

2019/2020 to 2020/2021

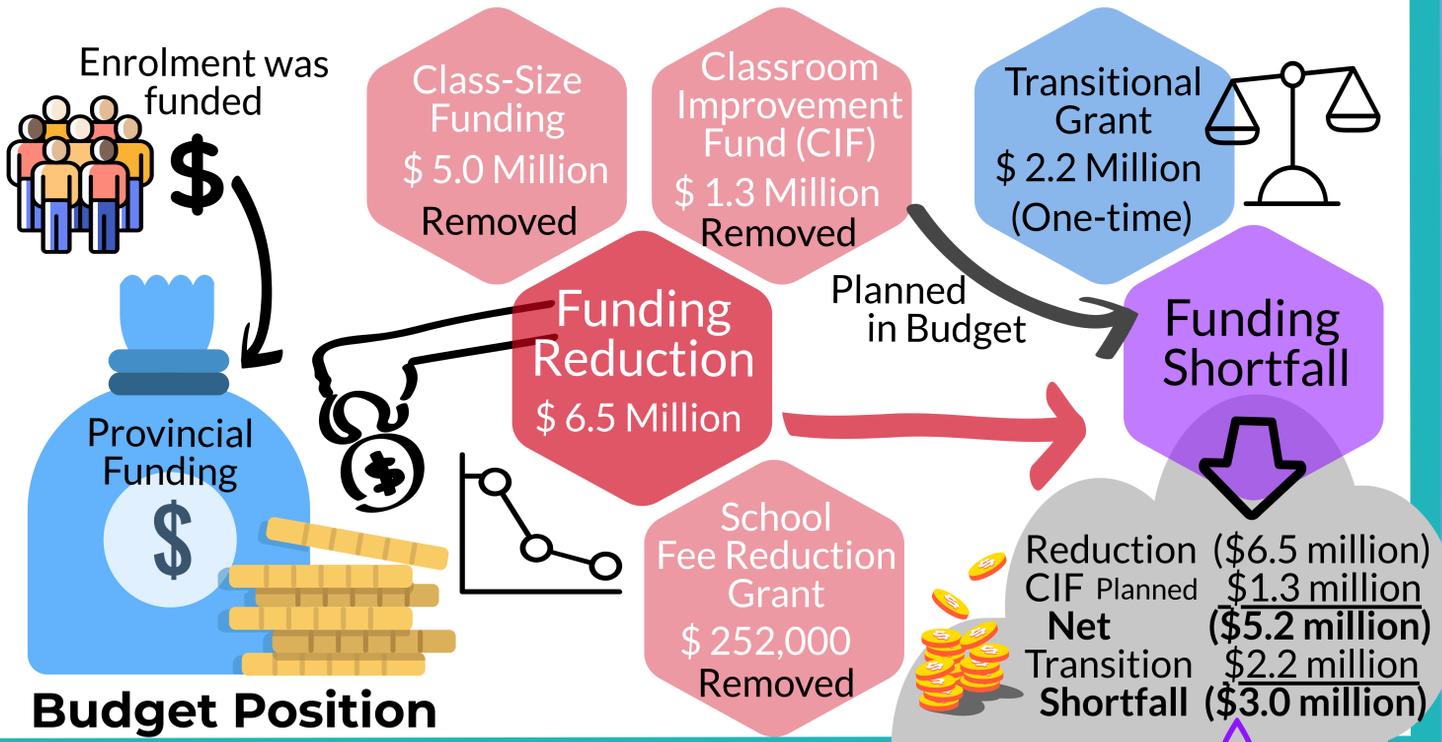
Provincial Funding Review

There have been some **significant changes** to the Division's funding over prior year. This includes the significant changes that occurred in the 2019 Provincial Budget and the new Funding Framework provided for the 2020/2021 school year.

To understand the Provincial Funding, the changes in both years have to be reviewed.

2019/2020

2019 Provincial Budget was announced on October 24th, 2019. This budget had some unexpected changes to funding allocations:



