

**On Feb 7, 2015, at 4:26 PM, Sarah Hoffman <[sarah.hoffman@epsb.ca](mailto:sarah.hoffman@epsb.ca)> wrote:**

Dear ASBA Team,

Given that I am seeking a nomination in relation to the upcoming provincial election I am on leave from my duties on the ASBA Board of Directors. I thank Cheryl for her continued willingness to act as the alternate throughout this process. On February 13 we will know if my leave becomes permanent or not.

In preparation for the budget assumptions conversations I brought forward some requests for information and I was pleased that the board passed motions approving that the information be provided by the administration. This was done at a public meeting and I thank Scott (and other staff who supported the work) for compiling the information. As I understand it, one response was ready by the deadline for posting the package. I understand that the other two had the majority of the questions responded to (between when the package was posted and the board meeting) and that as a result hard copies were distributed at the meeting. I look forward to being able to review this information with my board (as a member of ASBA) as we determine what position EPSB will take on the proposed spring budget.

Given that this information was requested at a public meeting, and that the board voted unanimously to receive this information, I look forward to receiving it officially. From the unofficial reports that our alternate went over with me, some points remain outstanding: hosting costs associated with CSBA and NSBA (for example, did we incur any costs by having the CSBA VP and NSBA past president at our FGM?), costs associated with task forces, professional development activities for staff and if goals were achieved? When the formal responses are shared with the board it may be in your best interest to check that all questions are addressed and if not that rationale be provided.

In preparation for the Budget Assumptions discussion I wanted to raise a number of points to ensure we are confident in our process and the direction we provide to our administration. As Kim Bater would remind us, problems are often the result of poor process. I believe that yield a positive outcome using our policy based governance practices that

- Step one is clear policy grounded in our principles and mandate.
- Step two is clear budget assumptions that demonstrate alignment with our policies and strategic plan.
- Step three is passing a budget we can all support.
- Step four is holding ourselves accountable to our principles, our policies, and our budget. At the end of the fiscal year we should be able to measure success and determine if we need to adjust alignment moving forward to achieve outcomes.

I am sharing these thoughts with our acting director but in an effort to live our values of transparency and collaboration I thought some others may find this helpful as well. I remember how overwhelmed I was going through the budget principles my first year and I finally feel like I have a good understanding so here are some of my thoughts on the steps that remain.

In general, I feel like there is a great deal of discretionary spending. I have watched task forces come and go, and trips be taken without feeling well informed on the costs and benefits. I have been frustrated to see expenditures that, in my opinion, do not align with the policy direction of the board. As leaders, we can't just say that things are going to be different; we have to demonstrate our willingness to examine past and current practice and demonstrate how we are changing our practice as we live out our positive path forward.

In order to fulfill our fiduciary responsibility we need to review our policies as they relate to spending and ensure its execution (through sound controls and transparent processes). When my alternate shared information regarding staff appreciation, I was shocked. I understand that some may not want to share this information, but I feel our members have a right to know how their fees were spent last year, how we are planning to spend them this year, and what we are doing to change things for next year. If expenses, such as those in my requests, were incurred by my own school board, I am confident that the public and Education Minister would be as concerned as I am now.

My feedback regarding the budget assumptions is quite detailed. I want you to know that when board members (including myself) have asked questions about expenses I was often told that, "it was budgeted." Therefore, I am doing my due diligence in exercising even more caution over budgeting this year. Now is our chance as a board to give clear direction. Let us set the tone at the top and as a result, a budget (and policies related to finances) that all member boards can be proud of.

I am aware that you have passed assumptions one through seven in the first half of the meeting in January. I think it would be wise to give direction to the administration to investigate options for other lease space. I know that the current space is lovely but, current non-profit rental rates in Edmonton Public Schools (Category F - \$9.50 per square meter) are significantly lower than the \$198 per square meter the ASBA is paying. I believe these rates are comparable to Edmonton Catholic Schools too. I am aware there would be a penalty for breaking the lease, but I continue to believe that this is a significant area of concern. I understand that the Board of Directors has approved this principle but wanted to leave this feedback for future consideration.

