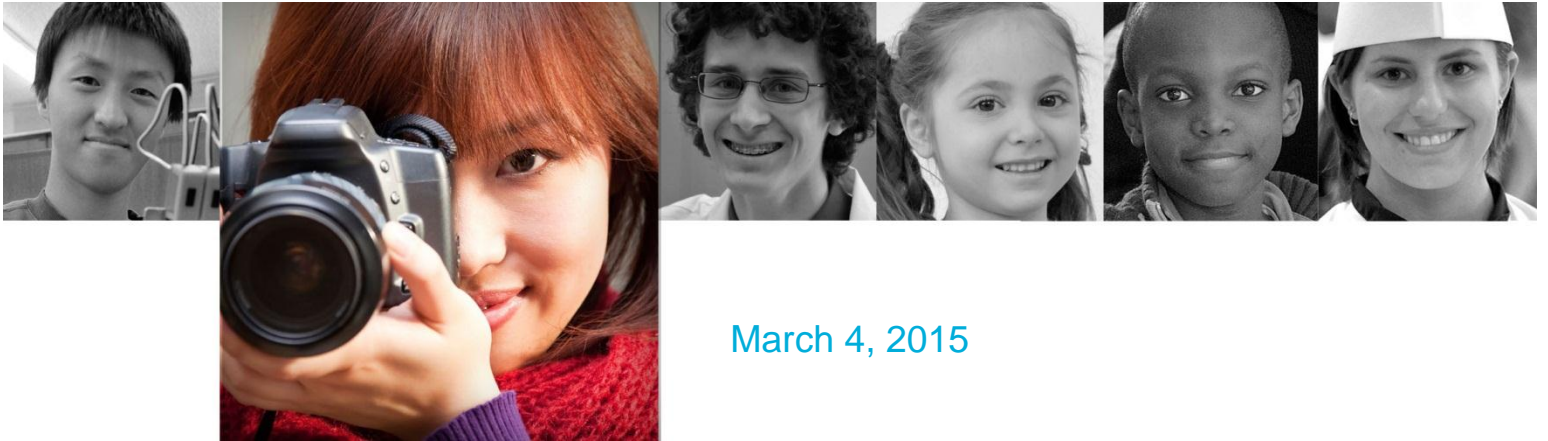


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Report on Board and System Administration Expenses



March 4, 2015



**Calgary Board
of Education**

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Alberta Education coding requirement

Every year, the Calgary Board of Education (CBE) is required to submit financial reports to Alberta Education including its Budget Report (in the spring), Fall Budget Update (in the fall reflecting actual enrolment) and the Audited Financial Statements at year-end.

In these reports, Alberta Education requires that school jurisdictions report their revenue and expenses by 'program'. The five programs (sometimes referred internally as 'blocks') are defined by Alberta Education:

1. Instruction (ECS – Grade 12)
2. Plant Operations and Maintenance (PO&M)
3. Transportation
4. Board & System Administration (BSA)
5. External Services

The comprehensive definitions of these programs are detailed in Appendix A.

Board & System Administration limit

Alberta Education has imposed a restriction that school jurisdictions' Board & System Administration expenses may not exceed a percentage of total expenditures. Prior to the 2013-14 year, the maximum threshold was 4.0% of total expenditures. Starting in the 2013-14 fiscal year, this threshold was reduced to 3.6%.

The Calgary Board of Education BSA expenditures are well within the limit imposed.

Year	Alberta Education BSA limit	Calgary Board of Education BSA actual
2012-13	4.0%	3.3%
2013-14	3.6%	3.1%
2014-15 (budget)	3.6%	2.9%

Alberta Education guidelines

The CBE is guided by its values, Inspiring Education and the Three Year Education Plan when determining budget resource allocations, regardless of activity classification by program. The CBE regularly reviews its activities and the assignment to programs within the context of Alberta Education's guidelines.

Examples of the types of expenses that are coded as Board & System Administration:

- all Board of Trustee and support expenses;
- costs for the Office of the Chief Superintendent;
- costs for all Superintendents and office expenses, with the exception of the Superintendent of Facilities & Environmental Services (coded to PO&M);
- all costs (staff and office) related to 'system-level planning';
- corporate budgeting;
- central technology services and supports who are not directly supporting schools/learning ;
- system-level records management;
- finance staff who do not work directly with or support school/learning finances;
- legal services;
- liability insurance related to the proportion of central office administrative personnel;
- property insurance for the administration facility;
- activities and staff costs related to the Corporate Secretary and Corporate Treasurers offices;
- Human Resources staff who do not work directly with or support schools (personnel planning, employment and development on behalf of the school system as a whole);
- central purchasing – purchasing of services, contracts and supplies on behalf of the school system and with the approval of department managers;
- communications, public relations and marketing – costs associated with system-wide communications and marketing activities;
- amortization for capital assets used for administrative purposes (or the related proportion of the total cost);
- rent/lease/operating costs for office buildings used for administrative purposes (or the related proportion of the total cost); and
- any centralized administrative costs that do not fall within the definition of the other programs.

