

June 9, 2016

important information for budget owners

Dear budget owner,
I look for your assistance and leadership as we work to address the financial challenges we face as we prepare our 2016-17 budget, which will go to the Board of Trustees on June 14.

On May 17, the [Budget Assumptions Report](#) (BAR) was presented to the Board of Trustees. It shows that we are facing a \$20 million deficit next year. We should be able to manage this deficit by using our savings (our reserves) and by introducing a number of new spending measures.

These savings are a one-time resource that we can't count on having every year. The spending measures will remain in effect for the long term and will be integral to balancing our budgets in future years.

Therefore, the following measures are **effective today**. Prior written approval from the chief financial officer must be obtained if spending activity requires non-compliance with these requirements.

Guiding principles

- Budget owners should practice prudence in spending and carefully monitor spending on conferences, travel and meals.
- Budget owners should monitor all activities for highest priority projects, such as new school openings and the Student Information System.

Schools

- Schools must submit Resource Allocation Method (RAM) change forms by June 15, 2016 to receive a budget transfer for position vacancies.

Schools & Service Units

- The expenditure of CBE funds (including school decentralized funds) for travel outside Calgary is only for essential business and requires prior approval by a superintendent. This restriction is not applicable to Alberta Teachers' Association (ATA) and Staff Association (SA) staff development funds. The current process for using professional development funds via the ATA and SA staff development funds are to be maintained.



Service Units

- Superintendents' Team must approve all postings to fill all service unit positions, including vacancy fill, temporary and project-based.
- Savings arising from vacant positions will be moved to corporate accounts and not spent by the unit.
- Service units may not spend savings generated from 'Corporate/System Accounts.' This includes:
 - Utilities
 - Insurance premiums
 - Professional Improvement and union-required provisions
 - Telus contracts
 - Amortization expenses
 - Corporate banking fees and interest expense
 - Uncollectible / bad debts expense
 - Transportation contracts
 - Legal fees
- Service units may not spend savings generated in projects that were approved for specific purposes for other purposes. This includes carryforwards and capital projects. All amounts approved for budget carryforward will be reviewed for relevancy if not spent after two years.
- No budget can be transferred between expense objects. For example, if budget is given for minor equipment and supplies, it must be used for minor equipment and supplies.
- For the upcoming year end, the budget carryforward guidelines should be carefully adhered to.
- A Superintendents' report is required for any new projects with a total budget in excess of \$1 million.
 - We recommend that the 'financial analysis' section of this report is brought forward to Superintendents' Team prior to the full report for conceptual approval.
 - A 'project' is defined as an initiative with a start and end date that is not part of regular operations. It will either require additional resources or use existing resources for work other than the original/intended purpose.
- Superintendent's Team must approve all new projects, even if funding is available within the service unit.
- An update report (similar to a Superintendents' Team report) must be presented to the Capital Budget Council for all projects continuing into 2016-17 and requiring ongoing funding. A template will be circulated.

Thank you for your understanding as we work to ensure that our budget

supports the needs of students in the classroom and student success. Your continued leadership on these matters is appreciated.

I am following this email with an all-system email explaining these measures to staff. Both will be posted online.

Any questions on implementation of these measures can be directed to your superintendent.

Sincerely,

David Stevenson
Chief Superintendent of Schools