



July 3, 2026

Ref: 318947

Jason Reid, President
British Columbia Association of School Business Officials (BCASBO)
#208-1118 Homer Street,
Vancouver BC V6B 6L5
Email: jreid@saanichschools.ca

Dear Jason:

Thank you for your email on June 10, 2026, outlining your concerns, sector analysis and recommendations regarding Public Sector Accounting Board standard PS3280 Asset Retirement Obligations (AROs).

The Ministry of Education and Child Care is looking into concerns that AROs are causing school districts to incur capital fund deficits. Ministry staff have conducted analysis looking at the capital fund to see how AROs and other factors are impacting the capital fund balances, and to quantify how many school districts are at risk of having capital deficits. The information provided in your letter and attachment compliments that analysis.

Ministry staff have been in contact with other sectors that have similar concerns with AROs. We are working with the Office of the Comptroller General to develop potential solutions that will work for the education sector and other sectors across government.

Prior to seeking government approval on recommendations for any changes for school districts, we will consult with partners such as BCASBO (e.g., through the Financial Management Committee) to help ensure the options under consideration will achieve the required results. We estimate the timeline for seeking approval will be early Fall. If you have any questions or require further information, please contact Kevin.Herkel@gov.bc.ca.

Again, thank you for writing.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cuski Prnjord".

Caroline Ponsford
Executive Director
Financial Management Division

cc: Kaye Krishna, Deputy Minister, Ministry of Education and Child Care
Mary Shaw, A/Associate Deputy Minister, Ministry of Education and Child Care
Chris Brown, Assistant Deputy Minister, Financial Management Division
Kevin Herkel, Director, Financial Management Division