



**Date:** September 27, 2023 **Agenda Item:** 7.1  
**To:** Board of Trustees  
**From:** Shawna Warren, Superintendent  
**Originator(s):** Ruth Kuik, Acting Associate Superintendent, Corporate Services  
**Governance Policy:** [Policy 405 - Budget Development and Transparency](#)  
**Additional Reference:** [AP 415 – Fiscal Reporting](#)  
*Education Act: Sections 139(1)(2), 143, 180, 183, 184*  
**Assurance Domain:** Governance

**Superintendent Leadership Quality Standard (SLQS)**

SLQS Competencies ([SLQS](#) / [Board Policy 700](#)):

- Building Effective Relationships
- School Division Operations and Resources
- Supporting Effective Governance

**Subject:** **Alberta Education Approval of Reserve Strategy**

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**Purpose:**

For information.

**Background:**

The expenditure of school funds is a public trust and the Board must ensure that all such funds are expended efficiently, economically and in the best interest of the students and electors of the Division (Policy 220: Appendix A - Code of Ethics). Public assurance occurs when the public has trust and confidence that our Board of Trustees demonstrates stewardship of system resources with an emphasis on student success, generative community engagement, transparency and accountability.

The Superintendent strategically allocates resources in the interests of all students and ensures effective alignment of human resources with the Division’s goals and priorities (SLQS #6).

The 2023-2024 budget was developed based on funding and expenditure assumptions. Revenues were allocated in accordance with the equitable allocation model and distributed decision-making principles. The Division allocation model was developed in collaboration with School Administrators, Directors and Senior Executives. Assumptions used to prepare the budget were approved by the Board. The 2023-2024 budget was sent out to school-based administrators for completion, review and compilation. The budget was presented to the Board for approval on May 24, 2023, at the regular public board meeting.

May 24, 2023, Sturgeon Public School Division sent a letter to the Honourable Adriana LaGrange, seeking approval to offset the 2023-2024 Deficit Budget against the Unrestricted Surplus and Operating Reserves and carry forward a \$507,000.00 over the Operating Reserve Cap. A reminder that a cap on operating reserves was introduced in the 2022-2023 budget by Alberta Education. The Board prepared a Reserve Mitigation Strategy letter for the 2022-2023 school year, which was approved by the Minister. That letter also contained a Reserve Mitigation Plan for the 2023-2024 school year that was also approved in principle by the Minister, however, the Division was required to provide an updated letter to the Minister which was submitted with the Board's approved 2023-2024 budget submission.

Under the *Education Act* (Section 143.1), a school board that establishes an accumulated surplus fund that is not a capital reserve fund or an endowment fund may make a payment or transfer money from the fund only with the Minister's prior approval.

August 31, 2023, the Division received a response from the Honorable Demetrios Nicolaidis, Minister of Education, indicating that his office had reviewed the proposed access to operating reserves for the 2023-2024 school year, including transfers to capital reserves, and based on the information provided by the Division, the access request was approved for the 2023-2024 school year only. This approval includes any transfers as submitted in the 2023-2024 Budget Report.

Administration is prepared to respond to questions at the September 27, 2023, Public Board meeting.

**Attachment(s):**

1. Alberta Education Approval of Reserve Strategy Letter



ALBERTA  
EDUCATION

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*Office of the Minister  
MLA, Calgary - Bow*

AR 120999

August 31, 2023

Ms. Irene Gibbons  
Chair  
The Sturgeon School Division  
9820 - 104 Street  
Morinville AB T8R1L8

Dear Irene:

Thank you for submitting your 2023/24 Budget Report and for providing details for requested access to operating reserves for the upcoming school year. I am pleased to respond.

Under the *Education Act* Section 143.1, a school board that establishes an accumulated surplus fund that is not a capital reserve fund or an endowment fund may make a payment or transfer money from the fund with the Minister's prior approval only.

I have reviewed your proposed access to operating reserves for the 2023/24 school year, including any transfers to capital reserves. Based on the information provided, I hereby approve the access request, including any transfers, as submitted in the 2023/24 Budget Report for the 2023/24 school year only.

Thank you for your support of Alberta's students.

Best,

Demetrios Nicolaides ECA PhD  
Minister of Education

cc: Mrs. Shawna Warren, Superintendent of Schools  
Ms. Liliana Levesconte, Secretary Treasurer