

EDMONTON PUBLIC SCHOOLS

February 22, 2005

TO: Board of Trustees

FROM: A. McBeath, Superintendent of Schools

SUBJECT: Changes to the Basis of Allocation for 2005-2006

ORIGINATOR: C. McCabe, Assistant to the Superintendent

RESOURCE

STAFF: Jamie Pallett

INFORMATION

The basis of allocation provides a means to allocate funds to schools to provide quality programming that reflects the needs of students and our community. The basis is not intended to identify specific costs for the delivery of such programming, but is simply a means of distributing funds equitably and to accommodate school based decision making. Principals, in consultation with staff, students, parents, and community members plan the deployment of these resources to achieve the school's planned results.

To improve the extent to which the allocation of resources is fair and equitable, advice and counsel was sought by a variety of district stakeholders on a regular basis. Over the past five months the Superintendent's Council, Senior Administration, the Basis of Allocation Committee and a number of Principal Support groups have been consulted. Key discussion points during these consultations have been:

- implications of the new Funding Framework;
- the provincial requirements regarding the management of Plant Operations and Maintenance (PO&M) block funding; and
- district priorities.

Although stakeholders acknowledge that changes to the basis are required, their preference is to proceed slowly. Therefore, a three year basis of allocation adjustment plan has been approved by the superintendent. The intent of this plan is to simplify the basis of allocation by reducing the number of line items, review and where appropriate, revise allocation formulas, and again, where appropriate, align the basis of allocation with the Alberta Funding Framework.

The rationale for this plan is four fold. First, the three year time frame provides ample opportunity for an in depth consultative process to occur. Input and advice will be obtained from various district stakeholders, as well as Alberta Education and Alberta Infrastructure. Second, the time frame provides for ample opportunity to study the effects of possible changes so that schools are not significantly impacted. Third, the time frame takes into account possible short term changes to the instructional and infrastructure block funding grants, and fourth, progress of the plan can be evaluated over time because assessment data can be collected during

the annual results review process. An overview of the three year plan is included in Appendix I.

For 2005-2006 the plan calls for five modifications to the basis of allocation. Three will be operational and involve allocating class size funding, splitting plant operations and maintenance resources from instructional resources and rolling the technology allocation resources into the per pupil allocations. The remaining two changes are simply administrative, involving the renaming of a line item and the transfer of decision unit responsibilities from one service branch to another. Background information for these changes is provided in Appendix II.

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Appendix I - Basis of Allocation Three Year Plan 2005-2008

Appendix II - Basis of Allocation Modification and Review Plan 2005-2008

**Basis of Allocation Three Year Plan
2005-2008**

Year I 2005-2006

Instructional Resources

1. Resources previously allocated under the line item Technology will be rolled into the per pupil allocation (levels 1-8).
2. New Priority class size funding (\$3.4 M) will be allocated to schools.
3. The line allocation identified as Teacher Salary Enhancement Grant in 2004-2005 will be changed in 2005-2006 to read *2002 Settlement Grant*.
4. The responsibility, authority and accountability for D.U. 348 (Out of District) will be transferred from Budget Services to Leadership Services.

Plant Operations & Maintenance Resources

1. School resources designated for Plant Operations and Maintenance (PO&M) will be separated from instructional resources and will be allocated as a single line item under the heading Plant Operations and Maintenance (PO&M).
2. Revenues and expenditures for central decision units will be reviewed and PO&M formulas will be determined.

Year II 2006-2007

Instructional Resources

1. The allocation of the third year of priority class size funding will be determined.
2. The following line item allocation formulas will be reviewed and modified if necessary.
 - High Socio-Economic Needs
 - Multiple Program Grant
 - Mild/Moderate Disability Block Grant
3. The following line item allocations will be reviewed and assessed as to the feasibility of being rolled into the per pupil allocations (levels 1-8).
 - Enhanced Opportunity Grant
 - Program Enhancement Project Grant
 - Teacher Aide Grant
 - Other Services
 - Consulting Services
 - 2002 Settlement Grant***

Plant Operations & Maintenance Resources

1. The school allocation formula for Plant Operations and Maintenance (PO&M) allocation will be reviewed and modified if necessary.
2. Revenues and expenditures for central decision units will be reviewed and PO&M formulas will be modified if necessary.

***Previously identified as the Teacher Salary Enhancement Grant

Year III 2007-2008

Instructional Resources

1. Incorporate priority class size funding through per pupil allocation (Levels 1-8).

Plant Operations & Maintenance Resources

1. The allocation formula for Plant Operations and Maintenance (PO&M) allocation will be reviewed and modified if necessary.

