

## **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 systems’ 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 and report on results.

The renewed Funding Framework provides a means to allocate funding to **school jurisdictions** to provide a quality education that reflects 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 makes school boards publicly accountable for the use of resources and the results achieved.

### **PRINCIPLES:**

1. **ACCOUNTABILITY:** The renewed Funding Framework places increased emphasis on assessing and reporting outcomes achieved with the resources provided and focuses on continuous improvement.
2. **CONSISTENCY:** The renewed Funding Framework applies terms and conditions for base funding consistently across the province.
3. **EQUITY:** The renewed Funding Framework distributes available resources in a fair and equitable manner. The funding mechanism recognizes factors beyond the control of **school jurisdictions** that influence relative costs among **school 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 enables **school jurisdiction** planning that is consistent with the provincial goals for the basic education 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 minimizes 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 supports the goals and priorities set by the provincial government for the basic education system and facilitates the piloting and monitoring of improvement initiatives.

## **FLEXIBILITY, ACCOUNTABILITY AND FUNDING PILLARS**

### **FLEXIBILITY PILLAR**

The renewed Funding Framework provides **school jurisdictions** with the flexibility to allocate funds to programs as they choose, in order to meet the educational needs of their students and address local priorities. Although every effort has been made to provide maximum flexibility to **school jurisdictions**, some restrictions will continue to 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% depending on the student enrollment of the **school jurisdiction**. To determine the maximum expenditure the applicable percentage is applied to a **school jurisdiction's** total expenditures as outlined in the Guidelines published by the Financial Reporting and Accountability Branch.
2. Funding provided to support ECS 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 Education Support Policy, *Regulations and Forms Manual* for more details.
3. Targeted Funding for Provincial Initiatives is allocated for specific priority programs as determined by Alberta Education. For the 2006-2007 school year, these areas are the Alberta Initiative for School Improvement, Student Health Initiative, SuperNet Services, the Small Class Size Initiative, and Children and Youth with Complex Needs. Funding for these initiatives must be spent in the area for which it was provided.
4. Funding for capital needs is allocated to **school jurisdictions** based on priorities and formulas determined by Alberta Education. For the 2006-2007 school year, funding is provided for the areas of School Facilities and Infrastructure Maintenance and Renewal. Funding for these areas cannot be used for purposes other than capital needs.

**New**

5. Given the nature of the following funding areas, it is not possible to utilize the funding for purposes other than that for which it was provided: Francophone Education Funding, French Language Funding, Institutional Programs Funding, Regional Educational Consulting Services Funding, Program Unit 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 on a common basis, 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.

#### Development of the Accountability Pillar

**New** The Accountability Pillar is based on the following guiding principles: transparent process, emphasis on achievement, holistic approach to evaluation, on-going collaborative processes, and all **school jurisdictions** can succeed.

#### Accountability Pillar Measures and Categories

The Accountability Pillar measures are grouped into the seven categories that represent key aspects of education that are important to parents and the public:

**Revised**

- safe and caring schools;
- student learning opportunities;
- student learning achievement (Grade K-9);
- student learning achievement (Grade 10 to 12);
- preparing for lifelong learning, employment and citizenship;
- parental involvement; and
- continuous improvement.

#### Evaluation Methodology

**New** **School jurisdiction** results are evaluated for each measure on both achievement and improvement which are averaged into an overall evaluation.

The achievement evaluation is based on comparing the current **school jurisdiction** results for each measure against fixed standards that are expected to remain in place for 7-10 years. The achievement standards for each measure are based on **school jurisdiction** three-year average baseline results that yield an evaluation of Very High, High, Intermediate, Low, or Very Low.

The improvement evaluation is based on comparing the current **school jurisdiction** result with the **school jurisdiction's** prior year three-year average result. This yields an

evaluation of Improved Significantly, Improved, Maintained, Declined, Declined Significantly.

Similarly, the overall evaluations of each measure within a category are combined for an evaluation for each category.

Alberta Education calculates the results, three-year averages, measure and category evaluations for the Accountability Pillar measures. Alberta Education then provides this information in a report to each **school jurisdiction** on a standard template twice a year:

- in May for use in preparing their three-year plan; and
- an update in September for inclusion in their Annual Education Results Report (AERR).

**Revised**

**School jurisdictions** are expected to set targets and develop strategies in their three-year plan to address low or declining results, i.e. measures with an overall evaluation of Issue or Concern. School boards continue to be accountable for meeting the education needs of all students, for ensuring that provincial policy, legislation, regulations and standards are met, for taking context into account (local circumstances and student characteristics) and for reporting on allocation and use of funds.

