

PRINCIPLES AND PILLARS OF THE RENEWED FUNDING FRAMEWORK

Public education is a commitment by the people of Alberta to all its children. Public education is a provincial responsibility - one that is best discharged through a funding system that 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, goals and standards of the education system, provide the 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. **School jurisdictions** have been delegated responsibility by the province to deliver education programs to meet the needs of all their students.

New

The renewed Funding Framework provides a means to allocate funding to **school jurisdictions** to provide a quality education, reflecting the needs of students and society. It is a funding system that distributes funds equitably, provides maximum flexibility to accommodate local decision-making, and is publicly accountable for the use of resources and the results achieved.

New

Principles:

1. **ACCOUNTABILITY:** The renewed Funding Framework has an increased emphasis on assessing and reporting outcomes achieved with the resources provided.
2. **CONSISTENCY:** The renewed Funding Framework provides a means to apply the rules and conditions for base funding consistently across the province.
3. **EQUITY:** The renewed Funding Framework provides a means to distribute available resources in a fair and equitable manner. The funding mechanism recognizes factors beyond the control of **school jurisdictions** that influence relative costs between jurisdictions.
4. **FLEXIBILITY:** The renewed Funding Framework provides **school jurisdictions** with the flexibility required to address local needs and priorities.
5. **PREDICTABILITY/STABILITY:** The renewed Funding Framework provides a means for planning that is consistent with the provincial goals for the basic learning system. The framework provides stability for **school jurisdictions** in dealing with changing circumstances and is effective in periods of stability, growth or decline.
6. **SIMPLICITY:** The renewed Funding Framework provides a means to minimize the administration processes required to obtain funding and report on expenditures.
7. **TRANSPARENCY:** The renewed Funding Framework is understandable by stakeholders. The rationale for allocation formula(s) is based on objective criteria.

8. MAINTAIN PROVINCIAL GOALS: The renewed Funding Framework provides a means for the provincial government to set goals and priorities for the basic education system and provides the government with the ability to pilot and monitor initiatives.

Pillars of the Funding Framework

New

The renewed Funding Framework is based on a foundation of three pillars: Flexibility, Accountability, and Funding. The Flexibility and Accountability pillars will be implemented in 2003-2004. The Funding pillar is under development.

FLEXIBILITY: The renewed Funding Framework provides **school jurisdictions** with the flexibility to spend funding on student needs and local priorities. The allocations to **school jurisdictions** are provided with minimal conditions and minimal spending direction. **School jurisdictions** have increased flexibility to decide how they will spend their resources, which learning resources they will use, and how they will implement the various education programs they choose to offer. These changes respect the decision-making process of the local **school jurisdictions** at the same time ensuring that boards are accountable for meeting the learning needs of all their students.

ACCOUNTABILITY: The renewed Funding Framework provides flexibility in how funding allocations are used and increased emphasis on local accountability for results. Many of the input reporting and expenditure directions have been removed and replaced with increased emphasis on outcomes measurement. School board performance will be measured and reported by assessing current results against targets. **School jurisdictions** will set targets for measures that have historical data or benchmarks. Targets will be set for new measures once baseline data has been collected. Target levels are expected to be met and action taken if improvement is needed. School boards will be accountable for meeting the learning needs of all students and for ensuring provincial policy, legislation, regulations and standards are met.

FUNDING (under development): The renewed Funding Framework provides a means to allocate funds to **school jurisdictions** using a “jurisdiction profile” model to ensure funding consistency and fairness across the province. This profile model is based on the premise that **school jurisdictions** should receive funding over and above the base costs of operations for cost factors that are beyond the control of **school jurisdictions**. A series of formulas that recognize these cost factors will be used to build jurisdiction profiles to determine the level of funding a **school jurisdiction** will receive.

New

Explanatory Details of the Pillars

FLEXIBILITY PILLAR

The renewed Funding Framework provides **school jurisdictions** with flexibility to operate effectively and efficiently to offer programs that meet the educational needs of all their students. **School jurisdictions** have the freedom to make decisions on how they deploy resources, which learning resources they use and how they implement the various educational programs they choose to offer. It facilitates local decision-making and the involvement of school principals, teachers, school support staff and parents in deciding

how education funds are used. This increased flexibility provides **school jurisdictions** with greater opportunity to meet the educational needs of all their students.