I believe principles eight and onward will be discussed at your teleconference meeting next week. Here is my feedback as it relates to those.

**8) Partnerships:** I have concerns about this line item. While I appreciate there was a response in the board package with regard to anticipated outcomes and costs, the costs are not actually listed as a dollar amount but rather a summary of activities. It is unclear what costs are associated and this assumption. I know the power of relationship building, but with limited time and money we need quantifiable metrics for which relationships generate the most return for Alberta students. Relationships can, and must be quantified when we are investing significant time and money.

Questions that remain for me are:

- Where do these partnerships fall within the budget? What is the cost breakdown for each of the associations? Can we see this line broken down?
- How much staff time, executive time and money are we going to invest in partnerships outside of Alberta and outside of Canada?
- What are the actual costs associated with our partnership with (and benefits for Alberta students) in the Alberta Urban Municipalities Association, Alberta Association of Municipal Districts and Counties, Alberta Recreation and Parks Association, Alberta Chamber of Commerce and Edmonton Chamber of Commerce?
- What is being budgeted for CASS/ASCA/ASBOA? It is my understanding that in the past there was an Edmonton-based off-site retreat with all members (including those who live in Edmonton) staying in hotels and alcohol may have been included. What are the measurable outcomes of this retreat? Can we confirm we will not be paying for hotels or alcohol? Can this be done on-site, as all four partners already share workspace?
- Canadian Education Negotiators: What was the cost last year? What is being budgeted? Are we planning on attending this year? How many people will be attending? Who has gone in the past? Do we need to go every year?
- North American Association of Educational Negotiators: What was the cost last year? What is being budgeted? Are we planning on attending this year? How many attended last year? What were the outcomes? Who has gone in the past? Do we need to go every year?
- NSBA and CSBA: Thank you for the response to the board request for information. I continue to process it as I'm sure all of you are as well.

In the past the ASBA budget assumptions have been developed and shared with imbedded and unseen costs (For example, approving the NSBA thus approves all of the additional meetings, travel, and hosting costs) so I caution you about approving any partnerships until specific asks with goals, costs, and outcomes are alignment with our strategic plan.

**10) Direct Recovery of Travel Expenses:** Can we reduce the amount of travel and achieve the same outcomes? Can more be done by video-conference or telephone? Can we do this work more efficiently? Given that this line item is over \$124,000 how are we exercising our fiduciary responsibility?

**11) Reduce Board Costs** I support the board meeting schedule and believe we need to reinforce cost-reductions for out of town strategic planning retreats. Given that our staff and five members of the board live in the capital region, I appreciate that we are making more efforts to meet here which translates to savings in the budget.

12) **Resourcing the ASBA:** This principle is unclear “*Sustain adequate resources to carry out the work of the association*” What does this mean? Can we amend it to read “The Mandate” of the association? Anything could be read to mean “our work” and there is always more work to be done. We need to streamline our work plan. The ASBA cannot be everything to everyone. Not everything needs to be done every year.

13) **Staff Resources:** My expectation is that the association will be staffed in a way that is aligned to our strategic plan and comparable with other employment practices in the non-profit sector. I support additional hires on a cost recovery basis when the work is required and the outcome is cost neutral as a service. Here are some additional topics I feel require clarification.

Holidays: Does this budget assumption direct the executive director to maintain past practice of closing the office in the summer? If so, how many business days will the office be closed for? Will these days be counted as additional unpaid days of work or vacation days? If the days are paid this is a significant cost of the association.

Staff appreciation: How does staff appreciation factor into this assumption? What is considered reasonable? How is this communicated in the budget principles as Staff Planning/Functions? As staff development? For example, last year’s budget (Budget 2014) had Budgeted \$3,500 for Staff Development and \$17,410 for Staff Planning/Functions. What is included in these line items? Do we support continuing past practices? If not, how do we communicate that in amending policy or this budget assumption?