**Basis of Allocation Modification and Review Plan
2005-2008**

Changes to the Basis of Allocation for Year I (2005-2006) of the three year plan.

- 1. Resources designated for Plant Operations and Maintenance (PO&M) will be separated from instructional resources and will be allocated as a single line item under the heading “Plant Operations and Maintenance (PO&M)”.**

In 2002-2003 the district was advised by Alberta Education and Alberta Infrastructure of changes to the manner in which Instructional and Plant Operations and Maintenance block funding had to be managed. The district was informed that the transfer of funds between blocks was no longer allowed. Prior to this change, the district could transfer up to 2 per cent (approx. \$7.4 million) annually from the instructional block to the plant operations and maintenance block in order to cover the costs for operational maintenance, utilities, custodial costs and supplies. The restriction from one block to the other means that each block must be accounted for separately and any over expenditures in one block cannot be balanced with a surplus in another. Since this restriction prompted significant operational changes within the district, an adjustment period was negotiated with Alberta Education and Alberta Infrastructure. Although the adjustment date was to conclude in 2006, this has been extended indefinitely with the understanding that the district would display consistent progress towards balancing PO&M revenues and expenditures over time.

For the past 20 years a portion of the PO&M resources have been allocated as part of the per pupil instructional allocation. In 2005-06 the PO&M resources from the per pupil instructional allocation will be withdrawn and re-allocated along with other PO&M designated resources (maintenance allocation, school to pay utilities) as a single line item called “Plant Operations and Maintenance (PO&M).”

- 2. Resources previously allocated under the line item Technology Grant will be rolled into the per pupil allocation (levels 1-8).**

The line item called “Technology Grant” is based on a one time grant received by the district from Alberta Education in 1996-97. These resources have been distributed annually on the basis of \$43 per student grades 1-12 (excluding kindergarten and home education). Since these resources are based on regular enrolment, rolling this line item into the per pupil allocation will not significantly impact schools.

- 3. New Priority class size funding (\$3 million) will be allocated to Division I.**

The table below summarizes class sizes for all classes, including special needs classes. In 2003-04 only core class sizes (i.e., Language Arts, Mathematics, Science and Social Studies), were reported to Alberta Education, whereas all classes were reported for the 2004-05 school year.

The data for 2004-2005 shows that the Learning Commission targets were met for the 4-6, 7-9, and 10-12 grade divisions. Significant progress was also made at the K-3 division, lowering the average class size from 22.0 in 2003-04 to 19.2 in 2004-05.

	2003-04 Class Size Average	2004-05 Jurisdiction Averages	2005-06 Jurisdiction Averages (Targets)	2006-07 Jurisdiction Averages (Targets)	2006-07 Commission Guidelines
K-3	22.0	19.2	18.2	17.0	17
Grades 4-6	22.9	21.5	21.5	21.5	23
Grades 7-9	27.2	23.3	23.3	23.3	25
Grades 10-12	28.5	25.0	25.0	25.0	27

For 2005-2006 Class Size funding will be \$16.6 million. These resources will be distributed as follows:

- a. \$12.7 million will be distributed in the same manner as in 2004-05:
 - i. Division I - 78% (\$9.9 M @ \$501/per student or minimum of 0.5 teacher FTE)
 - ii. Division III – 12% (\$1.6 M @ \$69/per student or minimum of 0.2 teacher FTE)
 - iii. Division IV – 10% (1.2 M @ \$60/per student)
- b. \$3 million will be distributed to elementary schools on a per student basis (kindergarten to grade 3).
- c. \$900,000 will be held in reserve to address areas of concern at the discretion of the superintendent.

4. The line allocation identified as Teacher Salary Enhancement Grant in 2004-2005 will be changed in 2005-2006 to read 2002 Settlement Grant.

The Teacher Salary Enhancement grant was a one time grant provided to the district in 2002-2003 from Alberta Education and was based on the total number of teacher F.T.E.'s in the 2001-2002 school year.

As an allocated line item, the title *Teacher Salary Enhancement Grant* has created some confusion and has inadvertently mislead district stakeholders and the public to believe that salary enhancement or 'merit pay' is being distributed.

As this is not the case, the title Teacher Salary Enhancement Grant will be revised to read 2002 Settlement Grant.

5. The responsibility, authority and accountability for D.U. 348 (Out of District) will be transferred from Budget Services to Leadership Services.

Currently decision unit 348 (Out of District) is shared between two administrative branches. Budget Services is accountable and responsible for the payment of tuition and transportation costs for students designated as out of district. Leadership Services has the sole authority to designate students with this coding.

To ensure decision units that have responsibility for the work also have the authority and accountability for it, decision unit 348 (Out of District) will be transferred to Leadership Services.