RESTRICTIONS:

- 1) the maximum expenditure for system administration and board governance will continue to be between 4.0 and 6.0 percent depending on the student enrolment of the **school jurisdiction**. Alberta Learning may deduct from the **board's** general revenue allocation the amount by which the **board's** expenditure exceeded the maximum expense limit.
- 2) transfers of revenues into or out of Plant Operations and Maintenance, which are funded by Alberta Infrastructure, are not permitted; and
- 3) funding for the provincial initiatives, the Alberta Initiative for School Improvement, the Student Health Initiative and Supernet, must be spent on the program for which it was provided.
- 4) Areas where funding is based on actual cost will continue on this basis for 2003 - 2004 (ie. Program Unit Funding, Institutional Program Funding and Regional Educational Consulting Services).

New

ACCOUNTABILITY PILLAR

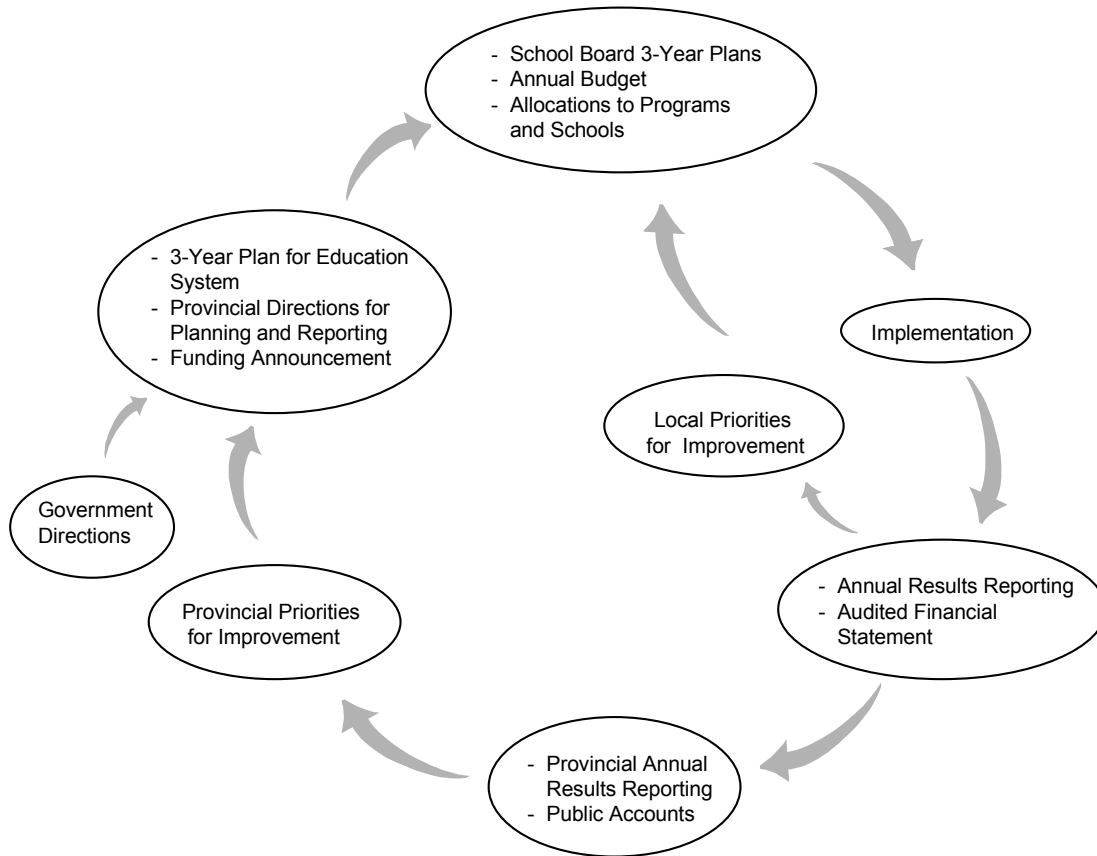
School jurisdictions prepare Three-year Education Plans and assess and report on the results annually in Annual Education Results Reports (AERRs), as required by the *Government Accountability Act*.

Accountability Framework for ECS – 12 Education

The Government's Accountability framework, centered around the educational needs of students, is an ongoing cycle that enables continuous improvement and critical reflection by:

- setting priorities, measuring progress, and using results to develop actions to improve;
- aligning jurisdiction and provincial goals and priorities;
- incorporating community output;
- allocating resources to achieve goals and improve results; and
- communicating with stakeholders (staff, students, parents, school councils, the public, and Alberta Learning) about **school jurisdiction** and **school** directions and results.

