responsible, caring, and contributing members of society. Within the provincial plan, four key elements are critical to helping **school jurisdictions** improve the education our children receive - School Board Three-Year Plans, the Funding Framework, School Jurisdiction Performance Reporting, and Evaluation and Audits. The provincial and school board planning, budgeting, assessing, reporting and improvement cycle shown below ensures that public funds are being used to achieve desired outcomes.

Accountability Cycle for Continuous Improvement in the Basic Learning System



A **School Board’s Three-Year Plan** will contain the strategies to achieve local goals. It will outline how the provincial budget allocation to the **board** will be distributed to education programs and services, and provide the measures that will be used to evaluate and report on the success of education programs and the efficiency of administration.

FLEXIBILITY PROVIDED BY THE FUNDING FRAMEWORK

The funding framework provides school boards with the flexibility they need to operate effectively and efficiently in offering programs that satisfy the education needs of their students. It provides freedom for school boards to make decisions on how they deploy resources, which learning resources they use, and how they implement the various education programs they choose to offer.

The funding framework has been designed to provide school boards with the flexibility to expend funds within and between the instruction and support blocks as follows:

- funds can be transferred among the individual components of the instruction block subject to individual program goals being met;
- unlimited funds can be transferred from the support block to the instruction block;
- funds can be transferred between plant operations and maintenance and student transportation; and
- unlimited funds can be transferred from board governance and system administration to other programs.

The funding framework also provides school boards with flexibility to carry funding forward from one budget year to the next. School boards can budget for:

- operating reserves for instruction and support programs; and
- capital reserves for capital purposes other than school building projects such as vehicles and maintenance and transportation facilities.

LIMITED CONDITIONS OF THE FUNDING FRAMEWORK

The provisions in the *Framework for Funding School Boards in the 1997-98 School Year* apply to all public and separate school boards in the Province of Alberta.

School boards have considerable flexibility to allocate funding to meet local program needs, however, the following limited conditions apply:

- for plant operations and maintenance and student transportation, a transfer of funds from the instruction block will not exceed 2 per cent of the instruction block;
- for **board** and system administration, the maximum expenditure will be 4.0 to 6.0 per cent, depending on the size of the **school jurisdiction** as specified in the funding framework. System Administration funding will be calculated as a percentage of the instruction block (with some exclusions as outlined in section 1.B.2); plus plant operations and maintenance and transportation funding, and other revenue available to school boards that is permitted for this use by Alberta Learning; and,
- for capital, operating funds may not be transferred to the capital block for expenditures on school building projects.

When it is evident to Alberta Learning based on the **board's** Budget Report Form that the conditions in the funding framework have not been met, the **board** will be advised that its proposed expenditures exceed the conditions of the funding framework.

In the event that corrective action is not taken and when the Audited Financial Statement submitted by a school board indicates that the **board** has not complied with one or more of these funding framework conditions, Alberta Learning will deduct from the **board's** general revenue allocation, the amount by which the **board's** expenditures exceeded the condition. This amount will be deducted from that portion of the **board's** general revenue allocation in the payment that is made immediately following verification of the **board's** non-compliance with the condition.

FUNDING ALLOCATIONS

The funding framework provides an annual allocation of funds for each **school jurisdiction** in Alberta based on the funding conditions and requirements of this Manual.

The funding allocation a **school jurisdiction** receives from the government consists of all funding the **school jurisdiction** is eligible to claim in the instruction, support, and capital blocks.

The government provides school boards with their funding allocation from two sources of revenue:

- The Alberta School Foundation Fund (ASFF) provides payments on an equal amount per **eligible student**⁽¹⁾; and
- The General Revenue Fund (GRF) provides grants authorized by the **Minister**.

Alberta School Foundation Fund

The equal amount per **eligible student** from the Alberta School Foundation Fund is calculated by dividing the total requisition revenue collected by the province and opted out separate **school jurisdictions** by the total number of **eligible students**. All **school jurisdictions** will receive this dollar amount per **eligible student**. When a separate **school jurisdiction** has opted out of the ASFF and the local requisition per student is less than the ASFF payment per **eligible student**, the difference will be paid from the ASFF. If the local requisition is more than the ASFF payment per **eligible student**, the difference must be paid into the ASFF.

General Revenue Fund

In a school year a **school jurisdiction** will receive a grant from the General Revenue Fund of the province equal to its funding allocation less the payments it receives from the Alberta School Foundation Fund.

