



# Vancouver Board of Education

School District No. 39

BOARD OF SCHOOL TRUSTEES

1580 West Broadway

Vancouver, B.C. V6J 5K8

Telephone: 604-713-5000

Fax: 604-713-5049

March 5, 2018

Honorable Minister Carole James  
Minister of Finance and Deputy Premier  
PO Box 9048, Stn Prov Govt  
Victoria, BC V8W 9E2

Honorable Minister Rob Fleming  
Minister of Education  
PO Box 9045, Stn Prov Govt  
Victoria, BC V8W 9E2

Dear Ministers James and Fleming,

Re: Medical Services Plan premiums and the Employer Health Tax

The recent Throne Speech and BC Provincial Budget indicates that the Provincial Government is phasing out the Medical Services Plan (MSP) premiums and plans to implement an Employer Health Tax.

School districts will incur significant additional costs as a result of the Employer Health Tax, beginning in the upcoming 2018-2019 school year. Since MSP will not be fully phased out until January 1, 2020 and the Employer Health Tax will be effective January 1, 2019 school districts will be exposed to both costs for the entire 2019 calendar year. This will result in additional costs in the last six months of the 2018-2019 school year and the first six months of the 2019-2020 school year. I do acknowledge the MSP cost since January 1, 2018 has been reduced by 50% and that districts will have realized a budget savings in the current fiscal year.

At the Board of Education meeting held on February 26, 2018 the Board unanimously passed the following motion:

**WHEREAS:**

- *The Provincial Government has indicated in their recent budget that they will be introducing a new Employer Health Tax; and*
- *That this change will have a significant impact on BC school districts, and will negatively impact school district budgets that are primarily funded by the Province;*
- *That the timing of the introduction of the new Employer Health Tax starting January 1, 2019 precedes the discontinuation of the existing Medical Services Plan premiums ending January 1 2020, causing an overlap where both the premiums and the tax will be paid by employers to the Province simultaneously over the 2019 calendar year.*

Board of School Trustees:

Janet Fraser – Chairperson

Joy Alexander – Vice-Chairperson

Carrie Bercic Fraser Ballantyne Ken Clement

Lisa Dominato Estrellita Gonzalez

Allan Wong Judy Zaichkowsky

**BE IT RESOLVED THAT:**

*The Board of Education directs the Board Chair to write to the Minister of Finance and the Minister of Education expressing concern over the additional costs that the Employer Health Tax will have on School Districts in BC, and to request funding for school districts to mitigate the impacts of the new Employer Health Tax.*

Accordingly I am writing to inform you of this motion.

Our staff at the Vancouver School Board have carried out preliminary cost projections and as illustrated below after the MSP premiums are fully retired in 2020 the district's annual cost for the Employers Health Tax going forward will be approximately \$2.7 million higher than the MSP premiums the district was paying in 2016-2017, prior to the reduction.

School Year	2016/17	2017/18	2018/19	2019/20	2020/21
MSP Premium	4.8	3.6	2.0	1.0	0
Employers Health Tax	0	0	4.3	7.5	7.5
<b>Total</b>	<b>4.8</b>	<b>3.6</b>	<b>6.3</b>	<b>8.5</b>	<b>7.5</b>

I therefore request that in implementing the switch from MSP premiums to the Employers Health Tax the Province provide funding for school districts to cover the additional costs to prevent program cuts that will negatively impact student outcomes.

Sincerely,



Janet Fraser  
Board Chairperson

c: VBE Trustees

Suzanne Hoffman, Superintendent of Schools

J. David Green, Secretary Treasurer

Vancouver Members of the Legislative Assembly (MLAs)

British Columbia School Trustees Association

VBE Stakeholders:

President, Canadian Union of Public Employees, Local 15

President, Canadian Union of Public Employees, Local 407

President, Vancouver District Parent Advisory Council

President, International Union of Operating Engineers, Local 963

President, VBE Professional and Administrative Staff Association

President, Vancouver Association of Secondary School Administrators

President, Vancouver Elementary Principals and Vice-Principals Association

President, Vancouver Elementary School Teachers' Association

President, Vancouver Secondary Teachers' Association

President, Vancouver District Student Council

President, VBE Building Trades