

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.

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. The foundation for the Framework is based on three pillars: Flexibility, Accountability and Funding. It is a 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.

Principles:

Revised

1. **ACCOUNTABILITY:** The renewed Funding Framework has an increased emphasis on assessing and reporting outcomes achieved with the resources provided and focuses on continuous improvement.
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.

FLEXIBILITY, ACCOUNTABILITY AND FUNDING PILLARS

Revised The 2003-2004 school year was the transition year in which the renewed Funding Framework was partially implemented with, the Flexibility and Accountability Pillars. Beginning with the 2004-2005 school year, the third pillar, called the Funding Pillar will be fully implemented. The Funding Pillar will change and reallocate funding among **school jurisdictions** through the profile mechanism as outlined in the Funding Manual. Additionally, for the 2004-2005 school year and future years no **school jurisdiction** will receive less funding from Alberta Learning under the renewed Funding Framework than it would have received under the previous funding formulas, subject to adjustments for enrolment decline from the previous year. The stabilization amount will be determined and paid by School Finance to eligible **school jurisdictions** in the form of Stabilization funding. Funding that is one-time in nature will not be included in the calculation of this funding.

FLEXIBILITY PILLAR

The renewed Funding Framework provides **school jurisdictions** with flexibility to allocate funds to programs that meet the educational needs of their students and address local needs. While every effort has been made to provide maximum flexibility to **school jurisdictions**, a minimal number of restrictions apply in certain funding areas.

LIMITATIONS:

- 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**. To determine the maximum expenditure the applicable percentage is applied to a jurisdictions total expenditures as outlined in the Guidelines published by the School Reporting Branch.
- Updated**2) Transfers of Alberta learning revenues into or out of Operations and Maintenance and/or School Capital is not permitted as these funding areas are the responsibility of Alberta Infrastructure.
- Updated**3) Funding provided to support kindergarten to Grade 12 programs cannot be used to support courses, programs or training for adults (20 years and older). Please see Policy 1.9.2 of the K-12 Learning System Policy, Regulations and Forms Manual for more details.

4) Funding for the provincial initiatives, the Alberta Initiative for School Improvement, the Student Health Initiative and High Speed Networking, must be spent on the program for which it was provided.

Revised 5) Given the nature of the following funding areas, it is not possible to utilize the funding for purposes other than for which it was provided: Program Unit Funding, Francophone Education Funding, French Language Funding, Institutional Programs Funding, Regional Educational Consulting Services Funding, Learning Resources Credit, Regional Consortium Funding, and Debt Retirement.

ACCOUNTABILITY PILLAR

Revised The Accountability Pillar places increased emphasis on achievement of outcomes, reporting of results and targets, and using results for informed decision-making for the purpose of improving programs and student results in subsequent years. The renewed Funding Framework provides flexibility in how funding allocations are used and increases emphasis on local accountability for results, with a focus on improvement. School board performance will be measured and reported by assessing current results against past performance and specific, well-defined targets set by jurisdictions on a common set of measures. There are seven categories of measures:

- student achievement;
- high school completion rates;
- satisfaction rates;
- children at risk (academically);
- safe and caring school environment;
- parent involvement; and
- a board selected indicator – chosen from Review Committee on Outcomes (RCO) set of indicators.

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 continue to be accountable for meeting the learning needs of all students, for ensuring provincial policy, legislation, regulations and standards are met, and for reporting on allocation and use of funds.