**Revised**

**School jurisdictions** continue to prepare Three-year Education Plans and assess and report on the results annually in their Annual Education Results Reports (AERR), as required by the *Government Accountability Act* and Section 78 of the *School Act*. **School jurisdiction** plans and reports are required to contain the enhanced accountability requirements as specified in the 2006 edition of the *Guide for Education Planning and Results Reporting*.

### **Accountability Framework for Kindergarten to Grade 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 focuses on continuous improvement and critical reflection by:

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

Performance Management Cycle for School Authority Accountability

New



Each level in the Accountability Framework plays a key role.

GOVERNMENT OF ALBERTA

- sets provincial direction;
- allocates funds to ministries;
- monitors and reports on progress;
- uses results to plan improvements.

ALBERTA EDUCATION

- Revised
- sets direction for the education system;
  - prepares three-year education system business plan and guidelines for **school authority** planning and reporting based on provincial direction;
  - assesses and reports annually on results and uses results to set targets, identify priorities for improvement and develop strategies for business plans;
  - evaluates **school jurisdiction** results on Accountability Pillar measures and provides evaluation reports to **school jurisdictions**;
  - allocates funds to school boards;
  - defines basic education, establishes outcomes for the K-12 system, establishes requirements for **school jurisdiction** plan and reports, reviews **school board** plans and results for compliance with provincial requirements, for evidence of improvement, and for identifying implications for provincial level planning.

SCHOOL JURISDICTIONS

- Revised
- set **school jurisdiction** direction;
  - implement provincial legislation, regulation, policy, standards, programs and initiatives;
  - plan and implement three-year education plans aligned with Ministry direction that include and address the Accountability Pillar evaluation;
  - allocate resources to **schools** and programs;
  - monitors progress;
  - assess and report results, including the Accountability Pillar evaluation, annually to stakeholders;
  - use results to set targets and plan improvements.

SCHOOLS

- Revised
- set school direction;
  - implement provincial legislation, regulation, policy, standards, programs and initiatives;
  - plan and implement three-year education plans aligned with **school board** and ministry direction;
  - monitor progress;
  - assess and report results annually to their **board** and stakeholders;
  - use results to plan improvements.

**Revised**

The guidelines and requirements for **school jurisdiction** Three-year Education Plans and Annual Education Results Reports (AERRs) are contained in the *Guide for Education Planning and Results Reporting*. The 2006 edition of the Guide contains the set of accountability measures in relation to the required provincial goals and outcomes, summary information on the evaluation methodology, the implementation of the Accountability Pillar evaluations and action planning to address areas requiring improvement. The Guide also includes updated information on target setting. Charter schools will find planning and reporting information in the *Guide to Charter School Education Planning and Results Reporting*. Accredited –Funded Private schools will find this information in the *Guide for Accredited Private School Planning and Results Reporting*. Both Guides are available online at <http://www.education.gov.ab.ca/educationsystem/planning.asp/>

## **FUNDING PILLAR**

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

**Revised**

Funding allocations are distributed in five categories: Base Funding, Additional Funding for Differential Cost Factor, Targeted Funding for Provincial Initiatives, Other Provincial Support, and Capital Funding. **School jurisdictions** have the flexibility and responsibility to allocate Base and Additional Funding for Differential Factors to address local needs. Targeted funding for Provincial Initiatives is allocated for specific priority programs as determined by Alberta Education. 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 9. For students in Grades 10 to 12, Basic Instruction funding is provided based on Credit Enrollment Units (CEU's).

Additional Funding for Differential Factors is based on distribution formulas designed to address variable cost factors. Specific identified student populations include:

**Revised**

- Early Childhood Services children with mild or moderate disabilities and those who are gifted and talented
- **Children and Students with a Severe Disability/Delay,**
- English as a Second Language/Francisation students
- First Nations, Métis, and Inuit students
- The percentage of the student population of a **school jurisdiction** experiencing low Socio-Economic Status (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 **school jurisdiction**. It is derived from census data provided by Statistics Canada.

The distribution formulas are also designed to address variable cost factors, such as:

Revised

- small schools by necessity
- geographical distance between **school jurisdiction** central office and schools
- year to year enrollment fluctuations
- administration costs for **school jurisdictions** with small enrollments
- increased costs for **schools** located in the north
- cost differences among **school jurisdictions** for purchasing of local goods and services
- variable cost of transporting students in rural, urban and metro **school jurisdictions**
- support for daily physical activity in grade 1-9 schools
- support for Hutterite colony schools
- support for francophone students to have equivalent access to programs.

### 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 \*; and
- The General Revenue Fund (GRF) provides grants authorized by the **Minister**.

\*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 taxpayers would equal the ASFF payment the separate board would otherwise receive if that board participated fully in the ASFF.

### Alberta School Foundation Fund (ASFF)

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.

## 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 Education 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.