A flow chart showing the decision making process used when evaluating cost allocation to programs is included in Appendix B.

2014-15 Board & System Administration Expenses (BSA)

The following chart shows all expenses budgeted that have been coded to the Board & System Administration program.

	Learning Services	Learning Innovation	Facilities & Environ Services	Legal Services	Communi-cations	Finance & Supply Chain Services	Human Resources	Office of the Chief Supt	Board of Trustees	Total
# FullTime Equivalent (FTE)	2	28	3	10	14	36	57	6	2	158
2014-15 Budget in \$ thousands										
Salaries and Benefits	410	4,050	314	1,487	1,715	4,344	6,663	1,165	654	20,802
Professional and Technical	-	64	1,290	848	87	(432)	4,265	65	557	6,744
Dues and Fees	-	109	6	24	13	63	73	21	246	555
Rental	-	1	2,603	-	1	-	6	33	2	2,646
Maintenance and Repairs	-	915	26	2	4	5	10	2	-	964
Insurance	-	-	112	6	-	9	-	-	-	127
Utilities	-	80	267	18	2	-	25	2	1	395
Travel and Subsistence	-	13	1	-	10	22	110	15	34	205
Supplies	-	(51)	105	43	8	55	53	22	19	254
Minor Equipment	-	32	1	17	-	50	30	4	-	134
Textbooks and Materials	-	1	-	7	2	-	7	1	2	20
Amortization	-	1,239	5	20	4	1,504	63	-	-	2,835
Other (Uncollectible accounts)	-	-	-	-	-	10	-	-	-	10
TOTAL BSA	410	6,453	4,730	2,472	1,846	5,630	11,305	1,330	1,515	35,691
Total Service Unit Budget 2014-15	33,568	38,701	206,045	2,772	2,673	19,994	21,892	2,301	1,515	329,461
% of BSA to Total Unit Budget	1.2%	16.7%	2.3%	89.2%	69.1%	28.2%	51.6%	57.8%	100.0%	10.8%

The difference between the total Board and System Administration budget and the Total Service Unit Budget is directly related to Schools Instruction, Plant Maintenance and Operation, Transportation and External Services.

Appendix A: Alberta Education Program Definitions¹

PROGRAM DEFINITIONS

Instruction (ECS – Grade 12)

Early Childhood Services and Grades 1 – 12 instruction is the provision of activities dealing directly with or aiding in the teaching of students or improving the quality of teaching. The costs of personnel, services, supplies, and furnishings and equipment are allocated to the program, along with capital equipment amortization on the basis of the direct benefit or service contributed. All academic, vocational and technical courses, along with organized instructional activities which may be remedial and/or developmental in nature are included in this definition. Support to instruction is classified in two groups:

School Administration and Instruction Support

School administration and instruction support includes the provision of activities at school level that do not provide direct instruction to the student in the classroom. Costs for these activities include:

- Release time and allowances for principals, vice-principals, assistant principals, department heads and coordinators;
- Clerical and support staff (staff not working directly in classrooms in support of students, but in an administrative support role) remuneration;
- Library, counseling and testing services provided by school-based staff;
- Support services provided from outside the school (such as contracted services for assessment, therapy for students, etc.) at the school's discretion and supported by the school's budget;
- Communications and document reproduction equipment for instructional support staff; and
- Administrative services, contracts and supplies.

System Instructional Support (SIS)

SIS consists of activities of certificated and non-certified staff across the school jurisdiction for system-based instruction services to:

- Support the implementation of instruction and curriculum;
- Cover other boards' costs, paid to a hosting board in a consortia for services such as film libraries, regional assessment services and professional development consortiums;
- Audit School Generated Funds;

¹ Definitions provided in the AFS Guidelines for the year ended August 31, 2014, pages 50 - 53

- Coordinate in-service instruction to school staff;
- Assist teachers with program delivery;
- Implement system-wide change initiatives (e.g., curriculum, library, counselling and testing services); and
- Liability insurance related to instructional personnel.

These activities are at the discretion of the board and are budgeted at the system level.

PLANT OPERATIONS AND MAINTENANCE (PO & M)

PO & M consist of activities that relate to the jurisdiction's responsibility for the construction, operation, maintenance, safety and security of all school buildings, including costs relating to the supervision of this program.

