

7. Results Analysis

Alberta's knowledge-based economy requires innovative, well-educated, skilled and adaptable citizens. This is reflected in Alberta Learning's new vision: the best learning system in the world. The department, through its leadership and work with stakeholders and partners, will ensure that Albertans are prepared for lifelong learning, work and citizenship as contributing members of society.

A main focus in 2003/04 for the basic learning system was the development of the three pillars of the Renewed Funding Framework: formulas, flexibility and accountability. As part of the Accountability Pillar, the department began implementing the outcomes and measures for the Kindergarten to Grade 12 learning system developed by the Review Committee on Outcomes. In launching the Accountability Pillar, more than 270,000 students, parents, teachers and administrators were surveyed. In addition, jurisdiction funding profiles were developed for the Formula Pillar to enable school jurisdictions to address the unique needs and circumstances of their communities.

Alberta Learning's results reflect ongoing improvement. In 2003/04, we improved or met targets on many performance measures. For the first time, public satisfaction with the basic education system exceeded 70%. As well, satisfaction levels of post-secondary graduates and employers remain high. Our high school completion rate continues to increase, and a high percentage of partners and stakeholders agree that department staff are collaborative, responsive and flexible.

A number of initiatives during the year supported the educational success of Albertans. The Ministry implemented the First Nations, Métis and Inuit School Community Learning Environment Project in 16 pilot jurisdictions, and through our work on the Aboriginal Policy Initiative, we are integrating Aboriginal historical, cultural and spiritual content into a revised social studies program for Grades K-12.

The Ministry continues to play a key role in several other cross-government initiatives, such as co-chairing the Alberta Children and Youth Initiative. We are involved in a number of collaborative agreements and partnerships with other provincial jurisdictions, such as British Columbia and the Northwest Territories. We also worked with the federal government and other provincial jurisdictions on initiatives like the Pan-Canadian Online Learning portal, launched by the Council of Ministers of Education, Canada (CMEC). In collaboration with CMEC, we led the development of a national student assessment program, and we represented provinces and territories in our work with the federal government to improve student financial assistance programs and to promote accessible and affordable post-secondary education.

As well, over 48,000 Albertans improved their basic literacy, English as a second language or employability skills through community-based programs funded by the department.

Our successes are a testament to the collaboration among government, industry, post-secondary institutions, schools, teachers, parents and students. Our new vision statement challenges the department and our partners to maintain high levels of innovation, creativity and collaboration. Working together, we will continue to achieve exceptional results and provide outstanding experiences for all Alberta learners.

[Original Signed by]

Maria David-Evans
Deputy Minister
Alberta Learning



Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Information

To the Members of the Legislative Assembly

In connection with the Ministry of Learning's performance information included in the *2003-2004 Annual Report of the Ministry of Learning* as presented on pages 18 to 38, and pages 203 to 214, I have:

Core Measures

1. Agreed information from an external organization to reports from the organization.
2. Agreed information from reports that originated from organizations included in the consolidated financial statements of the Ministry to source reports. In addition, I tested the procedures used to compile the underlying data into the source reports.
3. Checked that the presentation of results is consistent with the stated methodology.
4. Checked that the results presented are comparable to stated targets, and information presented in prior years.
5. Checked that the core performance measures, as well as targets, agree to and include results for all of the measures presented in Budget 2003.

Supplemental Information

6. Agreed the information to source reports. In addition, I checked that the supporting narrative is consistent with the information.

As a result of applying the above procedures, I found no exceptions. These procedures, however, do not constitute an audit and therefore I express no opinion on the performance information included in the *2003-2004 Annual Report of the Ministry of Learning*.

[Original Signed by]
Fred J. Dunn, FCA
Auditor General

Edmonton, Alberta
September 21, 2004

Ministry Performance

Goal 1 – High Quality Learning Opportunities for All

In support of this goal, in 2003/04:

- The Ministry provided more than \$3 billion in operating grants to school boards to continue to provide high quality programs for K-12 students. Included in this amount was \$37 million recommended by Alberta's Commission on Learning.
- Operating grants of almost \$1.2 billion were provided to post-secondary institutions. This funding went toward the provision of a diversity of high quality programs by Alberta's post-secondary institutions.
- In response to industry needs, the Ministry provided \$20 million as part of Access funding to increase access to Apprenticeship and Industry Training programs.

✓ Met target

Results from base year for measures without targets or not meeting targets (taking the confidence interval into account):

= No change

↑ Improved Performance

↓ Performance decline

Goal 1 has four outcomes: the learning system meets the needs of all learners, society and the economy; all Albertans can participate in quality learning; the learning system is affordable; and financial need is not a barrier to learners participating in learning opportunities. There are six Ministry core measures to assess and report on these outcomes, five of which have targets. Targets were met on four of these measures, performance declined on one measure and remained unchanged on one. Rather than relating solely to funding for the 2003/04 fiscal year, achievement of results for the core measures reflects a cumulative amount of effort and funding over a number of years. Below are the performance highlights for 2003/04 for this goal.

PERFORMANCE HIGHLIGHTS

Satisfaction with Education or Training

- ✓ **Basic Education** – A substantial majority of the public (71%) remains satisfied with the overall quality of basic education. The target was met.

Apprenticeship and Industry Training –

✓ **On-the-Job Training** – The percentage of recent Apprenticeship graduates satisfied with their on-the-job training increased to 93%. The target for the most recent year (2002/03) was met.

✓ **Technical Training** – The percentage of recent Apprenticeship graduates satisfied with their technical training increased to 95%. The target for 2002/03 was met.

- ✓ **Post-secondary Education** – A large majority (79%) of post-secondary graduates

are satisfied with the overall quality of their education, meeting the target.

Satisfaction with Access

= **Access to Lifelong Learning** – A substantial majority of the public (72%) continues to be satisfied that adult learners have access to the education and training they want.

OPPORTUNITIES FOR IMPROVEMENT

↓ **Affordability of the Learning System** – While half the public (50%) agrees that the learning system is within the means of most Albertans, results have declined over time. Alberta Learning continues to increase assistance to post-secondary learners and to enhance awareness of planning for post-secondary studies, including the availability of financial assistance and the return on investment in education.

GOAL 1 CORE MEASURES

Quality of Basic Education

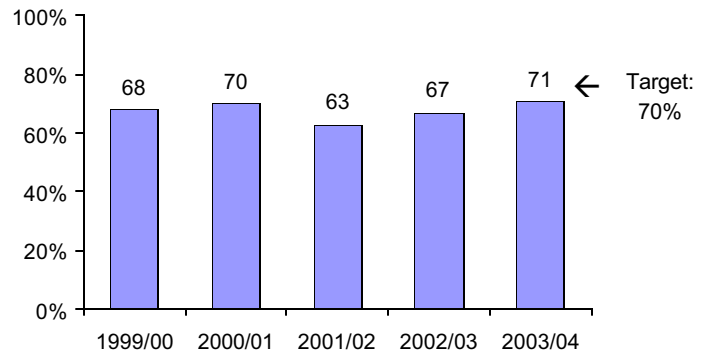
TARGET:

- The target was met.

DISCUSSION:

- Over 70% of the public are satisfied with the overall quality of basic education.
- There has been a gradual increase over time in public satisfaction levels, with some variation from year to year.

Percentages of the Public Satisfied with Overall Quality of Basic Education



Source: Alberta Learning: Criterion Research Corp. – 2000, 2001; R.A. Malatest & Associates – 2002, 2003; Compustat Consultants Inc. – 2004.

Note:

- See Endnote A, pages 203-207, for information on surveys conducted for Alberta Learning.

Quality of Apprenticeship Training

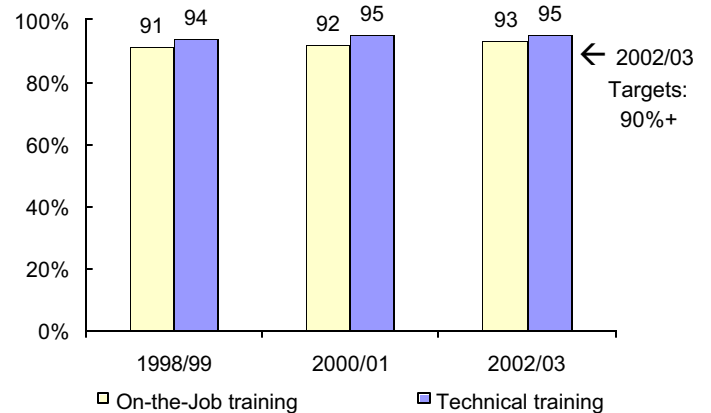
TARGET:

- No targets were set for 2003/04, as a biennial survey last conducted in 2002/03 is the data source for this measure. The targets for 2002/03 were met.

DISCUSSION:

- Very high percentages of recent apprenticeship graduates continue to be satisfied with the quality of their on-the-job and technical training.
- Results of the survey in 2002/03 indicated a gradual increase to 93% in satisfaction with on-the-job training, while satisfaction with technical training increased slightly to 95% in 2000/01 and remained at that level in 2002/03.

Percentages of Recent Apprenticeship Graduates Satisfied with their On-the-Job Training and Technical Training



Source: Alberta Learning: Nichols Applied Management – 1999 and 2003, R.A. Malatest & Associates – 2001.

Notes:

- Graduates of apprenticeship programs in 1997/98, 1999/2000 and 2001/02 (based on the August 1 – July 31 year) were surveyed six to 18 months after graduation.
- In 2000/01 and 2002/03 only graduates who took technical training as part of their apprenticeship program are included in the results for satisfaction with technical training. It was not possible to separate these respondents from the total in the 1998/99 survey. The number of respondents to the technical training question was 2,821 in 2002/03 and 2,567 in 2000/01 with a confidence interval of plus or minus 0.4% for both years, reflecting a finite population factor, which is more appropriate for the size of this population.
- See Endnote A, pages 203-207, for information on surveys conducted for Alberta Learning.

GOAL 1 CORE MEASURES

Quality of Post-secondary Education

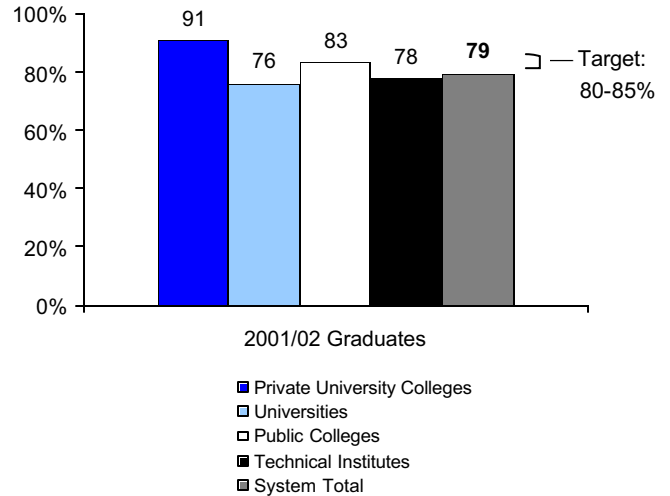
TARGET:

- The target was met, as the result is within 95% of the target.

