

Our Ref. 71900

February 28, 2002

To: All Superintendents of Schools
All Secretary-Treasurers

Re: Estimated Operating Grants for 2002/03

The estimates for the 2002/03 operating grants have been completed for the 60 school boards using the new, student-based funding formula that was approved by Cabinet on February 19, 2002. These allocations are based on the provincial allocation of \$3.79 billion that was announced on February 1, 2002, and on projected enrolment of 580,413 FTEs for the 2002/03 school year.

CHANGES TO THE FUNDING ALLOCATION SYSTEM

Detailed information on the changes to the Funding Allocation System is included in the Operating Grants Manual. The following highlights changes from 2001/02.

In the new student-based funding system, almost all of the specific program and service level funding has been merged into the basic allocation. This includes specific funding for different types of schools, growth in certain language programs, school board operations and administration, trustee allowances, parent advisory councils, career programs, portable moves, square meters, etc. The only programs specifically identified for funding are:

- English as a Second Language
- Aboriginal Education
- Special Education (3 levels of special needs)
- Adult Education

In addition, the only service that will be specifically funded is Transportation and Housing.

Leases

Leases will now be funded separate from the operating grants. They will continue to be funded on an approval basis and will be managed on a district-by-district basis.

PLN and Learning Resources

Funding for PLN support will continue. As these funds are managed at the provincial level on the behalf of school boards, they will no longer be shown on the operating grant summary sheets that each board receives.

The portion of the Learning Resources money that went to school boards has been merged into the basic allocation. The portion that is managed provincially will continue and will no longer be referred to on the school board summary sheets.

Student-based Allocation

The student-based allocation does not distinguish between a regular school-aged student and a Distributed Electronic Learning (DEL) student.

Targets and Caps

A key feature of the new student-based funding formula is the removal of all funding caps (including DEL) and all but one funding target. The only remaining target is on Aboriginal Education. Funding allocated for Aboriginal Education programs must be spent in this area only. All other areas of funding can be allocated according to the priorities determined by each board.

Program Funding

Funding for English as a Second Language, Aboriginal Education, Adult Education, and three levels of special needs will continue. The programs are now referred to as “Unique Student Needs.” The three levels for special needs students are the categories previously known as Severe Behaviour, Severe Handicapped and Dependent Handicapped. Funding for all these programs, with the exception of Adult Education, will be finalized based on actual September 30, 2002 enrolments.

Funding for Adult Education programs remains at \$45.3 million. For the 2002/03 estimate of the operating grants to school boards, each board was allocated the same level of funding that it received for Adult Education in their 2001/02 final. This program is under review, and it is anticipated that this supplement will be recalculated in the fall using new guidelines.

Enrolment Decline

This feature of the previous Funding Allocation System has been retained and enhanced. The threshold and the funding levels have both been improved.

Teacher Salaries

This feature has also been retained and has been simplified in the new student-based funding formula. The salary differential between districts will be updated each spring and the funding finalized each fall with actual enrolment data.

Geographic Factors

The unique geographic characteristics of each district continue to be recognized. This funding is now provided in one grant, based on:

- population
- low enrolment within a community
- distances between the board office and each school
- climate, and
- remoteness

Grant Recalculation

Operating grants will be finalized in Fall 2002, once actual enrolments are confirmed.

The Budget Instruction Manual for 2002/03 is being provided to school districts as a separate document.

If you have any questions about the funding allocations, please contact Hilary Brown, Beverley Shaw, Marguerite Stone or Michael Lebrun at (250) 356-2586.

Yours sincerely,

Keith Miller
Director