



Report: Funding the Front Lines

Is high administrative spending what is best for students?

How much money actually reaches the classroom?

Ensuring that all classrooms are adequately resourced is an essential part of school-level support for both teachers and students. Alberta has one of the highest per-student funding rates in Canada. Yet the reality is that education funding is not reaching the classroom. Teachers are spending their own money on classroom materials, parents are fundraising for basic education resources such as early reading books and high school students are paying for high school math workbooks out of their own pockets. In the case of the Calgary Board of Education (CBE), these expenses being levied on families come at a time when CBE school fees are already 50% higher than other metro boards.¹

Although the refrain for sufficient, predictable government funding is heard at every turn as the solution to every issue in education, little attention is being paid to where the money already being provided is going.²

Calgary comparison: the \$110 million difference

Previously, the CBE has confirmed 21-25% of its \$1.3 billion in funding is spent on administration/school supports, versus the CCSD's rate of 8.8%. Changing financial reporting formats makes it difficult to directly compare each category year by year, but using a conservative estimate, at least \$110 million more would be spent directly in schools if the CBE ran as efficiently as the CCSD.³

¹ <http://calgaryherald.com/news/local-news/cbe-fees-50-per-cent-higher-than-alberta-average>

² Our analysis pulls from available school board audited financial statements and budget updates as well as information collected through Freedom of Information and Protection of Privacy (FOIP) requests. Media reports and anecdotal evidence from teachers and parents supplement the analysis and fill gaps in publicly available official documents. Unfortunately, the CBE's recent changes in financial reporting make direct year-to-year comparisons impossible. This report focuses on the 2014-15 audited financial statements as they provide the most complete breakdown.

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<https://www.metronews.ca/news/calgary/2016/10/05/cbe-plans-ram-review-in-2-years-caps-c-wants-action-sooner.html>
| and
<http://www.metronews.ca/news/calgary/2015/09/21/parent-group-asks-government-to-review-cbe-school-funding.html>



Defining administration costs

The CBE indicates its administrative spending falls within the provincially mandated limit of 3.6%. But what is considered an administration expense? The CBE's audited financial statements reveal that the CBE defines 77% of its head office rent to "other programs" – and not administration (head office rent is \$14 million a year). If the rules allow this, then it appears that virtually all spending could be considered school supports instead of administration.

While we assume the CBE is complying with provincial regulations, it does show the financial reporting required by the province is woefully inadequate to provide an accurate picture of what administration costs really are. Parent groups have repeatedly asked the CBE to publish individual school budgets so that parents are able to see what funding is reaching the classroom. To date, the CBE has refused this request.

The illusion of spending on special needs

When the issue of high administration has been raised, the CBE assures parents and the public that there are a whole host of centralized special services. A trustee recently wrote a parent that "we also have a number of supports we send out to schools to support students from central services i.e braille specialists, psychologists." So how robust are these "central supports"? Kids Come First has obtained an internal document prepared for one of the CBE trustees. It shows that "Special Education central staff and contracted services; providing special needs for entire system/all schools (braille assets, mental health, etc.)" **accounts for only \$4 million out of \$157 million.**⁴ This is a mere drop in the bucket of the CBE's \$1.3 billion annual budget. Given this is an internal trustee document, it is unclear why trustees have not disclosed this key information.

Where could this additional funding be used?

- **More aides in elementary classrooms:** The average elementary school of 650 students has \$1.3 million in funding withheld for central admin/support. If that flowed to the school, there would be an aide in every classroom – and still enough to pay the CBE's "administration" charge of 2.9%.
- **Smaller high school class sizes:** High school class sizes – which often number 35 or more students for core subjects -- could be reduced. In 2013, the CBE cut high school funding by 11% and internal emails revealed there was no appreciation for how this

⁴ https://kidscomefirst.ca/wp-content/uploads/2017/01/CBE_breakdown_school_supports.pdf



would impact students.⁵ These cuts to the classroom were never restored, and high class sizes for core courses has become the norm.

- **Invest in future learning:** STEAM careers (science, technology, engineering, art and math) will be in heavy demand in the future. Other countries are moving to address this; for example, China is adding a 3D printer in every elementary classroom. More funds in the classroom could be used to fund professional development, provide needed technology and bring in new programs relevant for today's students and tomorrow's economy.
- **Funding the basics:** Returning funding to the classroom would mean that parents could stop fundraising for basic library books, lunch tables (so that students do not have to eat on the floor), professional development books for teachers, math manipulatives – and a whole host of other expenses that educators and the public see as a top priority.

This disparity between the two boards matches the anecdotal evidence that has been collected. In one case, a single mother working three jobs had to pay out of her own pocket for her child's educational assessment to ensure that her child – who was failing and had a clear learning disability – got the diagnosis that would help get her on the right path. This mother, who was told the waiting list was simply too long at the CBE school, went across the street to the CCSD school where she was advised that the student would have an assessment completed within a month of enrolment.