DISCUSSION:

- A large majority of 2001/02 graduates (79%) surveyed in 2003/04 was satisfied with the overall quality of their post-secondary education.
- Results were strong in each sector as well, ranging from 76% for universities to 91% for private university colleges.
- Only 6% of respondents expressed some level of dissatisfaction with the overall quality of their education, and 15% expressed neither satisfaction nor dissatisfaction.
- 2001/02 graduates of certificate, diploma and degree programs were surveyed two years after graduation as part of the new combined post-secondary graduate satisfaction and employment survey. Previous satisfaction surveys were exit surveys, conducted at the time of graduation, and also included adult learners completing preparatory and basic upgrading programs.
- The results of the 2003/04 survey are not comparable to the results of the previous surveys. For those results, see Alberta Learning's 2002/03 Annual Report.

Percentages of Recent Post-secondary Graduates Satisfied with the Overall Quality of Their Education (new methodology)



Source: Alberta Learning.

Notes:

- Graduating students in parchment programs (i.e., certificate, diploma and degree programs) are surveyed every other year.
- See Endnote A, pages 203-207, for other information on the surveys conducted for Alberta Learning.

GOAL 1 CORE MEASURES

Access to Lifelong Learning

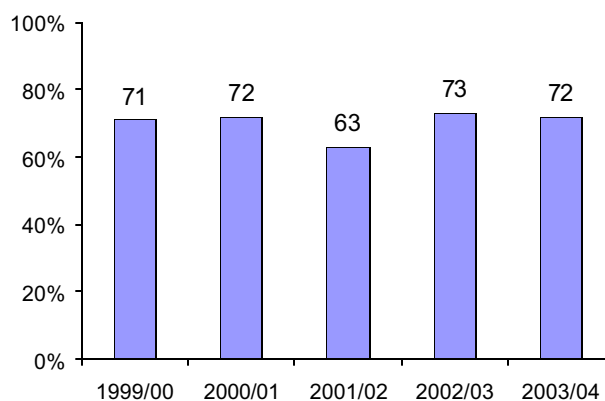
TARGET:

- No target was set for 2003/04 in the 2003-06 Business Plan, as there was only one year of results for the new question.

DISCUSSION:

- A substantial majority of the public is satisfied that most adults have access to the education or training they want.
- Satisfaction in 2003/04 is consistent with the longer term trend.
- Other information from the annual public surveys provides additional perspectives on Albertans' access to learning opportunities:
 - The proportion of adults reporting participation in education or training has been relatively stable in recent years at about 33%.
 - For those not taking education or training in 2003/04, the reasons cited most often were “lack of time” (by 20% of respondents) and “no need/not required by job” (by 18% of respondents). In recent years, these have ranked consistently as the top two reasons given, and together have accounted for about 40% of all responses each year (see table on next page).

Public Satisfaction that Most Albertans have Access to Education and Training



Source: Alberta Learning: Criterion Research Corp. – 2000, 2001; R.A. Malatest & Associates – 2002, 2003; Compustat Consultants Inc. – 2004.

Notes:

- This measure reports the weighted average result of questions asked of two components of the public: adult learners (those who reported taking education or training in the last 12 months) and adult Albertans who did not take education or training in the last 12 months.
- The wording of the question asked of adult learners was clarified in the 2002/03 survey. In previous years, adult learners were asked about their satisfaction that “**most adults** are able to access the education or training **they** want”. Starting in 2002/03 they were asked about their satisfaction that “**you** are able to access the education or training **you** want”.
- See Endnote A, pages 203-207, for information on surveys conducted for Alberta Learning.

GOAL 1 CORE MEASURES

Affordability of the Learning System

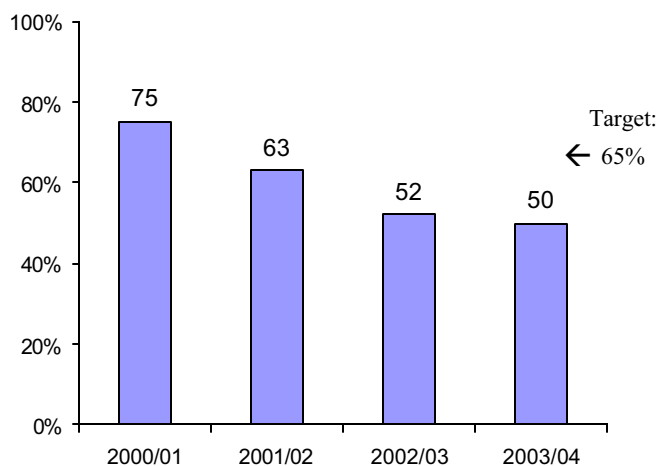
TARGET:

- The target for 2003/04 was not met.

DISCUSSION:

- Half of the public agrees that the learning system is within the means of most Albertans (about 43% disagree and 7% are uncertain). While agreement levels have declined since 2000/01, the result in 2003/04 is similar to the prior year.
- Notwithstanding these results, the actual participation of adults in education or training (including training at work) has been relatively stable in recent years (see the discussion on the previous page).
- Of adults who did not take education or training in the past 12 months (two-thirds of those surveyed), only 9% cited cost as the reason. “Costs too much” consistently ranks 4th to 6th in the list of primary reasons given. In recent years, between 7% and 11% of respondents provided cost as the primary reason for not participating in education or training.
- Government increased funding in 2003/04 to adult learners in the form of Heritage Scholarships, student loan relief, bursaries and other grants by \$8.6 million (10.8%) over the prior year.

Percentages of the Public who Agree that the Learning System is Within the Means of Most Albertans



Sources: Alberta Learning: Criterion Research Corp. – 2001; R.A. Malatest & Associates – 2002, 2003; Compustat Consultants Inc. – 2004.

Notes:

- In the survey, the learning system is defined in the introduction to a series of questions. The two questions preceding this one start: “Thinking about Alberta’s learning system as a whole – that is, including elementary, junior and senior high schools, apprenticeship, and post-secondary institutions...” In the question for this measure, respondents are simply asked: “Again – thinking about the learning system as a whole – would you strongly agree, agree, disagree or strongly disagree that Alberta’s learning system is within the means of most Albertans?”
- The sample size for this question was 1,067 in 2000/01, with a confidence interval of plus or minus 3% .
- See Endnote A, pages 203-207, for other information on surveys conducted for Alberta Learning.

Primary reasons for not taking education or training (percentages of respondents, and rank among all reasons)

	1999/00	2000/01	2001/02	2002/03	2003/04
Lack of time	27% (1)	29% (1)	18% (2)	18% (2)	20% (1)
Not necessary	26% (2)	25% (2)	25% (1)	25% (1)	18% (2)
Age/retired	9% (3)	10% (3)	9% (5)	16% (4)	9% (5)
Not interested	8% (4)	--	--	--	--
Family obligations	8% (5)	7% (5)	12% (3)	--	--
Costs too much	7% (6)	8% (4)	11% (4)	8% (5)	9% (4)
Working/Self employed	--	--	--	18% (3)	14% (3)

Sources: Alberta Learning: Criterion Research Corp. – 2000, 2001; R.A. Malatest & Associates – 2002, 2003; Compustat Consultants Inc. – 2004.

Goal 2 – Excellence in Learner Outcomes

In support of this goal in 2003/04:

- The Ministry provided a total of \$132 million through the Access Fund to post-secondary institutions to increase post-secondary enrolment in high-demand programs.
- The Ministry supported community-based programs with \$19.7 million to provide post-secondary and continuing education courses for adults, including adult literacy, adult English as a Second Language, business, academic upgrading and university transfer.
- To give Alberta’s children the best start possible, government allocated \$187 million to public and private early childhood services programs.
- Approximately \$5.5 million was provided to school jurisdictions for the First Nations, Métis and Inuit (FMNI) education program.
- The Ministry provided approximately \$20 million to school boards for English as a Second Language (ESL) programs.
- Funding for services for students with severe special needs in Grades 1-12 was \$181 million.
- To enable school jurisdictions to purchase additional learning resources, the Ministry allocated \$20 million in one-time resource grants.
- Funding of \$10 million was provided to post-secondary institutions through the Performance Envelope to recognize achievement of results.
- The Ministry provided over \$57 million in scholarships and bursaries to Alberta’s post-secondary students, including apprentices, for their achievements.

✓	Met target
	Results from base year for measures without targets or not meeting targets (taking the confidence interval into account):
=	No change
↑	Improved performance
↓	Performance decline

Goal 2 has five outcomes: learners demonstrate high standards; learners complete programs; learners are well prepared for lifelong learning; learners are well prepared for employment; and learners are well prepared for citizenship. There are ten Ministry core measures for the goal of Excellence in Learner Outcomes, six of which have targets. Rather than relating solely to funding for the 2003/04 fiscal year, achievement of results for the core measures reflects a cumulative amount of effort and funding over a number of years. Following are the 2003/04 performance highlights for this goal.

PERFORMANCE HIGHLIGHTS

Student Achievement

Grade 3, 6, 9 Achievement Tests

✓ At the standard of excellence, the targets for overall results on provincial achievement tests were met both for all students and those writing.

↑ From 1999/2000 to 2002/03, overall results improved for students who wrote achievement tests at the acceptable and excellence levels and

for all students at the standard of excellence (2003/04 overall results are not comparable to prior years).

↑ **Grade 12 Diploma Examinations** – Students achieved provincial expectations on a larger portion of diploma examinations in 2002/03 and 2003/04 than in earlier years.

Educational Attainment

- ✓ **High School Completion in the Basic Learning System** – The high school completion rate within five years of entering Grade 10 rose to 75%. The target was met.
- ✓ **Apprenticeship Completion** – The apprenticeship completion rate has increased slightly over time, meeting the target.
- ✓ **High School Completion of Albertans 25-34** – The high school completion rate of Albertans aged 25-34 remained high at 89%. The target was met.
- ✓ **Post-secondary Completion of Albertans 25-34** – The percentage of Alberta's 25-34 year olds who complete post-secondary programs has increased over time, meeting the target.

Readiness to Learn

- ↑ **Early Childhood Services** – The percentage of students who participated in Early Childhood Services programs prior to Grade 1 has increased slightly over time to 96%.

Preparation for Lifelong Learning

- ✓ **Preparation for Lifelong learning** – Public agreement that adult learners are well-prepared for lifelong learning has increased slightly to 77%. The target was met.

Preparation for Employment

- ↑ **Employment Rate of High School Graduates** – The employment rate of high school graduates aged 25-34 has increased to 84%.
- = **Employment Rate of Certificate/Diploma Graduates** – The employment rate of adult Albertans aged 25-34 who have completed a post-secondary certificate/diploma has remained high at 86%.

