

Policy 25 - Financial Allocation Model

The purpose of this policy is to provide a guide in determining the allocation model for supporting the budget centres and schools in the Division.

The following general principles are to be used in making decisions on the financial allocation model:

- To maintain a predictable funding allocation structure.
- To ensure the budget and financial framework reflects a long-term, stable learning environment focused on the strategic goals for the Division.
- To foster understanding of the funding and allocation formula.
- To foster understanding of the Division's opportunities and challenges, and ensure the best allocation of resources to student and staff success.

Specifically

1. Funding Basics

The Division receives most of its funding from the Alberta Government.

- 1.1. The Board determines how to allocate flexible provincial funding to all of its operations, including
 - 1.1.1 Instruction
 - 1.1.2 Facilities Services
 - 1.1.3 Transportation Services
 - 1.1.4 Administration – Governance Services and Central Services
- 1.2. Local revenues are allocated to the operation that generates the revenue. Local revenues may only be generated and allocated based on government legislation and regulations.
- 1.3. Budget centres and schools determine how to spend the funding allocated by the Board plus their local revenues, subject to the direction and approval of the Superintendent, Board policies, and administrative procedures.
 - 1.3.1 School budgets are charged:
 - 1.3.1.1. The average costs for staffing.
 - 1.3.1.2. Actual administrative allowances for principals.
 - 1.3.1.3. Supplies costs in the operating period of purchase.
 - 1.3.1.4. The full cost of capital equipment in the year of purchase.

2. School Allocations

2.1. Regular/Outreach Schools

2.1.1 The total allocations available for regular/outreach schools (non-colony schools) will be funded through on a per student basis (**$A/B = C$; Funding Per School = $C \times AFTE$**).

2.1.1.1. To calculate the allocation available: **(A)**

ADD: Base Instruction Grants, Services and Supports Grants, Community-Based Grants

LESS: English as a Second Language (ESL) Grant

LESS: First Nations Metis Inuit (FNMI) Grant

LESS: Alberta Teachers Retirement Fund

LESS: Nutrition Services

LESS: Shared Services (General), including Inclusive Supports

LESS: Colony schools' allocations

LESS: Outreach program allocations

2.1.1.2. For each regular/outreach school an *Adjusted Full-Time Enrolment (AFTE)* will be calculated as follows: **(B)**

2.1.1.2.1. Use the weighted-moving average (WMA) based on 20% in the prior year, 30% in the current year, and 50% based on projected (spring budget) and actuals (fall budget);

2.1.1.2.2. High school enrolment will be adjusted for returning students, such that fourth year students are calculated as 0.5 FTE and fifth year students are calculated as 0.25 FTE;

2.1.1.2.3. Kindergarten and Pre-K students (funded) are calculated at 0.5 FTE;

2.1.1.2.4. Kindergarten for full-time students is calculated at 1.0 FTE;

2.1.1.2.5. Regular schools outside of the Town of Stettler will also qualify for the small school enrolment supplement, with an enrolment adjustment (increase) in accordance with the table approved by the Board of Trustees;

2.1.1.3. Each regular/outreach school and program will be allocated a share of the allocation pool for regular schools equal to its AFTE divided by the total AFTE for all regular schools. **(C)**

2.1.2 The following allocations to regular/outreach schools will be provided as follows:

2.1.2.1. ESL: based on actual WMA

2.1.2.2. FNMI: based on actual WMA

2.1.2.3. Inclusive Supports: as determined by the Superintendent based on need

2.1.2.4. Nutrition Services: as determined by the Superintendent based on need

2.1.2.5. Teacher Compensation: provided on the teacher FTE

2.1.2.6. Principal Leadership: regular schools of less than 150 students will be provided additional funding equivalent to 0.25 FTE based on average teacher costs to support principal leadership in small schools.

2.1.3 Outreach Program Allocations: The Alberta Government grant for outreach schools will be allocated to the following schools, where outreach programming is provided:

- William E. Hay SSC
- Gus Wetter School
- Coronation School

The allocation of the funds will be divided evenly among all schools, unless the distribution is determined to be different by the Board of Trustees during the budget process.

2.1.4 Allocations for shared services specific to a particular regular/outreach school will be recovered from those respective schools.

2.2. Hutterite Colony Schools

2.2.1 Colony schools will be allocated dollars based on the Alberta Government funding calculation for colony schools as follows:

ADD: ECS to Grade 9 Base Instruction Grant,

ADD: Rural Small Schools Grant (Hutterite Colony Schools) Will be base on Alberta Education's contribution and Clearview having the opportunity to top up in a value that is determined by the Board.

