

May 2015

## Our School Division Reserves, what are the facts.

### 1. Do you really have \$12 million in operating reserves?

- Yes. However, \$1 million is from school generated funds that are produced by school councils through fundraising. Another \$400,000 is set aside as a reserve requirement for future benefit costs. We also expect a deficit of approximately \$1 million in the current school year. At the end of last year (2013-2014) we had \$10.6 million in reserves available and we project for the 2014-2015 school year, our reserves will be reduced to \$9.6 million.
- Alberta Education does not fund the first year of maintenance costs in new schools. For example, Father Henri Voisin School opened in September 2014 and approximately \$350,000 reserve funds were used to help with these costs.
- There has been little consistency in funding from Alberta Education. From year to year, depending on the current economic situation, there may be cuts to education funding or in some years an increase in funding. Best practices dictate that we set aside some money for the future, as we cannot count on sustainable consistent funding.
- Through strategic and responsible spending, we expect our reserves to be reduced significantly in the next few years.

### 2. How do you expect to use your operating reserves?

- The past several years have seen instability in school boards operating budgets. Each year in March, we, along with other school Division's, wait in anticipation for the provincial budget wondering whether there will be funding cuts or increases. For example, in the last five years, we were funded a transportation fuel rebate, which was removed and then reinstated and then removed again. We anticipate using approximately \$350,000 from reserves to offset this reduction in funding in the 2015-2016 school year alone.
- In some years we were provided additional funds for curriculum changes and in some years we did not (i.e. funding to purchase new textbooks and materials). It is the role of the school board to provide education to our students that is consistent from year to year. Therefore, we use our reserves to accommodate that desire. For example, new resources for the Religious Education Program are being ordered to support the new national curriculum. These resources will cost approximately \$55,000 (Grade 1) and \$110,000 (2 grades per year) each year for the next 4 years.
- Over the last several years there has been significant changes in the composition of students in our classrooms. Teachers are being asked to instruct students with increasingly diverse needs. In order to assist our teachers with these complex needs, we have added supports in terms of teachers with specific skills sets in our schools to work along classroom teachers, as well as increased the amount of professional development offered. We expect to carry

out this project for three years after which time we feel that our staff will be well prepared for the diverse classroom population. The majority of the funding for this three year project will be from reserves and cost approximately \$1.2 million.

- With the onset of the Alberta Government's Inspiring Education document and the Ministerial Order of Student Learning (May 2013), it is clear that school districts within the province need to start investigating learning opportunities that do not fit the traditional definition of the Kindergarten - Grade 12 education system. As a result of this change in direction, Dual Credit and High School Flexibility Enhancement Pilot opportunities were initiated by the Alberta Department of Education to allow students to experience education in a pluralistic manner. At Red Deer Catholic Regional Schools, both of these new student learning opportunities were explored along with the implementation of the Ministerial Order of Student Learning which increased the amount of professional development requirements for teachers. These items cost the school division approximately \$200,000 all of which is funded from reserves.
- There is an increase in mental health concerns in school communities across the province in addition to limited access to qualified support and resources for students, families and staff. Red Deer Catholic Regional Schools has implemented a new Model of Student Support, named MS2, to aid in the creation of a comprehensive mental wellness support for staff and students. MS2 is a proactive support for mental wellness and is one more component Red Deer Catholic Regional Schools is using to adopt Alberta Catholic School's Model of Full Inclusion. Implementation of the MS2 involves the employment of a student support team including a Mental Health Consultant, Family School Wellness team, Behavior Specialist, Psychologist, Cognitive Learning Specialist, and a Director of Inclusive Learning. Together each member of this team works within schools to model best practice techniques for counsellors, inclusive lead teachers, and other staff members to build enduring mental health and wellness capacity across the RDCRS division. Although we are expecting to fund this model on an ongoing basis, we will be using reserve funds until it can be funded out of our operating funds provided through Alberta Education grants. These items cost the school division approximately \$600,000, which is funded from reserves.

**3. Why are you charging a fee for transportation if you have money in reserves?**

- We presently do not receive any transportation funding from Alberta Education for students that live under 2.4 km from their school and have been absorbing this cost using our reserves for many years.
- Our Transportation Department has been running a deficit of approximately \$400,000 per year largely due to transporting students less than 2.4 km.
- Transportation funding is provided by Alberta Education for students living 2.4 km and beyond from their school. Many other school boards have already chosen to charge for transportation costs and we must also do the same, starting in the 2015-2016 school year, as our current practice of transporting students who live between 1.6 km and 2.4 km for free is not financially sustainable.

**4. What is the Division doing to ensure the funds received from Alberta Education are spent efficiently?**

- All operating budgets are monitored on an ongoing basis to ensure we are good stewards of the funds under our care. We are constantly assessing the budgets of all departments and schools to find the most effective and efficient ways to spend dollars and when we find savings, we look at ways that we may divert the funds to make a difference in the lives of our students.
- The power in all of our facilities (lights, computers, photocopiers, etc.) automatically shut off in the evening, which is a significant cost saving.
- Partnerships are signed with other school boards to provide cooperative busing. Many of the buses in our fleet were purchased second hand and retrofitted to bring them to the safety standards.
- Many purchases are done centrally to ensure we take advantage of any volume discounts available and that departments are spending funds in an effective manner.
- The above examples are just a few of the areas that we have managed to reduce costs over the years.

**5. Why do you spend money on advertising?**

- Central Alberta has many growing communities. Therefore, it is important that we inform parents and the community about the opportunity, availability, and benefits of Catholic Education. This gives parents the option to choose what school they send their child/children to. We have cut back on our advertising, but still feel a small portion is necessary. Our division only needs one additional student to enroll per year for our radio ads to be financially efficient.
- We have increased our social media and online presence as a way to communicate and lightly advertise. This method is inexpensive and cost effective.