- = **Employment Rate of Degree Graduates** – The employment rate of adult Albertans aged 25-34 with a university degree has remained high at 88%.

Preparation for Citizenship

- ✓ **High School Student Preparation for Citizenship** – Public satisfaction that high school students are well prepared for citizenship (61%) has increased, meeting the target.
- ✓ **Adult Learners Preparation for Citizenship** – Public satisfaction that adult learners are well-prepared for citizenship has increased over time to 66%. The target was met.

OPPORTUNITIES FOR IMPROVEMENT

- ↓ **Provincial Achievement Tests** – Overall results for all students at the acceptable level declined from 1999/2000 to 2002/03. Alberta Learning has restructured funding to school jurisdictions to provide more flexibility for addressing student needs, and has increased targeted funding to reduce class sizes and to enhance learning for students who need specific programs, such as early literacy. These funding changes may improve overall student results in future years.
- ↓ **Post-secondary Completion** - The completion rate of students in Alberta public post-secondary institutions in 2002/03 was 61% for university students and 59% for college and technical institute students. The Performance Envelope has been revised to include institutional post-secondary completion rates. This is an incentive to post-secondary institutions to increase their completion rates, which may improve provincial results in future years.

GOAL 2 CORE MEASURES

Achievement Test Results Overall

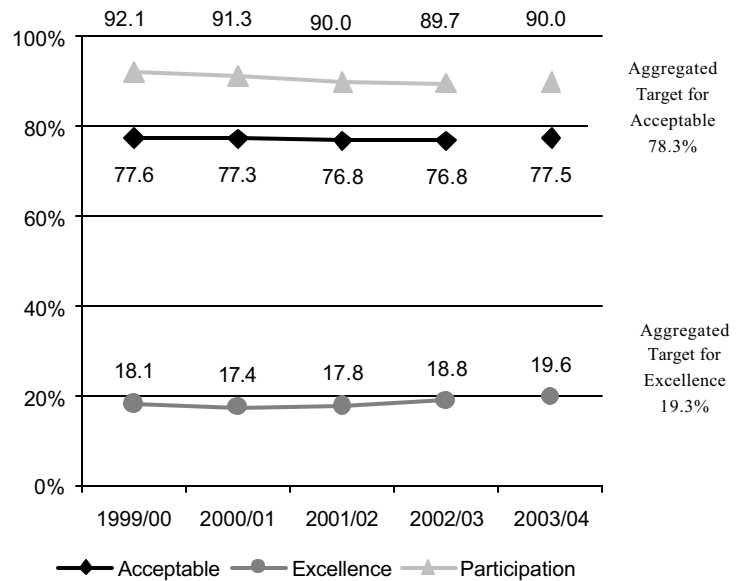
TARGETS:

- The aggregated targets for overall results on provincial achievement tests in grades 3, 6 and 9 at the standard of excellence were met.
- The aggregated targets at the acceptable standard were not met.

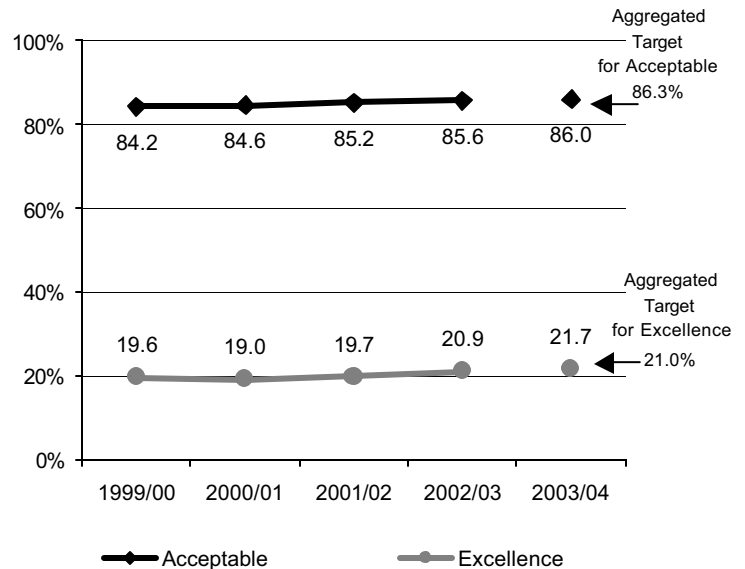
DISCUSSION:

- Science 9 test results and participation rates are not included in the aggregated results for 2003/04 since there was no target for that test. Targets were not set because the 2003/04 school year was the first year of full implementation of the new Science 9 Program of Studies.
- As Science 9 is not included in the 2003/04 information reported on the graphs, the 2003/04 results and participation rate are not directly comparable to prior years' results.
- Results in the earlier years improved over time for writers at both the acceptable and excellence levels, as well as for all students at the excellence level.
- In the 2003/04 school year, 90% of students participated in achievement tests (top graph).

Combined Results (All Grades and Subjects) – Participation Rates and Percentages of Students Who Demonstrated Standards on Provincial Achievement Tests (total enrolment in grade)



Combined Results (All Grades and Subjects) – Percentages of Students Who Wrote and Met Standards on Provincial Achievement Tests



Source: Alberta Learning

Notes:

- The percentages of students achieving the acceptable standard include the students achieving the standard of excellence.
- Aggregated targets are the averages of the targets for each subject and grade for the acceptable standard and the standard of excellence for both methods of calculating results.
- The 2003/04 aggregated data does not include Science 9 test results and participation rates, since no target was set for that test. No comparison should be made to previous years' data, which includes Science 9.
- See Endnote C, Provincial Achievement Tests, page 210.

GOAL 2 CORE MEASURES

Achievement Test Results for All Students in Grade

TARGETS:

- Results for all students in grade met or exceeded targets for the standard of excellence in five of nine tests.
- Results for all students in grade met or exceeded targets for the acceptable standard in one test – Grade 6 Social Studies.

DISCUSSION:

- Student performance at the acceptable level improved in only one of nine tests since 1999/2000. However, the 1999/2000 results for Language Arts 3, 6 and 9 were an anomaly because the change of prompts for the written-response component may have reduced the question difficulty, particularly for average/low achievers.
- Student performance at the acceptable level improved in four of nine tests, while declining in five tests since 2002/03.
- Student performance at the standard of excellence improved since 1999/2000 in five of nine tests, and declined on four.
- Since last year, student performance at the excellence level improved in four of nine tests and declined on five.
- The percentages of students who achieve the acceptable standard in the Grade 9 Language Arts and Mathematics tests are reported annually by the provincial government as indicators of literacy and numeracy, as adult literacy surveys are not conducted regularly. Students who achieve the acceptable standard in language arts and mathematics have developed the foundation skills needed to become literate and numerate adults.

Note: Science 9 results are excluded from the discussion above as the results in 2003/04 are based on a new curriculum and are not comparable to prior years' results.

Percentages of Students in Grades 3, 6 and 9 Demonstrating the Standards on Provincial Achievement Tests

Subject	1999/	2000/	2001/	2002/	2003/	Targets
	2000	2001	2002	2003	2004	2003/ 2004
Grade 3						
Language Arts						
excellence	17.9	16.1	14.9	15.7	15.1	17%
acceptable	84.3	82.8	81.2	82.4	81.7	83%
Mathematics						
excellence	25.7	23.8	26.7	29.8	27.4	27%
acceptable	82.1	81.8	81.2	82.3	81.8	82%
Grade 6						
Language Arts						
excellence	19.4	14.9	15.1	17.3	15.5	16%
acceptable	80.3	78.7	80.8	81.2	79.1	81%
Mathematics						
excellence	16.5	17.9	18.1	17.7	21.2	19%
acceptable	78.9	79.3	78.3	78.3	78.5	79%
Science						
excellence	24.7	25.3	22.6	24.1	26.2	25%
acceptable	79.0	82.0	79.5	80.0	80.6	81%
Social Studies						
excellence	19.9	18.7	19.4	20.3	19.7	20%
acceptable	78.7	78.6	78.3	79.0	78.6	78%
Grade 9						
Language Arts						
excellence	13.6	13.1	14.6	13.5	12.4	15%
acceptable	80.1	78.8	78.5	78.0	77.6	80%
Mathematics						
excellence	14.4	16.3	16.7	17.6	18.9	17%
acceptable	66.9	66.5	64.5	63.5	66.1	67%
Science						
excellence	12.6	11.9	11.4	13.0	12.1	--
acceptable	72.0	71.7	71.6	71.1	66.6	--
Social Studies						
excellence	16.2	16.0	18.0	18.7	20.0	18%
acceptable	73.4	72.8	73.8	72.6	73.1	74%

Source: Alberta Learning.

Notes:

- The percentages achieving the acceptable standard include the percentages achieving the standard of excellence.
- The 2002/03 Science 9 test results do not include one third of Grade 9 students who wrote Science 9 Form B, based on the learning outcomes of the new Program of Studies. 2003/04 results in Science 9 are not comparable to prior years' results.
- In 2003/04, the new Science test was fully implemented and no target was set.
- See Endnote C, Provincial Achievement Tests, page 210.

Participation Rates for Provincial Achievement Tests (Supplemental Information)

Subject	1999/	2000/	2001/	2002/	2003/
	2000	2001	2002	2003	2004
Grade 3					
Language Arts					
	93.0	92.6	90.6	91.5	90.6
Mathematics					
	93.4	93.4	91.6	92.1	91.7
Grade 6					
Language Arts					
	93.0	92.1	91.2	91.0	90.9
Mathematics					
	93.7	92.9	91.8	91.4	91.1
Science					
	93.1	93.1	91.6	91.0	91.2
Social Studies					
	93.6	92.8	91.2	91.4	91.0
Grade 9					
Language Arts					
	89.6	88.3	87.5	87.4	87.3
Mathematics					
	89.9	88.4	87.5	87.4	87.7
Science					
	90.7	89.7	88.7	85.9	88.6
Social Studies					
	90.7	89.3	88.7	87.7	88.6

Source: Alberta Learning.

Note:

- See Endnote C, Provincial Achievement Tests, page 210.

GOAL 2 CORE MEASURES

Achievement Test Results for Test Writers

TARGETS:

- Results for students who wrote provincial achievement tests met or exceeded the targets for the acceptable standard in five of nine tests.
- The same is also true for results meeting or exceeding the targets for the standard of excellence.

DISCUSSION:

- Student performance at the acceptable standard has improved in seven of nine tests since 1999/2000, and improved in four tests since last year.
- Student performance at the standard of excellence improved in six of nine tests since 1999/2000, and improved in four tests since last year.
- There were noticeable improvements in student performance on Mathematics 6 and 9 and Science 6 tests in the 2003/04 school year at both the acceptable standard and the standard of excellence over time and since last year.

Note: Science 9 results are excluded from the discussion above as the results in 2003/04 are based on a new curriculum and are not comparable to prior years' results.

