

MEMORANDUM

TO: Hon. Demetrios Nicolaidis, M.L.A. for Calgary-Bow, Minister of Education

FROM: Andreae Sennyah, Director of Policy
Catharine Kavanagh, Western Stakeholder Director

DATE: October 16, 2024

SUBJECT: Considerations for Independent Schools in Alberta's School Construction Accelerator Program

WHO WE ARE

Cardus is a non-partisan think tank dedicated to clarifying and strengthening, through research and dialogue, the ways in which society's institutions can work together for the common good.

ISSUE

In September 2024, the Government of Alberta announced the School Construction Accelerator Program. This \$8.6 billion-dollar investment seeks to address student population growth pressures on all school systems across the province. While the announcement articulated clear space creation targets for public and charter schools, details for the independent sector – including funding amounts, program structure, and implementation timelines – are not in place. This historic investment in capital funding for independent schools reflects the reality that all types of schools play a critical role in serving students in Alberta. By providing balanced support for various types of schools, the government is demonstrating its support for education pluralism in the province. As the Government of Alberta studies how to structure the portion of funding allocated to the independent school sector, this brief outlines several considerations for the program's design.

POSITION

The government's overriding policy objective is to create more school spaces to address the rapid growth of students in Alberta. For independent schools, the funding should be structured in a way that allows new or less-resourced school operators to be competitive in the funding process. Disbursing the funding through a process that is highly complex or opaque risks excluding these operators from applying or qualifying for funding, allowing only established or well-resourced schools to gain access. A second risk is that disproportionate capital funding to public and charter schools would grow enrolment in those sectors while potentially decreasing enrollment in the independent sector. As the program is designed, it is important to avoid these risks because a thriving independent sector ensures robust educational choice for Albertans. Further, funded independent school students receive 70 percent of per pupil funding compared to public and charter schools, representing a long-term cost saving for government. The following considerations outline how to disburse funding to independent schools while ensuring that this sector thrives alongside the public and charter systems under the Accelerator Program.

CONSIDERATIONS

- **Ownership**
 - Independent schools should retain sole ownership of their capital given that they are largely funded and managed by the community and/or civil society. The ownership of independent school buildings by the government would be contrary to the nature of these schools. Consideration should specifically be given to how the introduction of government ownership in an otherwise-independent sector would complicate governance now and in the future, particularly for school expansions and modernizations.
- **Matching Ratios**
 - Retaining ownership of their capital is non-negotiable for schools in the independent sector. The government should consider the best matching ratio that would ensure schools can retain ownership of the capital they invest in (ex. new buildings, conversions of existing buildings, modular classrooms) while still providing impactful incentives and financial assistance to fast-track significant space creation.
 - In our previous policy brief, we proposed that top-tier independent schools be ineligible for capital funding.¹ A key consideration for policy makers is to ensure that new or less-resourced school operators can be competitive in the funding process. Instead of deeming certain schools as ineligible, the government should consider introducing a cap that matches funds at a 2:1 ratio (ex. \$2 from government: \$1 from the school) up to a certain threshold (ex. \$5 million per school). When that threshold is exceeded, the funding could be lowered (ex. \$1 from government: \$1 from the school). Alternatively, the funds could be distributed in several rounds over a period of time. This would give multiple schools the opportunity to access funds, avoiding a situation where only a handful of large projects meet the eligibility criteria to be funded.
 - The government should also consider counting in-kind donations as part of the school's contribution. For example, if the school receives donations of land, supplies, or services, the fair market value of those gifts could be counted as part of the school's contribution.
 - The government should consider allowing schools to obtain the matched component through various means. This could include sourcing funds from their reserves, through fundraising, through a line of credit, etc.
- **Conditions for Potential Grants**
 - In our previous policy brief, we outlined that the government should provide forgivable loans to independent schools, subject to several conditions. If the province chooses to administer the funds through conditional grants instead, it should consider applying similar requirements. These include: requiring schools to meet enrolment growth or space creation targets; requiring that funding recipients demonstrate an ability to operate for the long-term; and requiring timelines for construction and building completion to meet the pressing demand for spaces. Consideration should be given to

¹ Kavanagh, Catharine, Van Pelt, Michael and Sennyah, Andreae. "Policy Brief: Capital Funding Boost for Alberta Independent School," Cardus, 2024. <https://www.cardus.ca/research/education/policy-brief/capital-funding-boost-for-alberta-independent-schools/>.

these types of conditions to prioritize space creation while providing accountability for funds.

- **Tracks for Eligibility**

- The government should consider introducing several tracks for the kinds of schools that would be eligible for the Accelerator Program. Examples include:
 - A track for special education schools or programs that could be eligible for a higher government-matched ratio.
 - A track for new independent school operators that have been granted accreditation. Funding disbursement could be staggered based on when certain targets are met.
 - A track for geographic areas facing higher enrolment pressures.

- **Administration**

- The funding application should be structured in a way that is straightforward and intuitive to the independent school sector. Recruiting a third-party association to assist in the administration of these funds, as well as having a liaison within the Minister's office could assist independent schools in grant applications. Unlike for large, well-established public boards, these types of grant applications will be new for independent schools, many of which are parent- or community-led organizations with minimal extra resources. Some degree of additional facilitation would help schools meaningfully compete for this funding.

- **Guarantee of Funds**

- One media report suggests that the government intends to allocate \$600 million of the \$8.6 billion to charters and independent schools.² Given that this is historic funding, the government should consider setting aside a portion of this specifically for independent schools over the next four years. This would allow schools to fundraise or finalize capital plans in the short term without being locked out of this funding in the future. The key consideration is to avoid a use-it-or-lose-it situation as the participation of all partners in education is critical for space creation.
- Cardus previously proposed that \$100 million be set aside for independent school capital. However, given the scale of funding announced in the Accelerator Program, the government should consider guaranteeing a portion of funds for independent schools based on the current proportion of enrolment. Based on the 2023/24 student population numbers, 28,669 or approximately 3.58 percent of students attend funded independent schools out of a total student population of 800,038.³ 3.58 percent of \$8.6 billion is approximately \$308 million that could be proportionately allocated for capital in the independent sector.

² Braid, Don. "Braid: Smith breaks open the public piggy bank to solve school shortage, blames Trudeau," Calgary Herald, Sept 17, 2024. <https://calgaryherald.com/opinion/columnists/braid-danielle-smith-public-piggy-bank-solve-school-shortage-trudeau>.

³ Authors' calculations using "Student population statistics," Government of Alberta, accessed October 15, 2024, <https://www.alberta.ca/student-population-statistics>.