Why are key decisions made in secret?

In October 2016's CBE board package, Trustee Amber Stewart made a request to add a discussion of a CBE "sunshine list" to the agenda. This request was turned down in a vote that has not been made public. The irony of a sunshine list being debated in the dark is clear. While similar regulations governing public sector compensation transparency in British Columbia, Manitoba, Nova Scotia, Ontario and Saskatchewan compel school boards to publish compensation information, Alberta's Public Sector Compensation Transparency Act leaves the decision up to individual school boards.⁶ A published list of staff salaries and benefits would go a long way in increasing transparency and accountability.

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<http://www.metronews.ca/news/calgary/2013/10/20/cbes-top-official-surprised-by-depth-of-high-school-cuts-despite-giving-order-emails.html>

⁶ <http://edmontonjournal.com/news/local-news/darkness-shrouds-alberta-school-districts-pay-lists>



Some CBE trustees have offered some rather weak arguments around why this was done. Ultimately, as elected representatives, trustees should advise their constituents how they voted on this request. Instead, they point to their salary disclosure document online which only offers “averages” and does not include benefits, which can easily represent 20-25% of total compensation.

This secrecy is nothing new. Last year, parents put in a Freedom of Information Request (FOIP) request when the CBE failed to release any real data on busing costs. Trustees claimed they had not seen a breakdown of costs. However, the FOIP document showed that, in fact, trustees had been provided a detailed breakdown three months prior and also revealed there was an existing plan to move all children to a 2.4 km walk to their bus stop (notably CCSD’s elementary average stop was only 250m from a student’s home). This report existed prior to the CBE consulting with parents on busing, but was never disclosed.⁷

Increasing head office staff costs

Kids Come First’s extensive examination of the CBE’s 2014-15 audited statements has uncovered some areas that appear to show higher than normal staffing increases. For example, it whereas it seems the average salary/benefits package for a teacher in the schools is \$117,600 it appears the average package for a teacher downtown is \$155,000. Pay scales go up significantly for the Superintendent’s team where the Chief Superintendent’s total compensation was \$396,386 and the average salary (not including benefits) for the other six superintendents is \$226,500.⁸

Kids Come First has also analyzed the information provided for specific categories of the CBE budget. In Finance/IT department, a one person increase in the department’s staff translated into an overall \$1.9 million increase in salaries and benefits. The average package appears to be \$123,000 and would indicate an 8% overall increase. Similarly, in Human Resources, a one person increase resulted in a \$536,000 increase overall in salaries/benefits.

It is reasonable to expect these packages include all salaries, benefits, allowances, etc. Whether these are straight salary increases, payouts, or increases in other associated benefits or allowances, the net result is that these increases take funds away from the classroom, where

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<http://www.cbc.ca/news/canada/calgary/education-minister-to-investigate-cbe-congregated-bus-stop-decisions-1.3305757>

⁸ <http://www.cbe.ab.ca/about-us/budget-and-finance/Pages/compensation-disclosure.aspx>



they are needed most. Unfortunately, the CBE has refused to look at how they fund classrooms for a few years.⁹

When the Calgary Association of Parents and School Councils (CAPSC) met with Education Minister David Eggen in fall 2016, they provided him with a copy of the CBE's own document that demonstrated only 48% of new funding reached the classroom the previous year and asked for his assistance in solving this issue.¹⁰ To date, there has been no action taken by the Minister on this important issue.¹¹

Moving forward

Trustees are elected to provide real oversight. We acknowledge the effort Trustee Trina Hurdman has made in monitoring math and other areas, as well as Trustee Amber Stewart in bringing forward the Sunshine List agenda item. However, the overall CBE environment of incomplete information, refusal to release basic information and important decisions being made in secret are deeply troubling.

We fund what we value.

Kids Come First is calling for an independent review of "use of funds" to determine if the budget is being allocated to the highest and best use in support of our teachers and students. We hope trustees make the needed changes to ensure that our students are properly supported moving forward. Trustees need to complete an independent, third party "use of funds" review, stop making decisions in secret, disclose school budgets, participate in the sunshine list and provide information on a timely basis when asked.

Parents have sought the Education Minister's help before in this regard, but to no avail. Families who need help the most have little time to spare for political lobbying. We ask the

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<http://www.metronews.ca/news/calgary/2016/10/05/cbe-plans-ram-review-in-2-years-capsc-wants-action-sooner.html>

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<http://www.cbe.ab.ca/about-us/budget-and-finance/Documents/Budget-Briefing-2014-15-through-2016-17.pdf> and

<http://www.metronews.ca/news/calgary/2015/09/21/parent-group-asks-government-to-review-cbe-school-funding.html>

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<http://calgaryherald.com/news/politics/eggen-expresses-concern-about-cbe-spending-at-meeting-with-parents>



Minister to request a third party, independent review, with Kids Come First as a full partner in the review to ensure that the needs of students, families and the public are fully represented.