Percentages of Students in Grades 3, 6 and 9 Who Wrote and Achieved the Standards on Provincial Achievement Tests

Subject	1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004	Targets 2003/ 2004
Grade 3						
Language Arts						
excellence	19.3	17.4	16.4	17.2	16.7	18%
acceptable	90.7	89.4	89.6	90.1	90.2	91%
Mathematics						
excellence	27.5	25.4	29.2	32.4	29.9	30%
acceptable	87.9	87.6	88.7	89.3	89.2	89%
Grade 6						
Language Arts						
excellence	20.9	16.2	16.5	19.0	17.0	17%
acceptable	86.3	85.4	88.6	89.2	87.0	88%
Mathematics						
excellence	17.6	19.3	19.7	19.3	23.3	20%
acceptable	84.2	85.4	85.2	85.6	86.2	86%
Science						
excellence	26.5	27.2	24.6	26.5	28.8	26%
acceptable	84.9	88.0	86.7	87.9	88.3	88%
Social Studies						
excellence	21.2	20.2	21.3	22.3	21.7	22%
acceptable	84.1	84.7	85.9	86.4	86.4	86%
Grade 9						
Language Arts						
excellence	15.1	14.9	16.7	15.4	14.2	17%
acceptable	89.5	89.2	89.8	89.2	88.9	91%
Mathematics						
excellence	16.1	18.4	19.1	20.1	21.5	19%
acceptable	74.4	75.2	73.7	72.6	75.4	75%
Science						
excellence	13.9	13.3	12.8	15.1	13.6	--
acceptable	79.4	79.9	80.7	82.8	75.2	--
Social Studies						
excellence	17.8	17.9	20.3	21.3	22.6	20%
acceptable	80.9	81.5	83.2	82.8	82.6	83%

Source: Alberta Learning.

Notes:

- The percentages achieving the acceptable standard include the percentages achieving the standard of excellence.
- The 2002/03 Science 9 test results do not include one third of Grade 9 students who wrote Science 9 Form B, which reflects the learning outcomes from the new Program of Studies.
- In 2003/04, the new Science 9 program was fully implemented and no target was set. Science 9 results in 2003/04 are not comparable to prior years.
- See Endnote C, Provincial Achievement Tests, page 210.

GOAL 2 CORE MEASURES

Diploma Examination Results

TARGET:

- No targets were set for 2003/04, but will be in future years, since a method for equating diploma examinations is being phased in, to enable direct comparison of results over time.

DISCUSSION:

- In the 2002/03 and 2003/04 school years, provincial expectations were achieved for a larger portion of diploma examinations at the excellence and acceptable levels, compared to earlier years.
- In 2003/04, students met or exceeded provincial expectations at the excellence level in nine exams and also met or exceeded expectations at the acceptable level in seven exams.
- Test equating was implemented in 2003/04 for Social Studies 30 and 33. This initiative will enable direct comparison of the 2003/04 results to any subsequent year's results for these courses.

Participation in Diploma Exam Courses (Supplemental Information)

- Completing an English and a Social Studies diploma examination course is required for high school graduation.
- The percentages of students in their third year of high school who completed a Social Studies diploma course has increased each year since 2000/01, and reached 87% in 2003/04.
- 81% of students completed one of the new English diploma courses in 2003/04. An additional 5% of students completed one of the courses (English 30 and 33) that are being phased out, for a total of 86%.
- The participation rates for Science 30 and Social Studies 33 increased since last year, while the participation rates for all other diploma courses remained the same.

Percentages of Students Writing Diploma Examinations who Achieved Standards

Course	Standard	1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004
English 30 - 1	excellence	--	--	--	--	19
	acceptable	--	--	--	--	92
English 30 - 2	excellence	--	--	--	--	7
	acceptable	--	--	--	--	85
French Language Arts 30	excellence	--	--	--	15	17
	acceptable	--	--	--	95	95
Social Studies 30	excellence	16	19	21	22	24
	acceptable	84	85	86	87	86
Social Studies 33	excellence	13	13	12	13	15
	acceptable	81	81	81	82	83
Pure Mathematics 30	excellence	--	20	28	27	32
	acceptable	--	77	82	85	84
Applied Mathematics 30	excellence	--	--	--	14	14
	acceptable	--	--	--	85	86
Biology 30	excellence	23	27	26	22	27
	acceptable	81	81	84	81	82
Chemistry 30	excellence	24	22	24	25	28
	acceptable	84	79	82	85	86
Physics 30	excellence	28	24	33	25	30
	acceptable	83	79	84	82	87
Science 30	excellence	11	14	12	20	17
	acceptable	78	83	82	88	84

Source: Alberta Learning.

Notes:

- 85% of students are expected to achieve the acceptable standard and 15% are expected to achieve the standard of excellence. These provincial expectations are reference points used in the basic learning system to interpret results, not targets in the 2003-06 business plan.
- The percentages of students achieving the acceptable standard include the percentages of students achieving the standard of excellence.
- 2003/04 is the first year of full implementation of English 30-1 and 30-2, which reflect the new Program of Studies. English 30 and 33, based on the old program, are being phased out.
- Starting in 2002/03 for the Social Studies exams and in 2003/04 for all math/science exams, the written and multiple choice portions are administered in separate settings.

Percentages of Students Completing Diploma Examination Courses in Their Third Year of High School (participation)

Subject	1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004
English 30 - 1	--	--	--	--	56
English 30 - 2	--	--	--	--	25
French Language Arts 30	--	--	--	3	3
Social Studies 30	49	49	51	53	53
Social Studies 33	35	34	33	33	34
Pure Math 30	--	33	42	44	44
Applied Math 30	--	--	--	22	22
Biology 30	38	39	41	43	43
Chemistry 30	36	35	36	38	38
Physics 30	22	22	23	24	24
Science 30	6	7	7	7	8

Source: Alberta Learning.

Notes:

- Students can choose among courses to complete high school and meet post-secondary entry requirements; only part of the Grade 12 class writes each diploma exam.
- See Endnote C, Diploma Examinations, pages 210-211.

GOAL 2 CORE MEASURES

High School Completion

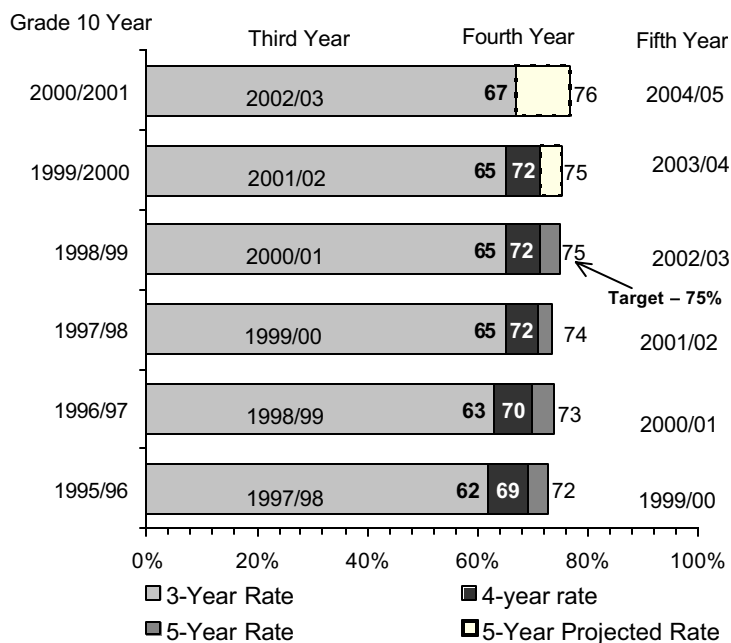
TARGET:

- The target was met.

DISCUSSION:

- The high school completion rate within five years of entering Grade 10 (the core measure) has increased 1% each year since 1999/2000, reaching 75% in the 2002/03 school year (the most recent year completion rates are available).
- The four-year high school completion rate, calculated for the first time, increased from 69% in 1998/99 to 72% in 2000/2001. It has remained stable at 72% in subsequent years.
- After remaining steady for three years at 65%, the three-year high school completion rate rose to 67% in the 2002/03 school year.
- These increases reflect increased attention to high school completion in recent years and the recognition that high school completion is needed for success.
- Of the students included in the five-year rate, most (over 85%) complete in three years. This makes the three-year rate a reliable predictor of the five-year rate in future years. Projections indicate the five-year rate will continue to increase at a modest pace.
- Substantial portions of students who do not complete high school in the basic learning system attain high school completion status as adults (see Educational Attainment measure, page 32).

High School Completion Rates



Source: Alberta Learning.

Notes:

- Projections indicate results likely to be achieved given the three-year completion rates for these groups of Grade 10 students and completion rates in prior years. The projection for 2004/05 also considers the projected 5-year rate for 2003/04.
- Included in the calculation of high school completion rates is an estimated attrition adjustment.
- See Endnote C, High School Completion Rate, pages 211-212.

GOAL 2 CORE MEASURES

Apprenticeship Completion

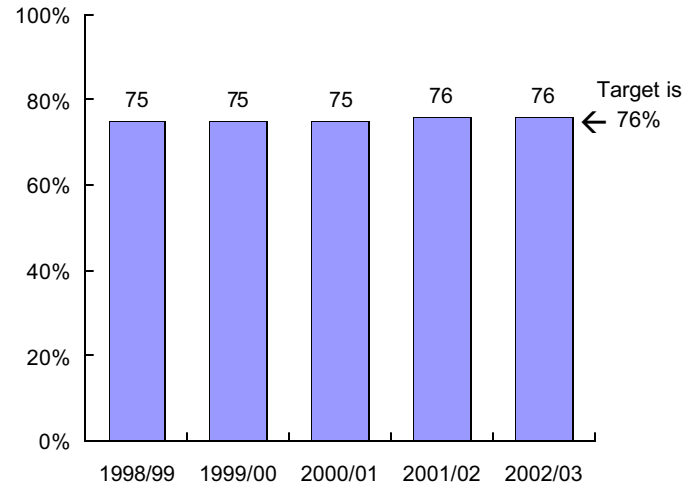
TARGET:

- The target was met.

DISCUSSION:

- In 2002/03, a substantial majority of apprentices (76%) received their journeyman certificates for completion of an apprenticeship program within two years of the length of their program.
- Completion rates rose slightly in 2001/02 following several years of stable rates. In 2002/03, 76% of apprentices who completed their first period requirements in a trade went on to complete their programs.
- Apprentices were tracked for two years past the normal program length to determine the completion rate.
- Improving economic conditions in Alberta in the mid-1990s and healthy economic conditions since 2000 may have facilitated completions as apprentices had opportunity to complete on-the-job and technical training.

Apprenticeship Completion Rate



Source: Alberta Learning.

Notes:

- Includes apprentices who have completed all the requirements of their first period of apprenticeship training. Excludes programs of less than two years in length.
- Based on July 1 to June 30 for all years of data provided.
- See Endnote C, Apprenticeship Completion Rate, page 212.
- See Endnote B, pages 208-209, for information on assessment of results over time.

