



## *Statement from the Board of Education regarding the Deficit Elimination Plan*

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Since discovering serious problems in its budget and financial processes, Langley School District's Board and Senior Administration have undertaken a thorough review and restructuring of the District's financial affairs. The Finance Department in particular, has worked through the monumental job of examining the district's accounts and implementing systemic changes that will result in timely, accurate financial information for the Board.

We are now at a point where uncertainty can be replaced with transparency and clarity in our budget and financial monitoring processes. We are entering a two stage process that will position Langley School District to continue providing excellent programs and services to students by making best use of its resources through sound financial decision-making.

Stage one has been to balance the budget. The Board has achieved this in 2010-2011 through a stringent internal process to reduce costs and realign priorities. The Board identified early in the budget development process program reductions of approximately \$7 million. This level of reduction was necessary to balance expenditures and revenues in the coming year. It does not address the accumulated deficit of \$8.2 million from 2008-2009 and a further \$5.3 million anticipated in 2009-2010.

The scale of reductions required to balance the budget does not allow room for Langley School District to begin addressing its accumulated deficit in the coming year. While fully acknowledging its responsibility, the Board is hopeful that the Ministry will recognize the restructuring that has taken place to date as a sign of an ongoing commitment, and that the Minister will approve the Board's request to delay implementation of a Deficit Elimination Plan by one year, to start in 2011-2012.

Langley's Board of Education has approved a four-year schedule of repayments, which may be adjusted marginally as the 2009-2010 budget is finalized and year-end is completed. In 2011-2012 additional reductions of \$3.375 million will be identified in operations to be applied against the accumulated deficit of \$13.5 million. Those reductions will remain in place for four years until the debt is eliminated.

This timeframe would allow the district to carefully review programs and implement new and effective strategies for delivery of services to students. The Board believes opportunities may present themselves to achieve savings and capitalize on opportunities not yet identified in the following plan, which will be the subject of continued consultation with the Ministry of Education and with the district's stakeholders.

**DEFICIT ELIMINATION PLAN**

## Revenue Enhancement

1. Rentals and Leases (Increased Revenue)	<u>\$ 25,000</u>
	<u>\$ 25,000</u>

## Administration &amp; Centralized Services Reductions

1. Business Services	\$ 195,000
2. Centralized Services and Support to Schools	<u>585,000</u>
	<u>\$ 780,000</u>

## Services to Schools Reductions

1. Restructuring of School Allocations Model, Reduction of School Allocations and Realignment of ISP Revenues	<u>\$2,570,000</u>
	<u>\$2,570,000</u>
	<b><u>\$3,375,000</u></b>

**OPERATING FUND DEFICIT ELIMINATION PLAN**

	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
<b>Opening Deficit - July 1, 2010</b>	\$13,500,000	\$10,125,000	\$6,750,000	\$3,375,000
<b>Revenue Enhancement</b>				
1. Rentals	25,000	25,000	25,000	25,000
<b>Administration/Centralized Services</b>				
1. Business Services	195,000	195,000	195,000	195,000
2. Centralized Services and Support to Schools	585,000	585,000	585,000	585,000
<b>Services to Schools Reductions</b>				
1. Restructuring of School Allocations Model, Reduction of School Allocations and Realignment of ISP Revenues	2,570,000	2,570,000	2,570,000	2,570,000
<b>Total Contributions Towards Deficit Reduction</b>	3,375,000	3,375,000	3,375,000	3,375,000
<b>Closing Deficit - June 30<sup>th</sup></b>	<b>\$10,125,000</b>	<b>\$6,750,000</b>	<b>\$3,375,000</b>	<b>\$0</b>