Staff PD: What are we being asked to approve? And how will this PD benefit the organization? The outstanding request for information should help you set clear direction moving forward?

How does this relate to staff compensation?

14) **Fee Reduction:** In line with the administrative direction provided to School Boards in Budget 2014 from the Minister of Education, I believe a 10% cut to the ASBA membership fee is in order. I think that the funding formula for membership fees is fair, but all boards should see a reduction in our fees commensurate with previous funding cuts for administration.

**I think the board may want to consider the following additional assumptions/amendments:**

15) **Accommodation and Travel:** Our current ASBA Travel and Expense Policy 7 Appendix B reads “Employees, Contractors, board members, and trustees shall exercise good judgment and act prudently when incurring expenses when carrying out their duties on behalf of the association.” I believe this is too vague and leaves too much to individual discretion. I don’t believe we should be expensing accommodation or travel within the jurisdiction you live. Unless we amend policy or give clear direction through the budget assumption, I am concerned we continue to enable this practice.

16) **Air Travel:** Our current ASBA Travel and Expense Policy 7 Appendix B reads: “Air travel is reimbursed when this is the most practical and economical way to travel”. Again I believe that this is too vague. I understand that association staff and board members regularly travel by air

between Calgary and Edmonton. Are flights between Calgary and Edmonton a \$5,000 or \$20,000 cost to the association? Does the board believe that flights between Calgary and Edmonton are the most practical and economical way to travel? I recall the Mayor of Calgary tweeting about taking the Red Arrow to Edmonton. Again, unless we amend policy or give clear direction through the budget assumption, I am concerned we continue to enable this practice.

Policy 3.1 concludes with, “exceptions to this policy may be authorized by the executive director”. How are we living our policy governance model if we allow the executive director to authorize policy exemptions at any point? At a minimum, I would expect exceptions to be reported to the board at the next scheduled board meeting or through a memo?

**17) Costing for Task Forces:** This information was requested by the board and I believe the board should have a complete understanding of current practice before we consider the budget moving forward. What is the cost of each of the task forces? Who meets on the Task Forces? What staff hours are required to support the task forces? How do we measure success/benefit to Alberta Students?

**18) Disclosure:** If the board chooses to pass a disclosure policy, I want to make sure that we have adequate resources to ensure accountability and transparency. This may be staff time, but I would like to see us budget a few hours to go towards the scanning and posting of expenditures.

A sound step in ensuring trust and confidence of our board and members would be establishing an expense disclosure practice in alignment with the government of Alberta (and most of our member boards). Being proactive ensures that the public have confidence in our expenditures and that we are prepared and professional in the release of the information, rather than responding to hastily to FOIP requests. This is about ensuring directors, member boards and funders have confidence in our expenditures and thus us as the leaders of their association. If we fail to open our expenses to public scrutiny it begs the question, “what are they hiding?”

**19) Conferences:** I recommend that we consider amending our practice for executive member attendance at conferences to be aligned to director attendance at conferences.

**20) Registration for FGM/SGM:** I understand PDAC has been looking at this. I believe that trustees should be able to attend the business portion without having to pay for the full professional development as well.

**21) Zone Travel:** This was raised by another board member already in discussion at a meeting. What is the cost of travel to zones (executive plus staff)? Is it necessary to go to each zone for each meeting?

**22) Technology:** Are there potential cost savings in this area?

**23) SGM/FGM:** Last year the Spring General Meeting Costs were budgeted 2014/2015 \$116,020 Fall General Meeting were budgeted at \$195,585. Again, this area has been brought up by others. Are there cost savings in this area to reduce the fees and costs to our association? Can we give some direction to help reduce costs for these events? If we are paying speakers do we

also give them a gift? Should we continue the practice of the banquet? Should we continue to host NSBA and CSBA? Are our current venues meeting our needs and are they the most economic options?

I'm sorry for the length of this email but as you can tell I have a lot of feedback that I hope you find helpful. I trust that you will give this due consideration and will work to bring forward a budget that we all can be proud of. Good luck!

Sincerely,

Sarah Hoffman