Accountability Cycle for Continuous Improvement in ECS – 12 Education in Alberta



New Each level in the Accountability Framework plays a key role.

GOVERNMENT OF ALBERTA – sets provincial direction and allocates funds to ministries; monitors and reports on progress; and uses results to plan improvements.

ALBERTA LEARNING – prepares three-year learning system business plans and guidelines for **school jurisdictions**’ planning and reporting based on provincial direction; assesses and reports annually on results and uses results to plan improvements; identifies provincial priorities for improvement; allocates funds to **school jurisdictions**; defines basic education; and reviews **school jurisdictions** plans and results for compliance with provincial requirements to identify implications for provincial level planning.

SCHOOL JURISDICTIONS – develop and implement three-year education plans aligned with Ministry direction; allocate resources to **schools** and programs; monitor progress; assess and report results annually to stakeholders and use the results to plan improvements.

SCHOOLS – develop and implement three-year education plans aligned with school board direction; monitor progress; assess and report results annually to stakeholders and use results to plan improvements.

The Accountability Pillar measures will reflect the following categories and be aligned with the Alberta Learning Business Plan:

1. Student Achievement
2. High School Completion
3. Children at Risk
4. Safe and Caring School Environment
5. Parent Involvement
6. Satisfaction Rates
7. Board Selected Indicator

New The performance of **school jurisdictions** will be assessed on the accountability measures, and results will be evaluated against specific and well-defined targets. If a target level is not achieved or results do not show improvement, the **school jurisdiction** and Alberta Learning will work collaboratively to develop strategies to improve results.

The guidelines and requirements for **school jurisdiction** Three-year Education Plans and Annual Education Results Reports (AERRs) are contained in the *Guide to School Board Planning and Results Reporting*. The February 2003 edition of the guide will be revised to reflect the additional measures in relation to the required provincial goals and outcomes, the phase in of the measures and assessment of results reporting and action planning to address areas requiring improvement. The revisions will also include updated information on target setting, surveys, assessment criteria and terminology.

New FUNDING PILLAR - Under Development

For the 2003 - 2004 school year the funding formulas that were in place for 2002 - 2003 will continue.

REVENUE SOURCES FOR SCHOOL JURISDICTION FUNDING

The government provides **school jurisdictions** with their funding allocation from either or both of the following 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 (ASFF)

The term "school boards" does not include Francophone Regional Authorities for purposes of ASFF.

The equal amount per **eligible student** from the ASFF is calculated by dividing the total requisition revenue collected by the province and opted out separate school boards by the total number of **eligible students**. All school boards will receive this dollar amount per

eligible student.

When a separate school board 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 (GRF)

In a school year, a **school jurisdiction** will receive funding from the GRF of the province equal to its funding allocation less the payments it receives from the ASFF (if applicable).

For example, a public **school jurisdiction** entitled to a funding allocation of \$30 million and receiving \$10 million in ASFF payments would be eligible for funding of \$20 million from the GRF.

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.

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 boards will receive a payment from the ASFF equal to their number of **eligible students** multiplied by the amount per **eligible student**. The difference between a school board's funding allocation and payment from the ASFF is provided by a grant from the GRF of the province.

Separate school boards 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 boards whose local requisition per **eligible student** is less than the provincial payment per **eligible student** will 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 board is provided by a grant from the GRF of the province.



FLEXIBILITY WITH ACCOUNTABILITY

The 2003-2004 school year is the transition year in which we are moving to partial implementation of a new funding allocation model. For 2003-2004, the Flexibility and Accountability pillars are being implemented (see Framework section for details on pillars). The program funding areas and formulas used in 2002-2003 will continue to be used for 2003-2004. However, greater flexibility has been provided by removing many of the restrictions on the funding. Part 1 has changed considerably from 2002-2003 as some of the renewed Funding Framework terminology and structure is being introduced in 2003-2004. For example, some program funding areas have been combined into a section called Funding in Transition.

PART 1 of the 2003-2004 *Funding Manual for School Authorities* describes the funding allocations that will be determined using the formulas from the previous funding framework. **School jurisdictions** will use these allocations to provide local program and service priorities that meet the needs of all of their children and students. Although the Framework provides the flexibility needed to accommodate local decision-making, it also requires public accountability for the use of resources and for the results achieved.