



Speaking Notes | Budget Presentation to Board of Trustees June 18, 2019

The following notes were used by Chief Superintendent of Schools Christopher Usih to introduce the 2019-20 budget report to the Board of Trustees on June 18, 2019.

Chair Hurdman and Trustees,

Presented today for your consideration is the proposed budget for the 2019-20 school year.

More than funding or money, or allocations, the CBE's annual budget is first, and foremost, about students and their learning.

Our values are: students come first; learning is our central purpose, and public education serves the common good.

With whatever financial resources are ultimately provided, the CBE will focus over the next year on four key areas.

We will focus on student achievement, equity and well-being. This will require new and different ways of working together in support of all students.

We will develop our employees. Student success is highly influenced by the quality of staffing across the CBE. Accordingly we will focus on continuing to develop the expertise and competence of all staff.

We will look under every stone; review our myriad processes and practices to ensure that we are organizationally effective. In some cases we may simply "tweak" our current practices, in other cases we will fundamentally transform our services and supports to ensure that they are effective and close to our students and schools.

And finally, we will ensure that whatever resources we do receive are allocated in a manner that best meets the needs of all CBE students.

Taken together, these four priorities will guide our actions beginning now and into the 2019-20 school year.

It is my belief that the budget before you, while prudent in the face of uncertainty, will allow the CBE to continue to put students first.

I now ask Brad Grundy, chief financial officer, to comment on some more specific aspects of the 2019-20 budget before you today.

The following notes were used by Chief Financial Officer Brad Grundy to introduce the 2019-20 budget report to the Board of Trustees on June 18, 2019.

Thank you Chief Superintendent Usih.

Chair Hurdman, Trustees:

It has been a challenging year in which to plan, develop and implement a school year budget.

As you are aware, the provincial election was on April 16 and saw the swearing in of a new provincial government. With new governments comes new plans and new directions.

Acting with prudence, the CBE elected to defer intensive budget work at that time to allow the new government time to provide direction and clarity to the public education system.

In the absence of any formal communications from the provincial government, on May 14th CBE administration provided the Board of Trustees with the Budget Assumption Report for the 2019-20 school year. The primary assumption in that report was that government would “maintain” funding at the same level as in 2018-19.

At the time the Budget Assumptions Report was presented, CBE administration stated that if any additional information was made available by government prior to the presentation of the budget report that information would be incorporated into the Budget Report and the Board would be advised accordingly.

As of today, CBE administration has not received any formal communications from Alberta Education with regard to the 2019-20 school year budget save and except for the implementation of an amended *Education Act*.

The amended *Education Act* is expected to maintain the same age of access as the *School Act* and will not change how a student’s eligibility for service is determined. Accordingly, the CBE does not anticipate significant costs association with this change in legislation. That said, the supporting *Education Act* regulations have not been provided to us so we must reserve judgement on the final impact.

Despite the absence of formal direction from Alberta Education, the CBE is required to submit a budget to Alberta Education no later than June 30th, 2019 based on the information we have available to us.

With the presentation of the BAR to the Board of Trustees CBE administration proceeded to roll out our Resource Allocation Method or RAM to our 250 schools on May 16th.

We provided our schools with approximately two weeks to conduct their school based budget deliberations. That process concluded on June 4th. CBE administration is currently in the midst of working through the range of actions that

have resulted from those school-based decisions and are looking at the broader system impacts.

At about the same time, CBE service units (Finance, Facilities, Technology, Human Resources, Communications and Community Engagement, Legal Services, etc.) began the work of planning for their budget reductions of approximately two per cent. That work continues as of the date of this report.

Finally, in an effort to address equity issues across CBE schools, \$10.9 million was set aside for collaborative decision-making. Education Directors and a number of principals engaged in a process to determine how to allocate those funds.

The high level planning work concluded late last week and CBE administration is working currently to finalize the details of how and when those funds will roll out to schools. Schools are currently engaged in Provincial Achievement Testing and preparing for the conclusion of the school year.

My purpose in sharing this information is to highlight that budget 2019-20 remains very much a work in progress.

I would also point out that government has indicated that the results of its Blue Ribbon Panel on government spending is targeted for a mid-August release date. Government has stated that the Blue Ribbon Panel's report will inform its fall budget. Both of those events will undoubtedly have an impact on the CBE's 2019-20 school year budget.

CBE administration has remained in close communication with Alberta Education staff and there is general understanding that this is a unique and challenging budget year.

In summary then, CBE administration acknowledges that it is by no means ideal to release a budget without firm funding and spending numbers. That said, CBE administration has done as much as possible within the information available to us to provide for system stability at school start-up.

Therefore we present to you today what we believe is a prudent budget, at a high level, in the face of significant uncertainty. Our financial fingers are crossed.

Please note, should our analysis be wrong and government make additional funding available, those dollars will immediately flow into the system in support of students and their learning.

As final comments on the 2019-20 budget development process, it is your administration's intention to provide the Board of Trustees with updated Alberta Education budget schedules at the June 25th meeting based on the latest information available to us by that time.

As well, CBE administration will provide a detailed fall update to this spring budget in the fall after the September 30th enrolment count and after we have had an opportunity to see and review government's 2019-20 provincial budget. Until then, budget 2019-20 will remain directional than specific.

That all said, this budget is about more than process and numbers. It is about students and learning. For your information we would like to share some of the budget 2019-20 highlights.

Budget 2019-20 addresses a range of priorities and areas of focus, despite the assumption of flat funding in a time of growth. Specifically, budget 2019-20:

- Will meet the needs of the anticipated 125,000 students expected to pass through CBE school doors for 2019-20;
- Provides for a similar level of support for all day kindergarten as in the current school year;
- Continues to provide English Language Learner supports for up to seven years;
- Provides school-based supports to address both Literacy and Mathematics albeit in slightly modified forms;
- Continues support for the High School Success strategy as identified in the Three-Year Education Plan;
- Provides continued support to assist in closing the gap for our First Nations, Metis and Inuit students;
- Allocates approximately \$10.9 million across the system in a manner designed to address ongoing equity challenges including additional “system classes” to address the waiting list for those specialized services and supports;
- Supports the implementation of a new school support model that is designed to move learning supports closer to our 250 schools;
- Provides support to allow our service units to transform their services in a way that provides the necessary services to schools within reduced allocations.

While there are many positives in this budget, balancing does not come without some costs. Specifically:

- System wide, class size averages will increase by approximately one student across all divisions;
- A number of staff positions will be eliminated, reduced or maintained vacant both in schools and in our service units;
- CBE funded capital projects are restricted to only those with health and safety, legal compliance, or direct impact on students and their learning;
- Choice will be reduced or eliminated for tools to support learning as a means of containing costs;
- All discretionary expenditures are being tightly managed across the system;
- Already low levels of reserves are being further reduced to ease the transition into a different financial structure;
- Trustee remuneration remains frozen; and
- Senior executive salaries remain frozen;

We believe that this budget is a prudent approach in the face of uncertainty, while still aligning with our values: students come first, learning is our central purpose and public education serves the common good.

The CBE will welcome over 125,000 students into our nearly 250 schools across the city of Calgary this fall. Those students will receive the top quality public education that parents and citizens expect.

We are happy to take your questions at this time.