ADD: Differential Grants (e.g. English as a Second Language)

LESS: a contribution to the general shared services budgets using the percentage of grants approach (without consideration of technology shared services or support services supplement;

LESS: shared services specific to colony schools

3. Other Budget Centres

The Board will determine during the budget process the allocation of funds to all other budget centres. Funding for shared services is determined as follows:

3.1. Instruction shared learning supports: general shared services and budgets are determined by the Board from the recommendation of the Superintendent in consultation with division leadership including school principals.

3.1.1 Regular/Outreach Schools: shared learning support allocations for shared services are allocated as determined under Article 2.1.1.1.

3.1.2 Hutterite Schools: allocations for shared services determined through a percentage of grants approach*, excluding the following:

3.1.2.1. Technology Services

3.1.2.2. Technology Infrastructure Evergreening

3.1.2.3. Support Services Supplement

** The percentage of grants approach shall normally use all instructional grants, excluding ESL, FNMI, PUF, Outreach, ATRF, Nutrition, and one-time grants.*

3.2. Other instruction-shared learning supports

3.2.1 CTS Transfers (determined in consultation with the respective schools).

3.2.2 Student Devices Evergreening: allocated based on a per student calculation (WMA) for students in grades 3 to 12, excluding Hutterite Colony Schools.

3.2.3 Photocopier and Display Evergreening: the total amount requisitioned will be shared by all schools based on their funding allocation in comparison to the total school funding allocations of instructional grants. Targeted funding such as inclusive supports, FNMI, EAL, Outreach, etc., shall not be used towards contributions to this fund.

3.3. Inclusive Education: allocated as a shared services centre from the Specialized Learning Supports grant, Program Unit Funding (early learning), and external grants related to these services.

3.4. Facilities Services: determined using the Operations and Maintenance and Infrastructure/Capital Maintenance Renewal funding, with the intent to ensure equitable services across the Division.

3.5. Transportation Services: determined using Student Transportation funding, with the intent to ensure equitable services across the Division.

3.6. Administration: determined using the System Administration Grant.

4. Reserves

4.1. Reserves are identified in the following categories:

4.1.1 Unrestricted Reserves

4.1.2 Capital Reserves

4.1.3 Operating Reserves

4.2. The Board establishes the use and purpose of reserves at least annually.

4.3. Unrestricted Reserves may be used on approval of the Board, either through budget resolution or a motion of the Board.

4.4. Capital Reserves may be used on approval of the Board, either through budget resolution or a motion of the Board. Use of capital reserves for purposes other than a capital activity may require the approval of the Minister of Education.

4.5. Operating Reserves

4.5.1 Each Division operation (school and department) may accumulate an operating reserve of allocations not spent during the year. Reserves in specific operations may vary depending on circumstances.

4.5.2 In submitting budgeted expenditures, ending school reserves shall be no more than:

For schools with students less than 500:

The greater of \$25,000 or 5% of their allocations (Alberta Education)

For schools with students 500 or greater:

The greater of \$25,000 or 3% of their allocations (Alberta Education).

4.5.3 Schools that are in excess of the above or less than 0% of their annual allocations shall provide a plan and obtain approval from the Superintendent. The Superintendent shall inform the Board of any schools outside these guidelines, during both the budget process and throughout the year as needed. This article does not include School Generated Funds in the calculation.

4.5.4 Each operating reserve will be specifically identified by the Superintendent to have a person responsible for those dollars (Budget Manager).

4.5.5 Unplanned drawdowns of reserves (not reflected in the annual budget) must be communicated to the Superintendent by the Budget Manager.

4.5.6 The Board may establish an operating budget under the responsibility of the Superintendent to address unforeseen or unbudgeted circumstances. The Superintendent shall authorize the use of this budget. The Superintendent will communicate to the Board the use of this budget during the quarterly and annual financial activity reporting.

- 4.6. *(Effective August 31, 2022)* School Reserves: in addition to the above, unspent school reserves at the year-end will be considered with the following:
- 4.6.1 Where a school at the year-end is in excess of the allowable carried forward of unspent dollars (excluding school-generated funds) as outlined under Article 4.5.2, 50% of the remaining dollars above the guideline will be placed in a capital reserve (and/or will be provided to unrestricted reserves) as determined by the Board.
 - 4.6.2 The capital reserves will be tracked by school and that respective school will be able to access their capital reserve for capital purchases.
 - 4.6.2.1. capital purchases are purchases at or in excess of \$5,000 for a particular item and where it qualifies as a capital expenditure under the audited financial statement guidelines.
 - 4.6.3 Annually during the budget and year end processes, the Board will review school capital reserves to determine if and at which amounts the dollars will remain as overall capital reserves and/or the amount of capital reserves that will continue to be available to a respective school.

Reference: Section 33, 52, 53, 67, 68, 137,138,139,140,141,143,197,204,222 Education Act
Fiscal Planning and Transparency Act
Guide to Education ECS to Grade 12
Funding Manual for School Authorities

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