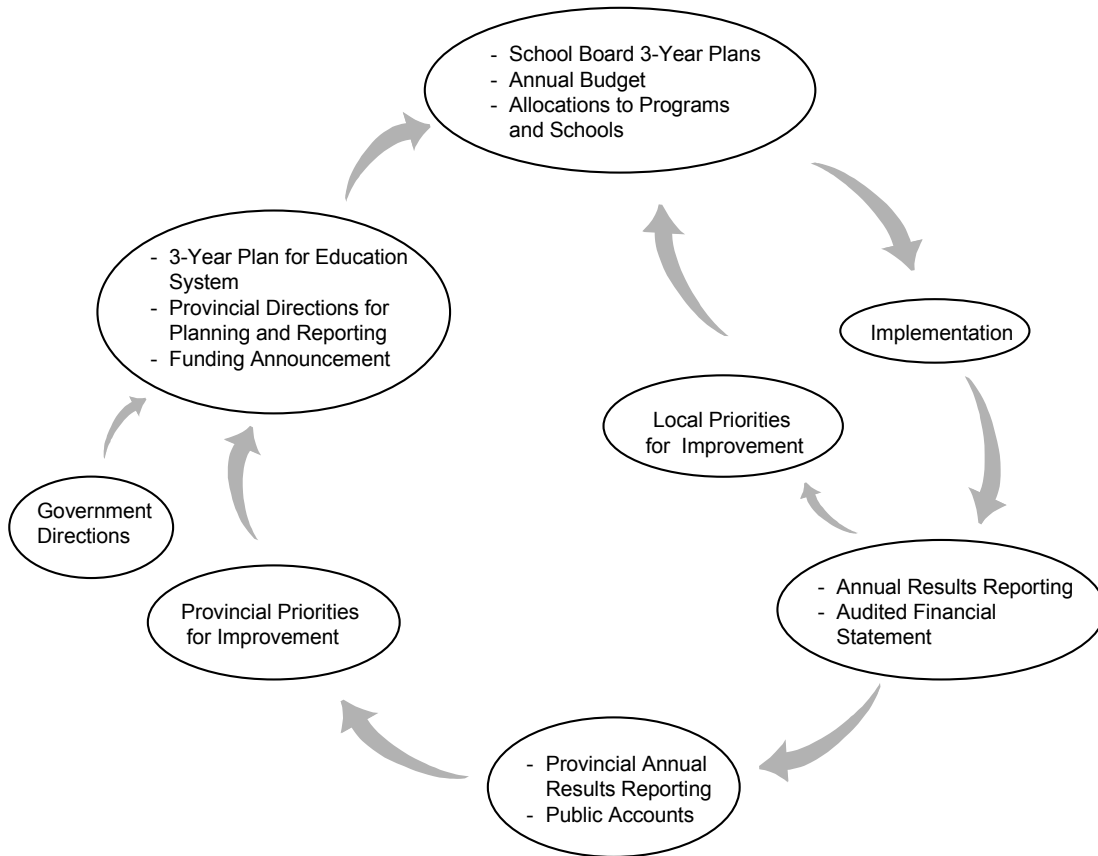
School jurisdictions continue to prepare Three-year Education Plans and assess and report on the results annually in Annual Education Results Reports (AERRs), as required by the *Government Accountability Act*. Jurisdiction plans and reports will contain the enhanced accountability requirements.

Accountability Framework for ECS – 12 Education

The Government’s Accountability framework, based on the *Government Accountability Act* and 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 student programs and achievement;
- 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



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 plan and guidelines for school authority and post-secondary institution planning and reporting based on provincial direction; assesses and reports annually on results and uses results to set targets and plan improvements; identifies provincial priorities for improvement; allocates funds to school boards and post-secondary institutions; and defines basic education, establishes outcomes for the K-12 system, reviews school board and post-secondary plans and results for compliance with provincial requirements and for evidence of improvement, and to identify implications for provincial level planning.

SCHOOL JURISDICTIONS – plans and implements three-year education plans aligned with Ministry direction; allocates resources to schools and programs; monitors progress; assesses and reports results annually to stakeholders and uses results to set targets and plan improvements.

SCHOOLS – plans and implements three-year education plans aligned with school board direction; monitors progress; assesses and reports results annually to stakeholders and uses results to set targets and plan improvements.

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 2004 edition of the guide contains the set of accountability measures in relation to the required provincial goals and outcomes, information on the phase in of the measures and assessment of results reporting and action planning to address areas requiring improvement. The Guide also includes updated information on target setting and surveys.

New FUNDING PILLAR

The renewed Funding Framework is based on a jurisdiction profile concept in which factors contributing to significant cost variances between **school jurisdictions** are addressed through allocation formulas. The Framework is designed to ensure funding consistency and fairness across the province.

Funding allocations are distributed in three categories: Base Funding, Differential Cost Funding and Provincial Priority Targeted Funding. **School jurisdictions** have the flexibility and responsibility to allocate Base and Differential Cost funding to address local needs. Provincial Priority Targeted funding is allocated for specific priority programs as determined by Alberta Learning. These allocations must be spent on the program for which they were provided.

Base Instruction funding is provided on a per student basis for every full-time equivalent (FTE) student from early childhood services to grade 12.

Differential Cost funding is allocated for specific student population types and is based on distribution formulas designed to address variable cost factors. Specific student populations include: Students with Severe Disabilities, English as a Second Language students, Aboriginal students, Early Childhood Services children with mild or moderate disabilities and the percentage of the student population of a **school jurisdiction** experiencing low Socio-Economic Status (SES). Students are specifically identified for each factor, except for students with severe disabilities and SES. Funding for students with severe disabilities is based on a separate profile for each **school jurisdiction**. SES is calculated on the general student population of the **school jurisdiction** and an incidence rate relative to the jurisdiction. It is derived from census data provided by Statistics Canada. Each of the factors is assigned a relative weighting that recognizes the differential cost of providing service to students.

The distribution formulas are also designed to address variable cost factors, such as, small schools by necessity, year to year enrolment fluctuations, the enrolment size of **school jurisdictions, schools** located in the north and the cost differences among local **school jurisdictions** for purchasing goods and services.

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)

Revised For the purpose of the ASFF the term "school boards" does not include Francophone Regional Authorities or **charter schools**.

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.

