MEMORANDUM TO: Directors of Education
                            Secretary/Treasurers of School Authorities
FROM: Ben Levin
             Deputy Minister
DATE: January 22, 2009
SUBJECT: Managing and Reporting Expenditure Restraint Measures

I am writing to seek your assistance and cooperation in ensuring that your board’s spending decisions are consistent with recent announcements of the Ontario government on expenditure management.

On December 2, 2008, the government announced measures to constrain spending on public salaries and to freeze the current size of the Ontario Public Service (OPS). This announcement is built on the expenditure restraints for the OPS that were identified in the Fall Economic Statement.

With this announcement, the following restraint measures are now in place:

- Member of Provincial Parliament (MPP) salary increases are limited to 1.5 percent.
- OPS senior management salary increases are limited to 1.5 percent.
- The OPS will immediately be frozen at its current size of 68,645.

In keeping with the government’s leadership in controlling spending, Broader Public Service (BPS) partners, such as school boards, are encouraged to limit salary increases to 1.5 percent for those employees earning more than $150,000 a year.

The government is also encouraging BPS partners to contain the size of their workforces. We recognize that for several years boards have been adjusting their staffing to better align with reduced enrolment, while at the same time respecting the staffing levels required by collective agreements. We expect that this process will continue. We also recognize that pressure for increased staffing is inevitable for growth boards. Nevertheless, we urge growth boards to carefully examine their staffing requirements in the light of the government’s current revenue picture.
In addition to containing or reducing expenditures on staffing and salaries, ministries have also been directed to look for savings in six areas as follows: Print Advertising - encourage the use of alternative non-print forms of advertising, including job advertising;

- Office Accommodations – unless lease agreements have already been signed, carefully consider delaying the implementation of any office relocations/expansions;
- Fleet Vehicles – if your agency owns or leases vehicles, consider a freeze on the purchase/lease of new vehicles;
- Use of IT Consultants – consider postponing or cancelling IT projects, depending on contractual obligations, or limit the scope and number of IT projects;
- Print, Photocopying and Fax – identify measures to reduce the use of these types of services; and
- Travel Costs - when evaluating travel planning and approvals, agencies should keep three things in mind:

  1. Could your business objective be achieved through another form of communication such as teleconferencing or video conferencing;
  2. If face-to-face meetings are necessary, can they be combined or scheduled with other meetings to maximize efficiency; and
  3. Financial cost to your organization and to the taxpayers of Ontario.

Not all of the above areas for savings apply equally to the education sector. However, we are urging boards to take similar measures across all expenditure categories that are in keeping with the spirit of the government actions to reduce expenditures.

Ministries have been asked to track and report on the measures they are taking to manage their expenditures. We also expect to be asked to report on similar measures being undertaken by our transfer payment partners. I am therefore asking that you immediately begin to track the salaries of your senior staff to supplement the tracking of your staff complement, which you currently do through the annual financial reporting cycle. I am also asking that you keep track of expenditure management practices that you are currently implementing, or expect to implement in the coming school year.

The careful management of expenditures is not new to school boards. Over the years boards have successfully balanced their annual budgets, as required under the Education Act. With the effective use of increases in government funding, we have made excellent progress in rebuilding the education system and advancing the goal of improved student achievement for all our students. In the current economic climate it is even more important that our education dollars be used effectively, if the needs of all our students are to be met. I know that with continued strong financial management at the board level, we will continue to advance that goal.
Please share these recommendations for expenditure controls with your trustee colleagues as well as senior board staff. Further communication will be forthcoming as details become available on additional measures the government may take.

Ben Levin
Deputy Minister

Copy: Superintendents of Business and Finance