GOAL 2 CORE MEASURES

Post-secondary Completion

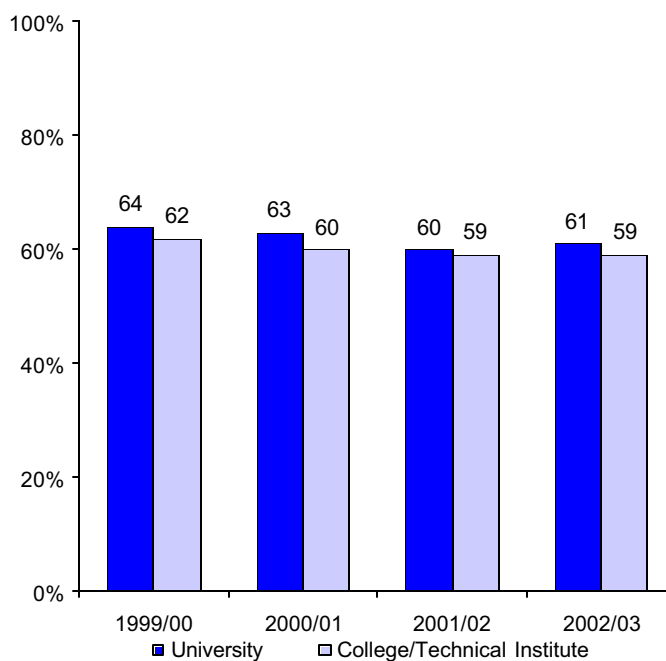
TARGET:

- No target has been set for this interim measure.

DISCUSSION:

- The post-secondary completion rate aggregates the institutional completion rates for universities and for colleges and technical institutes. To determine completion, post-secondary students were tracked for three years beyond the length of the program at the institution where they began as first-year students.
- The completion rates for both sectors have declined since 1999/2000 and have been fairly stable in 2001/02 and 2002/03. These results may reflect Alberta's improved economic conditions through the mid-1990s as students may have transferred to another institution to gain marketable skills more quickly or may have entered the labour force before completing their credential.
- Data for prior years have been restated due to the availability of more complete data files in 2003/04 for prior years.
- With this interim methodology, system-wide completion rates may not be adequately represented because information is not available to account for the completion of students who start at one post-secondary institution then complete at another one.
- Alberta Learning is currently implementing the Alberta Student Number (ASN) for all post-secondary students. This will allow for a more accurate calculation of completion rates in the post-secondary system, including the tracking of transfer students.

Interim Postsecondary Completion Rate



Source: Alberta Learning

Notes:

- Alberta College of Art & Design's programs are included in the University Sector as these programs are four-year undergraduate degree programs.
- The university sector completion rate is based on undergraduate programs tracked for seven years; therefore, the 1999/2000 rate for universities is based on the 1993/94 entry cohort, the 2000/01 rate is based on the 1994/95 entry cohort, the 2001/02 rate is based on the 1995/96 entry cohort and the 2002/03 rate is based on the 1996/97 entry cohort.
- The completion rates for the college and technical institute sectors is based on tracking first-time students for the program length plus three years, i. e., tracking for four years for a certificate program and five years for a diploma program.
- University completion rates were restated for 1999/2000 and 2001/02, and college/technical institute rates were restated for 2001/02, as the data files were more complete in 2003/04 for prior years.
- See Endnote C, Interim Post-secondary Completion Rate, pages 212-213.

GOAL 2 CORE MEASURES

Educational Attainment

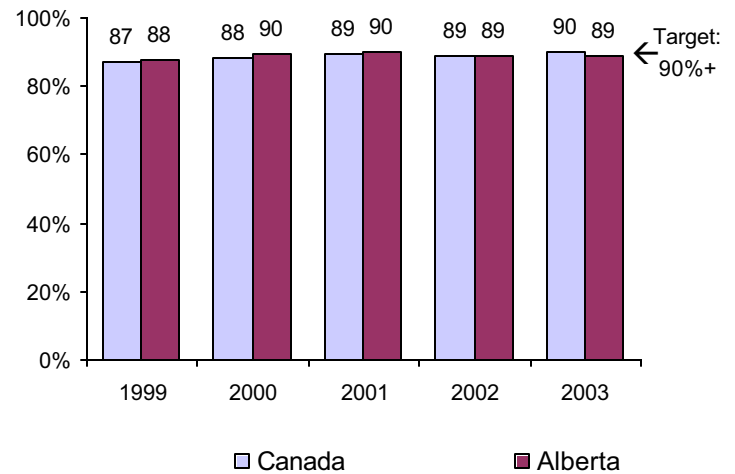
TARGET:

- The targets for high school completion and for post-secondary completion were met, as the results are within 5% of the respective targets.

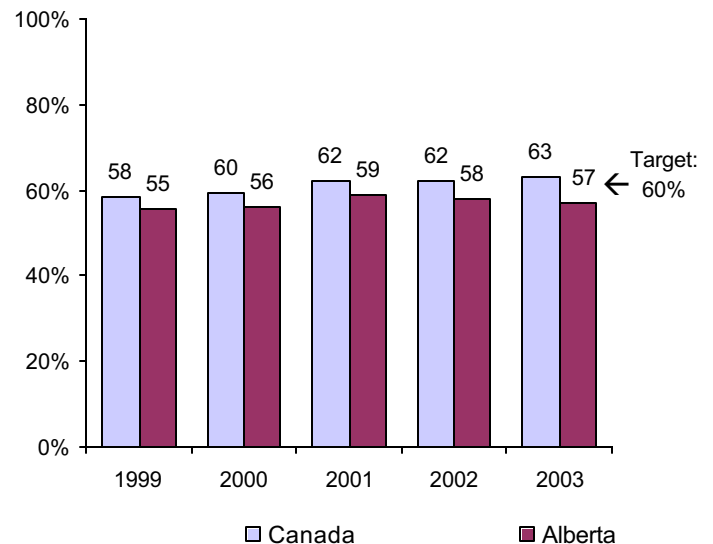
DISCUSSION:

- The percentage of Albertans aged 25-34 with at least high school completion remains stable on a year-to-year basis.
- Alberta's results for high school completion remain high and are similar to the national average.
- The post-secondary completion rate of Albertans aged 25-34 has increased slightly since 1999, and remains below the Canadian average.
- Alberta's 25-34 year olds continue to have the highest employment rate in Canada, suggesting ample employment opportunities for young adults. This may affect post-secondary completion rates as individuals take advantage of Alberta's employment opportunities.

Percentages of Albertans aged 25-34 who Completed High School



Percentages of Albertans aged 25-34 who Completed Post-Secondary Programs



Source: Statistics Canada Labour Force Survey, Special tabulation for Alberta Learning.

Notes:

- Since respondents were asked about their highest level of education, those who indicated they have participated in or completed post-secondary studies are considered to have completed high school.
- See Endnote B, pages 207-208 on the use of confidence intervals for survey measures to interpret results and on assessment of results over time.
- See Endnote C, Educational Attainment, page 213.

GOAL 2 CORE MEASURES

Preparation of Children for School

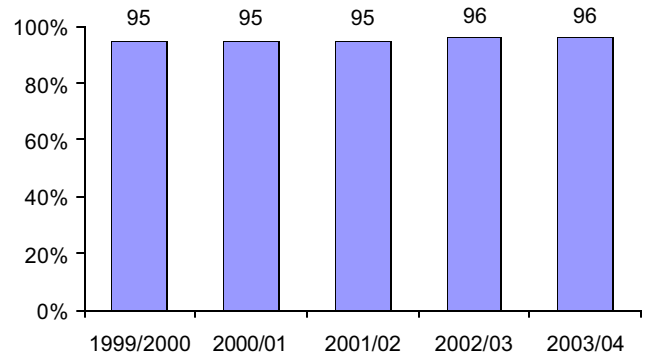
TARGET:

- No target was set for this proxy measure of readiness to learn.

DISCUSSION:

- The percentage of students who participated in Early Childhood Services (ECS) programs before entering Grade 1 was very high at 96% in 2003/04, and has increased slightly over time.
- Most parents choose to enroll their children in ECS programs even though ECS attendance is not mandatory.
- ECS programming is designed to prepare children for entry into Grade 1 and to provide a foundation for success in school.

Percentages of Grade 1 Students who Attended Early Childhood Services Programs



Source: Alberta Learning.

Notes:

- Includes children enrolled in Early Childhood Services or upgraded programs prior to Grade 1.
- See Endnote C, Participation in Early Childhood Services Programs, page 213.
- See Endnote B, pages 208-209, for information on assessment of results over time.

GOAL 2 CORE MEASURES

Preparation for Lifelong Learning

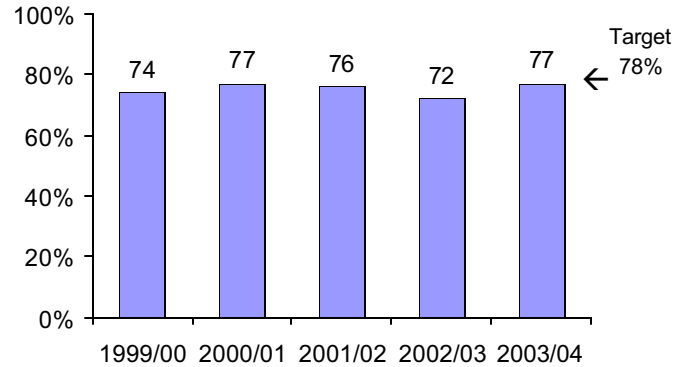
TARGET:

- The target was met, as the result was within 5% of the target.

DISCUSSION:

- More than three-quarters (77%) of the public is satisfied that adult learners are prepared for lifelong learning.
- The satisfaction level in 2003/04 has increased slightly since 1999/2000.
- This satisfaction measure was replaced in Alberta Learning's 2004-07 Business Plan with a high school to post-secondary transition rate.
- The transition rate measure has been developed and is calculated by tracking Grade 10 students for four and six years. Four-year and six-year transition rates are presented to introduce this new measure.
- The percentage of students entering post-secondary programs within four years of starting Grade 10 increased slightly from 31% in 1998/99 to 32% in 1999/2000 and has remained steady at that level in subsequent years. The percentage of students entering post-secondary within six years of starting Grade 10 also increased in 2001/02 and continued at 51% in 2002/03.