Costs associated with this program include:

- Remuneration expenses for the supervisor of operations and maintenance of school facilities and all clerical and support staff associated with this program;
- Repair, maintenance and security of school buildings, equipment and grounds including services, contracts and supplies;
- Costs related to cleaning and janitorial activities and supplies in school facilities;
- Costs of utilities for school and maintenance facilities;
- Liability insurance related to the proportion of maintenance personnel;
- Property insurance on school building and maintenance facilities;
- Amortization of school and shop facilities, and vehicles and equipment that was purchased with PO & M revenues, with a historic cost of \$5000 or greater;
- General operational costs associated with the maintenance programs;
- Costs associated with maintenance supervisory staff involvement in the capital planning cycle;
- Costs associated with Occupational Health and Safety activities;
- Emergency planning; and
- Facilities Planning and Development – The entire planning, development and construction.

TRANSPORTATION

Activities related to the transportation of students to, from and between schools, and boarding of eligible students away from home.

Costs associated with this program include:

- Remuneration expenses for the supervision of student transportation and all clerical and support staff associated with the program, including bus aides;
- Conveyance of students to and from school whether buses are contracted or board operated;

- Repair and maintenance of transportation vehicles;
- Operating lease payments on transportation vehicles;
- Amortization of capital costs of transportation vehicles, equipment and shop facilities with a historic cost of \$5000 or greater;
- Property insurance on bus shops and barns and equipment;
- Liability insurance related to the proportion of transportation personnel;
- Vehicle insurance on board owned vehicles used for student transportation;
- Utilities for transportation facilities; and
- General operational costs associated with the transportation programs.

The use of transportation services for field trips, co-curricular trips and athletic trips are charged back to the appropriate program.

BOARD & SYSTEM ADMINISTRATION (BSA)

BSA are system-wide activities for the purpose of general regulation and direction of the affairs of the school jurisdiction. Costs relate directly to the operation of the Board of Trustees, Superintendents, Secretary-Treasurers and their respective staffs, including supplies and amortization of administrative equipment and facilities. Broad categories associated with BSA include:

Board Governance

Board Governance includes activities related to the work of the elected body responsible for all activities within the jurisdiction. All payments to trustees and for expenses incurred by the body for such things as travel, membership fees and school board elections.

Educational Administration (Office of the Superintendent)

This category includes activities related to overall jurisdiction educational leadership and administration. This includes those performed by the superintendent of schools; deputy, associate and assistant superintendents. These duties are restricted to functions that may not be considered System Instructional Support.

Activities associated with educational administration include:

- System level planning;
- Instructional staffing allocations (human resource planning, and implementation);
- New programming implementation and review;
- Monitoring and evaluation of programs;
- Monitoring and evaluation of schools;
- Monitoring and evaluation of the system; and
- Hiring, supervision and evaluation of principals and staff.

Business Administration (Office of the Secretary-Treasurer)

Business administration includes activities related to the business and financial operations of the school system at the jurisdictional level, performed by the Secretary-Treasurer and related business/finance support staff including:

- Corporate budgeting;
- Financial accounting including accounts payable and receivable, payroll and internal and external audits (excluding School Generated Fund audits which falls under SIS);
- Legal services;
- Liability insurance related to the proportion of central office administrative personnel;
- Property insurance for the administration facility; and
- Activities related to the Corporate Secretary and Corporate Treasurers office.
- Corporate records management.

This program does not include support service activities based at the school level.

General Services Management

General services management includes activities related to central support services such as:

- Human Resources – Personnel planning, employment and development on behalf of the school system as a whole;
- Central Purchasing – Purchasing of services, contracts and supplies on behalf of the school system and with the approval of department managers;
- Communications, Public Relations and Marketing – Costs associated with system-wide communications and marketing activities; and
- Information Technology

Administration Buildings

These activities relate to the administration building of the division including:

- Operating costs;
- Operating lease payment;
- Interest expense on capital loan associated with the administration buildings; and
- Amortization expense of administration buildings.

EXTERNAL SERVICES

Includes services offered outside the board's regular educational programs for Early Childhood Services (ECS) children and students in Grades 1 to 12 who are served by the board. Activities such as adult education, family school liaison programs and those of a cultural and recreational nature are included in this program.

Costs associated with this program include:

- Community services, and community use of schools (at cost recovery);
- Joint use agreements with municipalities;
- Portion of shared services costs for services provided to another jurisdiction through a shared services arrangement and not applicable to the jurisdiction (with offsetting revenues);
- Sales and services provided to external organizations and individuals;
- Administration costs associated with SHIP and the Regional Learning Consortia (for “banker boards” only);
- Cafeteria programs of a non-instructional nature;
- Noon-hour and lunch room supervision in schools (may also appear under instruction programs);
- Daycare services;
- Pre-kindergarten services;
- International student services;
- Any other activity that does not fall into regular programs; and
- Continuing education programs (see below);

Funding that has been provided to support ECS to Grade 12 programs cannot be used to support any adult programs. Programs and courses offered to adult students (20 years or older on September 1st) should be accounted for in a manner that separates them from ECS to Grade 12 funds.

Appendix B: Expense coding flow-chart