For example, a public **school jurisdiction** entitled to a funding allocation of \$30 million and receiving \$14 million in ASFF payments would be eligible for a grant of \$16 million from the General Revenue Fund.

¹ For an opted out separate school board, the sum of the ASFF payment provided by the province and the tax revenue collected from the **board's** declared ratepayers would equal the ASFF payment the separate board would otherwise receive if that **board** participated fully in the ASFF.

Calculation of a Funding Allocation (An Example)

A funding allocation consists of all education revenue a **school jurisdiction** is eligible to receive in a school year from the province.

The following example illustrates how the funding allocation to a **school jurisdiction** is determined for instruction, support, and capital block funding.

Example

Characteristics of the School Jurisdiction:

Instruction

Number of FTE and eligible students	10,000
Number of students with severe disabilities	
Behaviour	85
Other	40
Number of ECS children	1,000
Number of home education students	25
Number of students in grades 1 and 2	1,600
Number of students in grades 1 to 6	5,000

Support

Instructional Area of Schools (Square Metres)	135,000
Number of eligible transported students	2,500
Number of eligible special passengers	125

Capital

Capital debt support	\$10,000,000
Building Quality Restoration Program	\$720,000

On the following page, the funding allocation for the **school jurisdiction** is calculated using the above information and the funding rates in Part 8 of this Manual.

FUNDING ALLOCATIONS FOR SCHOOL JURISDICTIONS

**CALCULATION OF A FUNDING ALLOCATION (AN EXAMPLE)
(For School Boards Participating in the Alberta School Foundation Fund and
Separate School Boards Opted Out of the Alberta School Foundation Fund)**

	CALCULATION	AMOUNT	
Instruction Block			
Basic Instruction	10,000 FTE @ \$4,239	\$42,390,000	
Special Instruction			
Severely Disabled:			
Behaviour	85 @ \$10,885	925,225	
Other	40 @ \$12,738	509,520	
Early Literacy	1,600 @ \$220	352,000	
Teacher Assistants Program	5,000 @ \$41.65	208,250	
Enhanced Opportunity Project	1 @ \$15,000	15,000	
Early Childhood Services	1,000 @ \$2,120	2,120,000	
Early Literacy	1,000 @ \$39.60	39,600	
Home Education	25 @ \$1,088	27,200	
TOTAL INSTRUCTION BLOCK ALLOCATION			\$46,586,795
Support Block			
Operations and Maintenance ¹	500 ECS @ \$453 + 10 000 FTE @ \$453 plus 135 000 sq. M. @ \$11.40 = 6,295,500 X 1.03	\$6,484,365	
Student Transportation			
Basic	Urban 2500 @ \$423	1,057,500	
Special Transportation	125 @ \$2,251	281,375	
Board and System Administration	(Instructional Block Operations and Maintenance and Transportation 54,410,035 @ 4%)	2,176,401	
TOTAL SUPPORT BLOCK ALLOCATION			\$9,999,641
TOTAL FUNDING²			\$56,586,436³

¹ This jurisdiction is located 120 kilometres from Calgary and has a sparsity factor of 1.2 and would receive an additional 3 per cent in plant operations and maintenance.

² Total funding does not include other revenues available to school boards.

³ Total funding comes from the following revenue sources:

- Alberta School Foundation Fund (ASFF) 10,000 x \$2,600 (est) = \$26,000,000
- General Revenue Fund (GRF) – remainder - \$30,586,436

Payment of a Funding Allocation

A funding allocation is calculated in the same way for public and separate school boards participating in the ASFF and separate school boards that have opted out of the ASFF.

School jurisdictions will receive a payment from the ASFF equal to their number of **eligible students** multiplied by the ASFF amount per **funded student**. The difference between a **school jurisdiction's** funding allocation and payment from the ASFF is provided by a grant from the General Revenue Fund of the province.

REVISED Separate **school jurisdictions** that have opted-out of the ASFF receive local education property tax requisitions quarterly from their declared taxpayers. Alberta Learning provides a monthly advance on the local education property tax requisition that is repaid by the opted out board by the last banking day of each of the months of March, June, September and December. Opted out separate **school jurisdictions** also receive a payment from the ASFF, that when combined with their local education property tax requisition, would be the same amount they would receive if participating in the ASFF. The balance of the funding allocation for an opted out separate **school jurisdiction** is provided by a grant from the General Revenue Fund of the province.