Public Satisfaction that Adult Learners are Well Prepared for Lifelong Learning

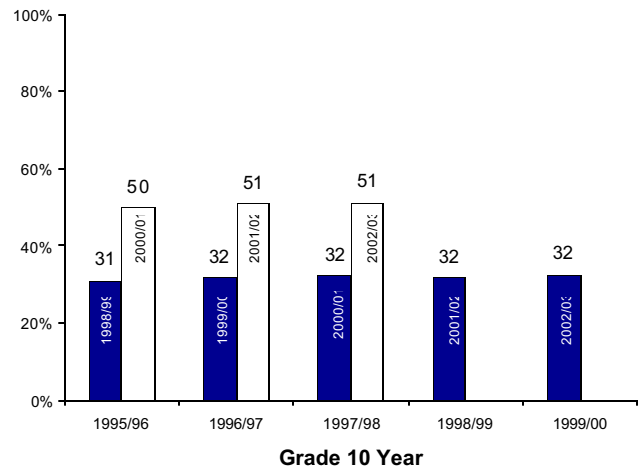


Sources: Alberta Learning: Criterion Research Corp. – 2000, 2001, R.A. Malatest & Associates – 2002, 2003; Compustat Consultants Inc. – 2004.

Notes:

- The question for this measure was modified slightly in 2002/03 to include a definition of lifelong learning. In prior years, respondents were asked about their satisfaction that “adults taking education or training are being taught an appropriate combination of skills to prepare them for lifelong learning.” In 2002/03, “lifelong learning” was replaced with “learning throughout their lifetime.”
- See Endnote A, pages 203-207, for information on surveys conducted for Alberta Learning.
- See Endnote B, pages 208-209, for information on assessment of results over time.

High School to Post-secondary Transition Rate (new core measure starting 2004/05)



■ 4 year rate □ 6 year rate

Source: Alberta Learning

Notes:

- Students are considered to be attending post-secondary if they are enrolled in a public or private post-secondary institution in Alberta or registered in an apprenticeship program in Alberta. Adjustments for attrition and attending post-secondary out of province based on estimates are applied in calculating the transition rates.
- The transition year is noted in the columns in the graph.
- See Endnote C, High School to Post-secondary Transition Rate, page 214.

GOAL 2 CORE MEASURES

Preparation for Employment

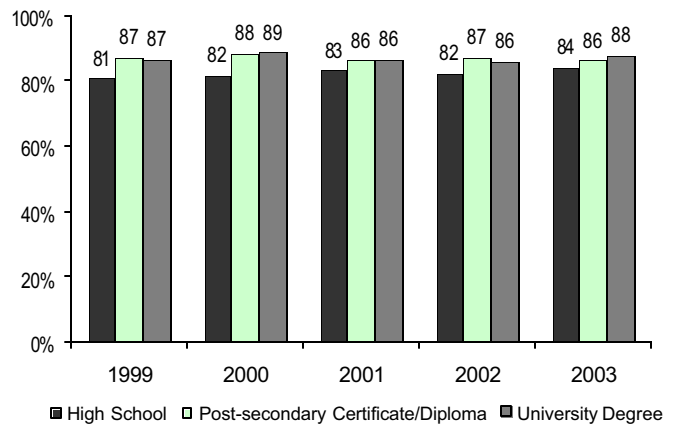
TARGET:

- No target was set in the 2003-06 Business Plan for this new methodology for employment rates.

DISCUSSION:

- The employment rates of Albertans aged 25-34 are high for all three types of learning system graduates.
- Employment rates for high school graduates have increased from 81% to 84% over the past few years.
- Employment rates for post-secondary graduates remain high at 86% for certificate and diploma graduates and at 88% for degree graduates.
- Employment rates are consistently higher for post-secondary graduates than for high school graduates. Post-secondary graduates typically have developed more job-related skills than high school graduates.
- A new methodology has been selected to report on employment outcomes of a fuller range of learning system graduates. In prior years, employment rates from surveys conducted every second year of recent graduates of Alberta's universities, colleges and technical institutes were reported (not including apprenticeship graduates). See Alberta Learning's Annual Report for 2002/03 for information on employment rates of post-secondary graduates from previous surveys.
- Employer satisfaction with learning system graduates has been added as a measure of preparation for employment in Alberta Learning's business plan for 2004-07.
- Results on this new measure have been stable since this question was added to the biennial employer survey.

Employment Rates of Albertans aged 25-34 (new methodology)

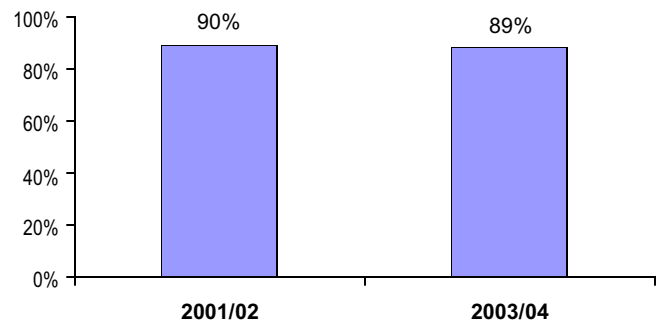


Source: Statistics Canada Labour Force Survey; Special Tabulation for Alberta Learning.

Notes:

- The post-secondary certificate/diploma category includes apprenticeship graduates.
- See Endnote C, page 214, for information on the Labour Force Survey.
- See Endnote B, pages 208-209, for information on the use of confidence intervals to interpret results over time.

Employer Satisfaction with the Skills of Recent Learning System Graduates (new core measure starting 2004/05)



Source: Alberta Learning; Environics West– 2002, Environics Research Group– 2004.

Notes:

- Learning system graduates includes high school, apprenticeship, certificate, diploma and degree graduates.
- Employer surveys are conducted every other year.
- See Endnote A, pages 203-207, for information on surveys conducted for Alberta Learning.

GOAL 2 CORE MEASURES

Preparation for Citizenship

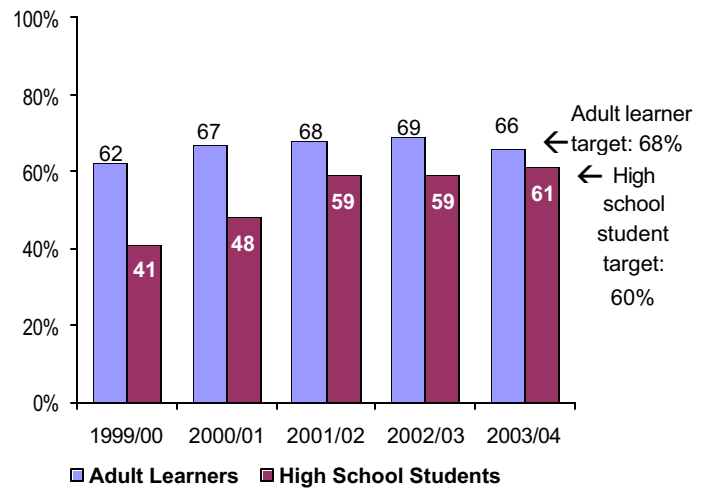
TARGET:

- The target for high school students was met.
- The target for adult learners was met, as the result is within 5% of the target.

DISCUSSION:

- Public satisfaction that high school students are well prepared for citizenship has been relatively stable the last three years, following significant increases in 2000/01 and 2001/02.
- Public satisfaction that adult learners are well prepared for citizenship increased in 2000/01, and has been relatively stable since then.

Public Satisfaction that Learners are Well Prepared for Citizenship



Sources: Alberta Learning: Criterion Research Corp.– 2000, 2001; R.A. Malatest & Associates – 2002, 2003; Compustat Consultants Inc. – 2004.

Notes:

- The questions were clarified in the 2001/02 survey as a result of field testing. The new questions asked the public to indicate how satisfied they are that recent high school graduates are well prepared for citizenship, and how satisfied they are that adults taking education or training are well prepared for citizenship.
- In prior years, the public was asked to indicate if they agreed that high school graduates in Alberta were being taught the rights and responsibilities of citizenship, and if they agreed that adult learners are getting an appropriate combination of skills and knowledge to prepare them for the rights and responsibilities of citizenship.
- See Endnote A, pages 203-207, for other information on surveys conducted for Alberta Learning.

Goal 3 – Highly Responsive and Responsible Ministry

OUTCOMES

In support of this goal in 2003/04:

- The Ministry provided \$65 million for the Alberta Initiative for School Improvement (AISI) projects.
- In response to increasing utility costs, provided one-time grants of \$30 million for operations and maintenance to post-secondary institutions.
- To allocate as much funding as possible to programs for learners, the Ministry endeavors to keep support costs as low as possible, while still maintaining high quality services. Ministry Support Services costs were under budget by almost \$1 million.
- The Ministry provided \$31 million through the Student Health Initiative for health-related support services to enable students with health needs to benefit from school.
- Addressing the need for a highly-skilled staff, the Ministry allocated over \$430,000 for training Alberta Learning staff; including funding for tuition, bursaries and internal and external training sessions.

✓ Met target

Results from base year for measures without targets or not meeting targets (taking the confidence interval into account):

= No change

↑ Improved performance

↓ Performance decline

Goal 3 has two outcomes: improved results through effective working relationships on Cross-ministry Initiatives and with stakeholders; and the Ministry demonstrates leadership and continuous improvement. There are two Ministry core measures, and targets were met for both. Achievement of results for the core measures reflects a cumulative amount of effort and funding over a number of years, rather than relating solely to funding for the 2003/04 fiscal year. The following are the 2003/04 performance highlights for this goal.

PERFORMANCE HIGHLIGHTS

Partner and Stakeholder Satisfaction

- ✓ **Collaboration** – The percentage of partners and stakeholders who agree that Alberta Learning staff are collaborative has increased to 89%.
- ✓ **Responsiveness and Flexibility** – The percentage of partners and stakeholders who agree that Alberta Learning staff are responsive and flexible has increased to 87%.

Note: A roll-up core measure of overall learning system performance is under development for this goal.

GOAL 3 CORE MEASURES

Working Relationships

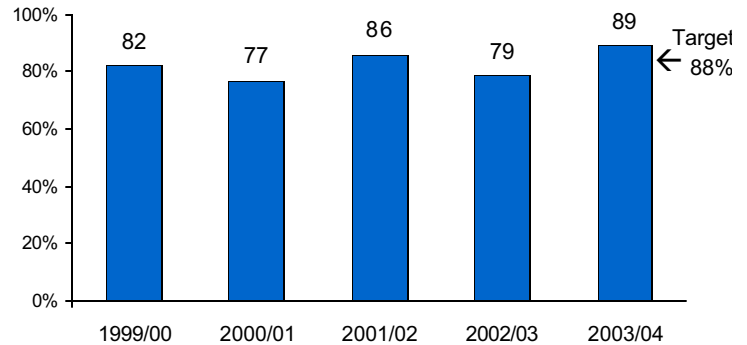
TARGET:

- Targets were met.

