

Issue: Funding for our students



Funding from Alberta Education continues to decline on a per-student basis.

The CBE is a strong education system that delivers outstanding results for our students. Our students continue to perform well on provincial achievement tests and diploma exams, often exceeding provincial standards.

The CBE provides both choice and access.

- Choice is one of the principles Alberta's education system is built on. We offer a wide depth and breadth of programs and supports to meet the unique learning needs and interests of our students and our community.
- The CBE meets the entire range of needs presented by Calgary communities and families, for access to public education.

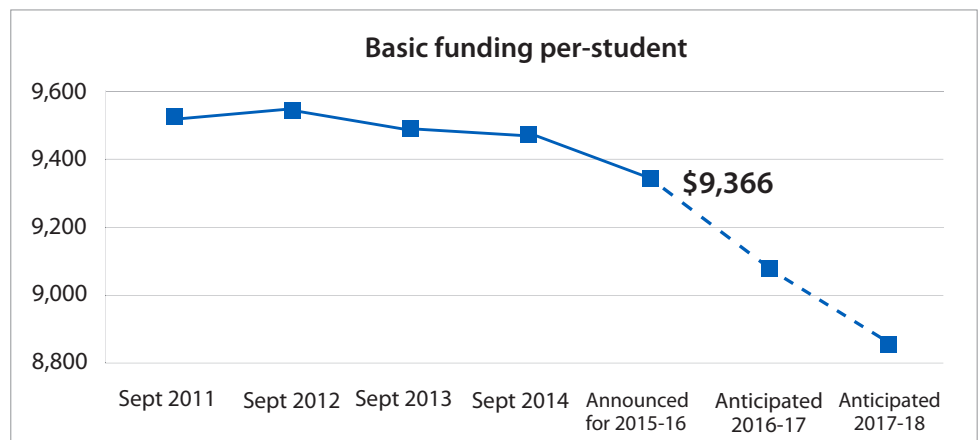
Our approach to developing our budget is guided by CBE values:

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

Current funding challenges

92 per cent of our operating revenue comes from the Province. Alberta Education's funding to the CBE increased from \$1.072 billion to \$1.115 billion in 2014-15, a \$43 million increase.

However, basic per-student funding has declined each year since September 2012, and is projected to continue to decline based on the fiscal plan in the Province's 2015-16 budget.



This chart includes all funding except transportation and IMR (maintenance) which are also declining, but those funds are restricted to those uses.



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The 2015-16 provincial budget funded the cost of the Alberta Teachers Association settlement but not enrolment growth or other significant cost increases.

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While per-student funding decreases, costs continue to rise

CBE experiences annual cost increases which the Province does not fund:

- ATA grid movement: 2 per cent/year (\$12 million)
- Other union agreements: \$4 million/year
- General inflation: 1-2 per cent/year
- Utilities: 5.9 per cent/year
- Insurance: 72 per cent last year

CBE has limited flexibility. In the 2014-15 CBE budget:

- 78 per cent of our total funding is spent on staffing. Of that, 90.6 per cent of staff dollars are spent in schools, 9.4 per cent supports centrally provided services to schools.
- Just 2.8 per cent of total CBE spending of \$1,177 million is spent on board and system administrative supports (eg. finance, human resources, communications, legal, etc.).
- Enrolment is increasing while staffing levels decline.

Finding ways to address the gap

- On April 6, 2015, the CBE released information about the impact of the March 26 provincial budget on the CBE's 2015-16 budget. The CBE estimates a \$29.3 million gap between the funding required to maintain all areas of the system at the same levels as 2014-15 and the funding that was announced in the provincial budget. Additional gaps are projected for 2016-17 and 2017-18 as the government continues its fiscal strategy.
- This gap does not include many significant upcoming expenses such as the cost of commissioning 20 new schools.
- In 2014, the Board of Trustees passed a motion to approve the use of reserves to balance the budget. However, for 2015-16, the Provincial has mandated that reserves may not be used to fund an operating deficit. The CBE's 2015-16 budget must be balanced without using reserves. This means that the CBE must consider reductions in centralized programs and services for students, teachers and schools.
- The CBE is following the government's direction to assess all costs and has already started this work. All areas are being looked at for budget cuts. Maximizing the dollars directed to supporting student results remains the top priority. Many changes will be needed to follow this fiscal strategy.