

Thursday, October 18, 2001

Students remain top priority

School boards and post secondary institutions will still receive increases of 8.2 percent and 7.9 percent over last year

Red Deer... Alberta Learning will achieve corrective measures with no withdrawal of any operating funds that have been provided to school boards or post secondary institutions across the province. Learning Minister Dr. Lyle Oberg also confirmed there will be no impact on government's commitment to increase teacher salaries by a minimum of six percent over two years.

"As Alberta adjusts our spending to reflect the global economic environment, our priority is to meet the government's objectives in ways that will have the least impact on students and classrooms," said Dr. Oberg.

The comprehensive plan announced by Dr. Oberg will realize savings of more than \$45 million from Alberta Learning's overall department budget of \$4.807 billion for fiscal 2001/02. The figure excludes "opted out" funding that is collected directly by local school authorities. The 2001/02 savings will be realized in four ways:

- A reduction in the contingency monies in the Alberta School Foundation Fund: \$20 million
- Spending lapses on new initiatives: \$17.4 million
- Reductions in the ministry's administrative and discretionary spending: \$3.6 million
- Deferred spending on new projects and other initiatives: \$4 million

The contingency allowance in the Alberta School Foundation Fund is set aside annually to offset costs resulting from education property tax adjustments and appeals. The contingency now surpasses current projections on the resources required. Resources remaining in the fund will be sufficient to meet current needs.

Approximately \$1 million will be saved this year in the implementation of the SuperNet, and deferred spending on the Online Curriculum Repository and computer systems upgrades will yield savings of approximately \$4 million by implementing these new initiatives on revised schedules. Administrative savings of about \$3.6 million will be realized through a hiring freeze and reductions in discretionary spending such as travel. These budgetary adjustments will bring government spending on education for fiscal 2001/02 to \$4.782 billion.

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For more information contact:

Dr. Lyle Oberg
Minister of Learning
(780) 427-2025

Jerry Bellikka
Learning Communications
(780) 427-0965 cell (780)990-8866

To be connected toll-free, dial 310-0000

Attachment:

Backgrounder Alberta Learning - Sources of corrective measures

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Alberta Learning - Sources of corrective measures

	<u>Budget 2001/02</u> (<u>\$000's</u>)
Expenditure Savings	
– Loan Relief savings (One-time savings due to mid year implementation)	\$8.5 million
- Alberta SuperNet schedule adjustment	\$1.0 million
– Suspension of new post secondary institution performance awards envelope	\$7.962 million
Administrative Savings	
– Reduction in discretionary spending (travel, hiring freeze, supplies, etc.)	\$3.614 million
– Deferred spending on new corporate information systems	
Deferred Spending	
– On Line Curriculum Repository project	\$4.0 million
Other Adjustments	
– Reduction in Alberta School Foundation Fund	\$20.0 million
Total Corrective Measures	\$45.076 million

*All expenditure savings are one-time only and does not include “opted out” funding.