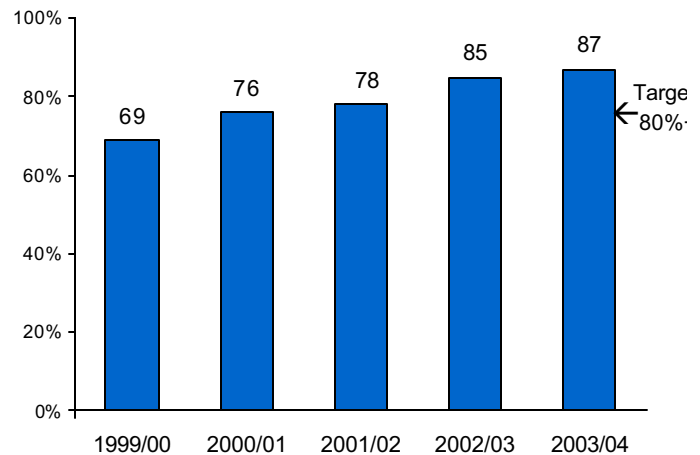
DISCUSSION:

- In 2003/04, a very large majority of partners and stakeholders agreed that Alberta Learning staff are collaborative (89%).
- Also in 2003/04, a large majority of partners and stakeholders agreed that Alberta Learning staff are responsive and flexible (87%).
- Since 1999/2000, results have improved substantially for both measures.
- There is greater variability in results from year to year for this measure than for other survey measures because of the small sample sizes.

Percentages of Cross-ministry Partners and Learning System Stakeholders who Agree that Alberta Learning Staff are Collaborative



Percentages of Cross-ministry Partners and Learning System Stakeholders who Agree that Alberta Learning Staff are Responsive and Flexible



Source: Alberta Learning: Hargroup Management Consultants Inc. – 2000, 2001, 2002, 2003, 2004.

Notes:

- The survey scale was changed in 2002/03 from a 5-point scale including a neutral midpoint, used in prior years, to a 4-point scale with no neutral midpoint (i.e., strongly agree, agree, disagree, strongly disagree). Overall, this had the effect of increasing both the strongly agree/agree and the disagree/strongly disagree responses, compared to results for previous years. In years prior to 2002/03, the question on flexibility had substantially more neutral responses than the questions on responsiveness or collaboration. With the change in scale, there were more “don’t know” responses for collaborative in 2002/03 and for flexible in 2003/04 than the other attributes.
- Results for 2002/03 were restated to include ‘don’t know’ in the denominator, consistent with the calculation of other survey measures. Overall, this recalculation had more effect in the collaborative results, reflecting a larger number of “don’t know” responses for that attribute than for the others in that year.
- See Endnote A, pages 203 -207, for information on surveys conducted for Alberta Learning.

FINANCIAL RESULTS AND PERFORMANCE

Financial results of the Ministry of Learning for the year ended March 31, 2004 include the activities of the Department of Learning and the Alberta School Foundation Fund. More detailed information can be found in the Ministry's financial statements (pages 48 - 111).

	(in millions)		
	2003/04		2002/03
	Budget	Actual	Actual
REVENUES			
School property taxes	\$ 1,165	\$ 1,178	\$ 1,113
Internal government transfers	138	139	105
Transfers from Government of Canada	142	188	115
Sales of Learning Resources	31	35	26
Fees, permits, licences and other revenue	9	14	11
	<u>1,485</u>	<u>1,554</u>	<u>1,370</u>
EXPENSES BY FUNCTION			
Education ¹	\$ 5,035	\$ 5,106	\$ 4,827
Economic Development	4	4	4
Debt Servicing Costs	4	3	3
	<u>5,043</u>	<u>5,113</u>	<u>4,834</u>
	<u>\$ (3,558)</u>	<u>\$ (3,559)</u>	<u>\$ (3,464)</u>

1. Education includes teachers' pension valuation adjustment (2003/04 Budget: \$127 million; 2003/04 Actual: \$130 million; 2002/03 Actual: \$75 million)

OVERVIEW

Reflecting the Government of Alberta's ongoing commitment to Learning, support to the learning system continued to increase in 2003/04. Investment in Learning increased \$279 million (5.8%). Approximately 94% of the Ministry's expenses were comprised of grants to provide programs and help Alberta's learners. At \$28.6 million, Ministry Support Services were kept below budget by almost \$1 million and represent only 0.56% of the Ministry's expenses.

In Basic Learning, support increased \$226 million. Additional contributions were made to school jurisdictions through grant rate increases and to address Alberta Commission on Learning recommendations. Also included are costs relating to the Teachers' Pension, which increased \$10 million from the prior year.

Support for Adult Learning increased \$46 million from the prior year. Operating grants to post-secondary institutions increased \$98 million, while scholarships and bursaries increased over \$8 million. These increases were offset by a decrease in the provision for the future cost of student loans and a one-time recognition of a loan repayable for the University of Calgary research facility in 2002/03. The provincial government disbursed \$87.6 million in student loans in 2003/04. Alberta student loan relief programs continued to reduce debt automatically for students in their first and final years of study, providing \$84.4 million in debt reduction in 2003/04.

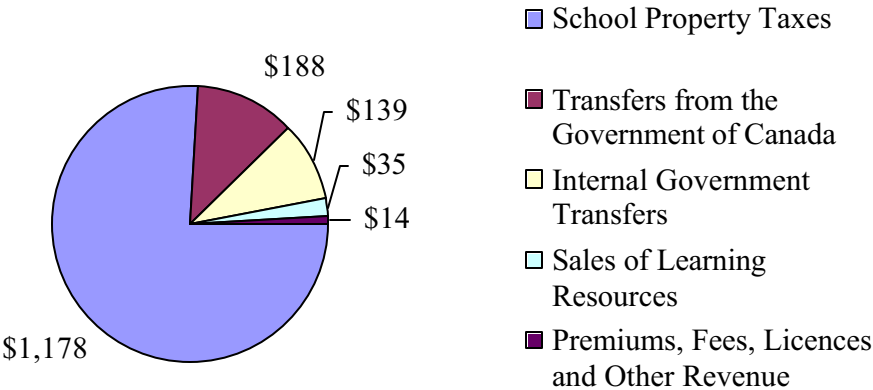
Acknowledging the need for skilled trades people in Alberta, the Ministry increased Access funding by \$7 million (24%) to increase the number of seats available in apprenticeship programs.

REVENUES

Revenue for the Ministry of Learning totaled \$1,554 million for 2003/04 from the following sources:

- \$1,178 million in provincial education property taxes, which were collected by the provincial government through the Alberta School Foundation Fund.
- \$139 million was received through internal government transfers, including:
 - Almost \$117 million from the Lottery Fund; and
 - \$22 million from the Alberta Heritage Scholarship Fund.
- \$188 million in revenue was received in transfers from the Government of Canada, including:
 - \$187 million in Canada Health and Social Transfers; and
 - \$1 million in support of Canada Student Loans administration.
- \$35 million in revenues was related to the sale and distribution of learning and teaching resources that have been purchased directly from publishers or developed and printed by the Ministry.
- \$14 million in revenues were generated from various programs such as marketing apprenticeship, high school transcripts, teacher certification fees, as well as other income sources such as investment income.

**Revenues by Source
(in millions)**



Comparison of 2003/04 actuals to budget

Revenues were \$69 million higher than budgeted as a result of the following:

- \$46 million more than expected in Canada Health and Social Transfer revenue;
- \$13 million more than budgeted in provincial education property taxes;
- \$4 million higher than anticipated sales of learning and teaching resources; and

- \$6 million in increases over budget in other areas including Heritage Scholarship Fund revenue, premiums, fees and licenses and refunds of prior year expenses.

Comparison of 2003/04 actuals to prior year

Revenues for the Ministry increased \$184 million from 2002/03. The increases were spread across the Ministry's revenue sources:

- The Ministry's share of Canada Health and Social Transfers from the federal government has increased \$73 million after a dip in the prior year.
- Provincial Education Property Taxes increased \$65 million due to an increase in the assessment base.
- Lottery fund contributions were increased by \$32 million including additional funding for transportation and school technology upgrading.
- Sales of learning resources increased \$9 million.
- Revenue associated with the distribution of Heritage Scholarships increased by over \$1 million.
- Other revenue including investment income and refunds of prior year expenses increased approximately \$4 million.

EXPENSES

	(in millions)		
	2003/04		2002/03
	Budget	Actual	Actual
MINISTRY EXPENSES BY CORE BUSINESS¹			
Basic Learning ²	\$ 3,718	\$ 3,769	\$ 3,543
Adult Learning ³	1,305	1,308	1,262
Apprenticeship and Industry Training	20	36	29
Total Ministry Expenses	<u>\$ 5,043</u>	<u>\$ 5,113</u>	<u>\$ 4,834</u>

1. Ministry Support Services costs of \$28.6 million (2002/03 - \$27.6 million) have been allocated to core businesses based on proportion of total expenses.
2. Basic Learning amount includes teachers' pension valuation adjustment. (2003/04 Budget: \$127 million; 2003/04 Actual: \$130 million; 2002/03 Actual: \$75 million)
3. Includes operating grants provided to post-secondary institutions used but not specifically earmarked for apprenticeship and industry training.

Directly incurred expenses for the Ministry of Learning were \$5,113 million for 2003/04, allocated to core businesses as follows:

- Approximately \$3,769 million in expenses related to Basic Learning:
 - \$3,200 million paid in Operating Support to Public and Separate School Boards offset by \$163 million in amounts for opted-out school boards;
 - Teachers' pension costs of \$385 million for the year;
 - Support for private schools, including early childhood services, totaling \$111 million;

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- Provincial Initiatives support of approximately \$65 million, specifically the Alberta Initiative for School Improvement;
 - \$31 million in expenses incurred to support student health;
 - \$41 million paid to support other basic learning programs including the production and delivery of learning and teaching resources;
 - A one-time Learning Resource Grant of \$20 million to enable school jurisdictions to make additional purchases through the Learning Resources Centre;
 - Program delivery support of \$55 million and an additional \$21.1 million, which is Basic Learning's share of the expenses presented under Ministry Support Services; and
 - \$3 million in debt servicing costs incurred by the Alberta School Foundation Fund.
- Approximately \$1,308 million in expenses related to Adult Learning:
 - \$995 million in operating assistance for post-secondary institutions;
 - \$112 million in additional support to increase the accessibility of post-secondary programs;
 - \$30 million in one-time operations and maintenance grants to post-secondary institutions;
 - \$10 million in one-time Performance Envelope funding and \$6 million in other program support;
 - \$89 million in support to post-secondary learners in the form of scholarships, bursaries, Maintenance Grants and Student Loan Relief Benefit;
 - System support and a provision for future costs on existing loans totaling \$24 million; and
 - Program delivery support of \$35 million and an additional \$7.3 million, which is Adult Learning's share of the expenses presented under Ministry Support Services.
 - Approximately \$36 million in expenses related to Apprenticeship and Industry Training:
 - Expenses of \$13 million to deliver apprenticeship programs;
 - \$20 million in grants to post-secondary institutions to increase access and to enhance apprenticeship technical training programs;
 - Marketing apprenticeship expenses of \$3 million; and
 - Apprenticeship and Industry Training's share of expenses presented under Ministry Support Services was \$0.2 million.