| Revenues | 2019-2020 Operating Budget | 2019-2020 Preliminary Budget | Variance from 19-20 Operating Budget | Change % |
|---------------------------------------|----------------------------|------------------------------|--------------------------------------|----------|
| Total Revenue | \$133,996,454 | \$132,619,029 | \$1,377,425 | 1.04% |
| Base Funding | \$76,266,804 | \$79,343,727 | (\$3,076,923) | -3.88% |
| Differential Cost Funding | \$11,354,665 | \$11,483,705 | (\$129,040) | -1.12% |
| Projects/Contracts | \$6,085,617 | \$6,035,407 | \$50,210 | 0.83% |
| Federal Government Funding | \$388,944 | \$248,128 | \$140,816 | 56.75% |
| Other Provincial Revenue | \$922,533 | \$1,327,533 | (\$405,000) | -30.51% |
| Teacher Pension Costs | \$6,500,000 | \$6,500,000 | \$0 | 0.00% |
| Transportation | \$2,631,000 | \$2,468,500 | \$162,500 | 6.58% |
| Plant Operations and Maintenance | \$8,711,000 | \$8,725,187 | (\$14,187) | -0.16% |
| Other Revenues | \$8,147,887 | \$8,122,222 | \$25,665 | 0.32% |
| Capital and Debt Services | \$8,433,276 | \$7,633,022 | \$800,254 | 10.48% |
| Prior Years Reserves (one-time funds) | \$4,554,728 | \$731,598 | \$3,823,130 | 522.57% |

Response to the Challenge

The \$3.0 million shortfall was funded by one-time reserves and other savings to minimize disruption to classrooms, programs, and services.

Resulting Effects to 2019-2020

NEW Funding Framework 2020/2021

2020 Provincial Budget 2020 included a significant change to the funding framework model for education.

The model is a "3-year funding commitment to Education" to allow for predictability and sustainability.

The old funding framework grants (36 grants) has now been **modified to the new framework** (15 grants); whereas, these new grants are not easily (or at all) comparable to the prior framework.

- Base Instruction
- Services & Supports
- School / Facilities
- Community
- Jurisdiction

"Apples to Oranges"

Weighted Moving Averages

One of the most significant changes in the new Provincial Funding Framework is the use of Weighted Moving Averages (WMA) to determine funding allocations. Although WMA assist with a predictable funding model (removes significant fluctuations from year-to-year), it has its disadvantages to growing Districts:



As shown in the example, although there are 12,000 students there is only funding for 11,300

| | | |
|------------|--------------------|---------------------------|
| 2018/19 | 10,000 FTE @ 20% = | 2,000 FTE |
| 2019/20 | 11,000 FTE @ 30% = | 3,300 FTE |
| 2020/21 | 12,000 FTE @ 50% = | 6,000 FTE |
| WMA | | 11,300 FTE Funding |

Other Funding Framework Changes:

Separating Jurisdictional Funding (Administration)

PUF Funding
Only available for Pre-K, no longer for Kindergarten students

Bridge/Transitional Funding
Provincial Funding for new Framework

RCSD Funding
RCSD funding eliminated including supports received

POM Funding
Includes utilization of facility space in funding allocations.

Resulting Effects to 2020-2021

| Revenues and Allocations | 2020-2021 Preliminary Budget | 2019-2020 Operating Budget | Variance from 20-21 Prelim Budget | Change % |
|---|------------------------------|----------------------------|-----------------------------------|--------------|
| Alberta Education - Base Instruction | \$71,200,508 | \$76,796,136 | (\$5,595,628) | -7.29% |
| Alberta Education - Services and Supports | \$15,740,533 | \$15,278,732 | \$461,801 | 3.02% |
| Alberta Education - Schools/Facilities | \$16,741,922 | \$14,956,000 | \$1,785,922 | 11.94% |
| Alberta Education - Community | \$3,687,410 | \$1,425,527 | \$2,261,883 | 158.67% |
| Alberta Education - Jurisdiction | \$4,092,507 | \$0 | \$4,092,507 | 100.00% |
| Projects/Contracts | \$62,500 | \$62,500 | \$0 | 0.00% |
| Other Provincial Revenue | \$470,711 | \$788,725 | (\$318,014) | -40.32% |
| Teacher Pension Costs | \$6,500,000 | \$6,500,000 | \$0 | 0.00% |
| Federal Government Funding | \$388,944 | \$388,944 | \$0 | 0.00% |
| Other Revenues | \$7,751,476 | \$8,147,886 | (\$396,410) | -4.87% |
| Capital and Debt Services | \$5,097,276 | \$5,097,276 | \$0 | 0.00% |
| Total Operating Revenue | \$131,733,787 | \$129,441,726 | \$2,292,061 | 1.77% |
| Prior Years Reserves (one-time funds) | \$2,717,468 | \$4,554,728 | (\$1,837,260) | -40.34% |
| Total Revenue and Allocations | \$134,451,255 | \$133,996,454 | \$454,801 | 0.34% |

> Majority of increase is for Plant Operation & Maintenance (POM) (\$1.79 million of the \$2.29 million increase in operating revenue)

> Jurisdictional component broken out from other Provincial funding

> Prior year had large one-time reserves used to minimize effects on classrooms (as 2019 Provincial Budget was released mid-school year)

> The changes in the Program Unit Funding (PUF) and the Regional Collaborative Service Delivery (RCSD) program had significant effects on instructional programs with the funding and supports received.