

TELE-FACTS

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Educational Finance in Alberta (Gr. 1-12)

AN ADDRESS BY

Hon. R. H. McKinnon

DECEMBER 7th, 1965



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Hon. R. H. McKinnon:

Good Evening, Ladies and Gentlemen:

It is my pleasure to appear on this "Tele-Facts" program to bring you some facts on educational finance in Alberta. I will confine my remarks this evening to financing the Grades I to XII system in the Province. As you know, the Grades I to XII system is under the jurisdiction of your local school authorities, i.e. school boards, county councils and divisional boards. The school authorities finance their operations of schools mainly from two sources:

1. Revenue from Foundation Program Fund payments,
2. Supplementary requisitions. These are extra taxes levied by local boards to meet local requirements over and above the Foundation Program Fund payments.

The Foundation Program Fund receives its money from two sources:

1. The 26 mills on equalized assessment levied on all property holders in the Province.
2. Contributions to the Fund from the general revenue of the Province.

In the current year the 26 mill levy on equalized assessment amounted to \$66,400,000.00
The amount provided from general revenue of the Province amounted to 79,300,000.00
\$145,700,000.00

This then made a total of \$145,700,000.00 for the School Foundation Program Fund and other miscellaneous grants.

This amount of money is distributed to school authorities in accordance with the School Foundation Program Regulations. These are set up to give distribution of funds in such a way that local authorities can provide educational opportunity as equal as possible for each pupil in the Province.

The major provisions in the Regulations at the present time are these:

- | | |
|--|-----------|
| 1. For each elementary pupil | \$ 238 |
| 2. For each junior high school pupil | 240 |
| 3. For each high school pupil | 260 |
| 4. For each teacher with less than two years' training | 350 |
| 5. For each teacher with two years' training | 900 |
| 6. For each teacher with three years' training | 1,650 |
| 7. For each teacher with four years' training | 2,650 |
| 8. For each teacher with five years' training | 2,950 |
| 9. For each teacher with six years' training | 3,250 |
| 10. For each vocational shop facility | 1,500 |
| 11. For each pupil enrolled in vocational courses in Grade XI or Grade XII | extar 150 |
| 12. An amount to cover transportation costs. This is somewhat involved so I will not take the time on this short program to explain in detail. | |

13. An amount in respect of the costs of administration.
14. An amount to reimburse boards for their expenditures during the year for the retirement of approved debentures and short term capital loans. The current level of support is up to \$14.00 per square foot for approved space as determined by the School Buildings Board. This will be raised to \$16.00 per square foot in 1966.
15. There are a number of other areas for which payments are made from the Fund, including librarians, superintendents, intern-teachers and supervisory officers of a board.

I trust the foregoing will help you to refresh your memory on the operation of the School Foundation Program Fund.

If a school authority can finance its operations from the money obtained from the School Foundation Fund payments, it will not need to ask for supplementary requisitions from its local taxpayers. During the current year fifty-one school boards operated with no supplementary requisitions on their local taxpayers. There were 162 local authorities who required supplementary requisitions from their local taxpayers. The mill rates for supplementary requisitions ranged from 0 to 22.5 mills. The total amount of money raised from supplementary requisitions was \$15,700,000.

Thus, to summarize, let us see what our Grades I to XII system cost the people of Alberta in the current year, and let us see how the money was provided. Supplementary requisitions and miscellaneous revenue of boards, which were not in the previous figures, have been added.

1. Total raised by 26 mills on equalized assessment	\$ 66,400,000.00
2. Total provided by provincial funds:	
(a) To School Foundation Program Fund	\$76,800,000.00
(b) School Grant Regulations	<u>2,500,000.00</u>
	79,300,000.00
3. Total provided by miscellaneous revenue of school boards	3,600,000.00
4. Total provided from supplementary requisitions	<u>15,700,000.00</u>
Total cost of grades I to XII system	<u>\$165,000,000.00</u>

All figures are rounded off for convenience.

This amount of money provided education for 364,100 pupils at an average cost of \$453.00 per pupil. You will note that the property tax made up of the 26 mills on equalized assessment plus the supplementary requisitions provided for 49.75% of the expenditures, and provincial revenues provided for 48.07% of the expenditures in the Grades I to XII system. The balance, or 2.18%, came from miscellaneous revenues of school boards.

Your Provincial Government has been concerned about the increasing necessity of supplementary requisitions and especially the increases in total amount of the supplementary requisitions. In 1961 the amount raised by supplementary requisitions was \$6,324,000.00. In 1965 the amount was \$15,700,000.00. The 1965 figure is thus about 2½ times the 1961 figure.

In order to help your school board reduce your taxes your Government has decided to add \$20,000,000.00 toward the support of elementary and secondary education in the Grades I to XII system. Of this increase about \$7,000,000.00 will be required to take care of the natural increase in numbers of pupils and teachers. This leaves \$13,000,000.00 to be devoted to increased level of assistance. At the moment the new formula has not been worked out. It is our intention to have this completed as soon as possible so that school authorities may proceed with preparation of their budgets for the next year.

Let us now take a look at the estimated effect of placing an extra \$20,000,000.00 toward the support of elementary and secondary education next year. To do this let us compare 1965 with what we estimate will be the situation in 1966.

Estimated school board expenditures —

<u>1965</u>	%	<u>1966</u>	%
\$165,000,000	100	\$180,000,000	100
Deduct —			
1. 26 mills on equalized assessment			
66,400,000	40.23	67,800,000	37.67
2. Provincial general revenue			
79,300,000	48.07	99,000,000	55.00
3. Miscellaneous revenues of school boards			
<u>3,600,000</u>	2.18	<u>5,000,000</u>	2.78
<u>\$149,300,000</u>		<u>\$171,800,000</u>	
Balance — Supplementary requisition			
<u>\$ 15,700,000</u>	9.52	<u>\$ 8,200,000</u>	4.55

It is well to bear in mind that the 1966 figures are only estimates at this stage, but they are based on our past experience and this should

be reasonably accurate. Using these figures as an example, you can see that supplementary requisitions made up 9.52% of the total budget in 1965, but this is reduced to 4.55% of the total budget for 1966. Thus, instead of increasing, as has been the pattern, the supplementary requisitions should be decreased substantially during 1966.

I should also point out that in addition to the above, substantial amounts of money have been provided for vocational high schools throughout the Province. These are part of the shared-cost programs under the Canadian Vocational Training Agreement in which the Federal and Provincial governments share the costs. During 1965 approximately \$15,000,000.00 was spent on vocational high schools and in excess of \$20,000,000.00 will be required in 1966. We now have fifty schools in the province which have vocational offerings under this program.

The figures used in this telecast have been rounded off for convenience, but I hope they will give you a better understanding of the way in which the Grades I to XII system is financed in this Province.

Thank you and good-night.