Comparison of 2003/04 actuals to budget

Expenses were \$70 million higher than budgeted as a result of the following:

- \$51 million more than budgeted for support to Basic Learning consisting of:
 - \$37 million more than budgeted to support Learning Commission recommendations;
 - \$17 million in additional support to schools for more than expected returning Grade 12 students, increased support for students with severe disabilities and other enrolment-driven increases;
 - \$5 million in additional expenses for Basic Learning in Student Health and program delivery;
 - \$3 million in additional costs associated with increased sales of learning resources;
 - \$1 million higher than anticipated private school funding offset by:
 - \$10 million lower than expected teachers' pension expenses primarily due to decreased current and past service contributions as a result of fewer than anticipated teachers in the system;
 - \$1 million lower than anticipated grants for the Alberta Initiative for School Improvement; and

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- \$1 million below budget for debt servicing costs.
 - \$3 million over budget in Adult Learning comprised of:
 - \$30 million for unbudgeted, one-time operations and maintenance grants;
 - \$3 million more for Access Fund to increase the number of post-secondary seats offset by:
 - A lower than expected provision for the liability for student loans by \$21 million; and
 - Lower than expected program support costs of \$9 million.
 - \$16 million more than budgeted for Apprenticeship and Industry Training Access grants provided to post-secondary institutions.

Comparison of 2003/04 actuals to prior year

Across Learning's core businesses, spending increased \$279 million over 2002/03. This is a result of:

- Increases totaling \$226 million in Basic Learning from the following:
 - Increased support for public and separate schools totaling \$187 million for:
 - Operating support grant rate increases of 3% for the 2002/03 school year and an additional 2% for the 2003/04 school year;
 - \$20 million for school technology upgrading;
 - \$37 million in response to Alberta Commission on Learning recommendations; and
 - Increased funding for early childhood services and students with severe disabilities.
 - Increased Teachers' Pension costs of approximately \$71 million related to additional past and current service contributions and additional provision for the unfunded liability. This was offset by a prior year one-time payment on behalf of teachers toward the unfunded liability of \$60 million;
 - \$20 million in one-time Learning Resource Grants to help school jurisdictions purchase additional learning resources; and
 - \$15 million in other Basic Learning programs including increased demand for learning and teaching resources and program delivery support;
 - Offset by a decrease in a one-time funding to the Calgary Board of Education of \$7 million in 2002/03 to cover unique benefit costs.
- Increases totaling \$46 million in Adult Learning due to the following:
 - \$30 million in one-time operations and maintenance grants was provided to post-secondary institutions.
 - In addition to rolling faculty retention and equity adjustments into operating grants, an additional \$28 million increase in operating grants was provided to post-secondary institutions.
 - An increase to Access funding of \$23 million was provided to increase the number of seats in certain post-secondary programs, not including Access Fund grants for apprenticeship.
 - \$10 million in additional support was provided to adult learners in the form of Maintenance Grants, Heritage Scholarships, Student Loan Relief and systems support.
 - A further \$10 million in one-time Performance Envelope grants was awarded to post-secondary institutions.
 - These increases were offset by:
 - A reduction due to a \$31 million one-time expense in 2002/03 for the commitment to repay a loan entered into by the University of Calgary for a research facility;

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- A \$21 million reduction in the provision for student loans; and
 - A further decrease of \$3 million primarily due to a reduction in program delivery expenses.
 - Increases totaling \$7 million in Apprenticeship and Industry Training were primarily due to increased grants to post-secondary institutions earmarked for apprenticeship and industry training initiatives.

GRANTS

Grants accounted for \$4,802 million (94%) of the total amount of the Ministry's expenses.

- Grants to school boards totaled \$3,129 million and consisted of:
 - Approximately \$3,197 million in instruction and support block funding and other enrolment-driven funding offset by \$163 million school property taxes already collected by opted-out separate school boards, who have the authority to requisition and collect levies on their residential and non-residential properties;
 - \$64 million in grants for the Alberta Initiative for School Improvement; and
 - \$31 million for the Student Health program.
- Grants to post-secondary institutions totaled \$1,174 million and consisted of:
 - \$990 million in operating and conditional grant funding;
 - \$132 million to support program expansion through the Access Fund; and
 - \$52 million in other funding initiatives including Inmate Programs and Community Adult Learning programs provided through post-secondary institutions.
- Grants to adult learners totaled \$103 million and were comprised of:
 - \$67 million in assistance to learners in the form of student loan relief benefits, Maintenance Grants, Alberta Opportunities Bursaries, achievement and other scholarships;
 - \$22 million in scholarships funded through the Alberta Heritage Scholarship Fund; and
 - \$14 million as a provision for the future cost of student loans for remissions, interest and loan guarantees.
- Other grants in the amount of \$396 million included:
 - Grants to the teachers' pension of \$135 million for current service and \$120 million for past service;
 - \$116 million in financial assistance to private schools for early childhood services and instruction grants; and
 - \$25 million in grants for other areas including agencies providing community education programs and learning television.

Looking Ahead: Opportunities and Challenges for Alberta's Learning

Education is increasingly being recognized as facilitating and securing economic growth, societal prosperity and healthy communities, thereby improving the standard of living. For Alberta to continue to prosper, emphasis should continue to be placed on ensuring access to early childhood education, successful completion of Kindergarten to Grade 12 (K-12), smooth transitions to post-secondary learning and participation in lifelong learning.

Alberta is recognized nationally and internationally for the excellence of its learning system. To sustain and improve upon this excellence, and to ensure Albertans are prepared for success in the knowledge economy, Alberta Learning, its partners and its stakeholders will continue to enhance the capacity of the system to respond to significant environmental influences and learner needs.

Providing a Strong Foundation for Children and Youth

One priority of the learning system is to meet the basic educational needs of children and youth and enable them to fully benefit from school. This is a responsibility shared between parents and Alberta Learning along with its partners and stakeholders. It is critical that children enter school ready to learn. For Alberta's youth to take full advantage of opportunities beyond basic learning and be prepared to compete on the global stage, well-rounded preparation for further learning, work and community participation is essential. Opportunities and challenges include:

- Optimizing early childhood development and basic education to build a strong foundation of cognitive, physical, emotional and spiritual health, along with fundamental skills and knowledge that will enable the full participation of all Albertans in lifelong learning.
- Addressing literacy issues for all age groups in Alberta, as literacy is a basic foundation for all learning and for success in a knowledge-based society.
- Promoting completion of high school to encourage advancement, as high school academic achievement and completion are strong predictors of post-secondary success and employment.
- Enhancing transitions to employment and further study for learners by providing barrier-free pathways for Albertans to be successful lifelong learners.
- Enhancing evidence-based decision-making capabilities by developing new ways of collecting and assessing data and information about learners and the learning system.

Ensuring High Quality Learning Opportunities for All

Learners and learning stakeholders have rising expectations for a choice-filled, high-quality, and safe learning system. Adding to these challenges, Alberta continues to face significant demographic trends, including a growing senior population, an aging workforce, increasing Aboriginal youth population, students with special needs, classroom diversity, and shifts in rural and urban populations. Opportunities and challenges include:

- Working with partners and stakeholders to implement the government-approved recommendations from Alberta's Commission on Learning and provisions of the *Post-secondary Learning Act*.
- Devising innovative ways to consult with Albertans to obtain their input on priorities for the lifelong learning system.
- Working with communities to address the learning needs of First Nations, Métis, and Inuit children and youth, enhancing current levels of educational attainment among Aboriginal youth.
- Collaborating with partners and stakeholders to assess trends, needs, best practices, and the opportunities and challenges of learning technology.

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- Clarifying roles and responsibilities among the Ministry, learning providers and learners on planning and implementing improvements in the use of technology.
 - Enhancing lifelong learning opportunities for Albertans through electronic access to learning resources and multimedia learning materials.
 - Ensuring that programming, curriculum and instructor preparation keep pace with rapid technological advances.
 - Attracting and retaining teachers and faculty, especially in the areas of math, science, second languages and post-secondary education, as improving regional economies and demographic shifts increase competition for human resources.
 - Working with partners and stakeholders to respond to the needs of learners entering the system from outside Alberta and Canada.
 - Enhancing education delivery methods to assist rural communities in maintaining quality service levels.

Preparing a Highly Knowledgeable and Skilled Workforce

Knowledge, innovation and education tend to be correlated with economic and societal prosperity. With the emphasis on ideas, communication and innovation in today's economy, education and lifelong learning are more important than ever for success, both individually and as a society. It is expected that future labour market demand will continue to be weighted toward jobs requiring post-secondary education or training. In addition, the need for knowledge, skills and training are increasing in positions that traditionally have had minimal requirements in these areas in response to new technologies, safety issues and customer service expectations. Opportunities and challenges include:

- Fostering recognition of learning as an investment in the future of individuals and the province as a whole.
- Ensuring that a wide range of initiatives and programs are in place and publicized to support learning across the stages of life.
- Improving participation in second language learning in recognition of its impact on intellectual development, academic achievement, first language skills, citizenship and the economy.
- Developing strategies to encourage continuation to post-secondary learning to ensure Albertans are prepared to participate in and benefit from the knowledge-based economy.
- Enhancing awareness of rising workplace skill requirements and skill development opportunities, of the affordability of post-secondary education, and of the financial support available to access post-secondary education.
- Developing strategies to address industry's need for a highly skilled and trained workforce, especially in areas of expected skill shortages.
- Responding to industry requests for designating new trades and occupations to ensure that employers have the skilled workers they require and that high standards of training are maintained.

Sustainability of the Learning System

In addition to the question of how to maintain high quality, relevant, accessible and affordable learning opportunities is the issue of how to sustain the learning infrastructure in the long term. Parents are expressing a desire to have greater input into decision-making on educational policies and their children's educational choices. Business and industry are demanding more relevant training with increasing standards. Trends are towards increasingly individualized, learner-centred instruction. An additional aspect resulting from the increased public demand for lifelong learning is an environment where education potentially becomes a competitive business sector.

This increases the learner's choices; however, accountability for quality of education may be compromised unless government plays a role to ensure that accessible, affordable and quality education is maintained. Various demands are being placed on the learning system, which is striving to adapt while sustaining itself over the long term.

Opportunities and challenges include:

- Ensuring adequate province-wide investment is provided for while maintaining financial sustainability of the learning system.
- Ensuring Alberta's learning system has the ability to adjust programming and curriculum to keep pace with the changes inherent in the fast-paced changing environment.
- Developing an overall strategy to sustain the learning infrastructure in the long term while maintaining its flexibility to adapt to changing needs.
- Reviewing the government's role in ensuring that accessible, affordable and quality education is maintained in the increasingly competitive education sector.
- Clarifying roles and responsibilities for accountability among the federal government, the provincial government, learning providers and learners.

The Ministry's business plan for 2004-07 contains strategies that address these opportunities and challenges through ongoing work with Alberta Learning's partners and stakeholders.