



# School District 72

Campbell River, B.C.

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March 20, 2018

The Honourable Rob Fleming  
Minister of Education  
PO Box 9045 STN PROV GOVT  
Victoria, B. C. V8W 9E2

Dear Minister Fleming,

The Board of Education for SD 72 (Campbell River) has serious concerns about the Payroll Tax that was introduced in your government's last budget. This tax will have a heavy impact on our district's ability to deliver the programs that the Ministry of Education has mandated and that we believe are essential to our students' learning and future success.

The negative financial effect of the payroll tax on SD 72 (Campbell River) over the next three and one-half years will be significant. During the 2017/18 fiscal year our district paid \$433,957 in MSP premiums. Next year, 2018/19 the district is projected to pay \$289,305 in MSP premiums with an additional \$407,660 in Payroll Tax. The following year, 2019/20, MSP premiums will decrease to \$144,652 while the Payroll Tax will increase to \$815,320. In 2020/21, MSP premiums will be eliminated, while the Payroll Tax will remain the same at \$815,320.

From July 1, 2017 to June 30, 2021, the increase in costs resulting from the Payroll Tax will take SD 72's costs from the \$1,012,567 that would have been paid in MSP premiums to \$2,037,640, an increase of \$1,025,073 over the fiscal years from 2017 to 2021. From another perspective, SD72's MSP premiums would have been eliminated effective July 1, 2019. With the imposition of the 1.95% Payroll Tax our school district is now faced with an increase of \$815 320 per year, adjusted for increased payroll costs, for every year in the future.

These figures do not take into account any wage increase that will be negotiated in the new contract between BCPSEA and the BCTF which should be in place on July 1, 2019. If anything, with a possible wage increase, the Payroll Tax will increase proportionately.

At present the provincial budget has allocated no additional funds to offset this cost increase, so the Board will be required to cut services in the amount of an average of close to \$256,268 over each of the next three years in order to balance the budget. In effect, the move to a Payroll Tax will be a *de facto* budget cut for SD72 (Campbell River), and every other Board of Education in the province.

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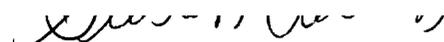
This increase in costs, along with the continuing reduction in SD72's funding of approximately \$250 000 per year in 'administrative savings' that were imposed by the previous government, and a projected increase of \$25 000 per year in Hydro costs can only result in cuts to educational and support programs. In addition, our Board will face additional costs because there has been no provision to account for inflationary increases that will occur, and there has been no provision to fund increases in wages and benefits for exempt staff. Simply put, these unfunded costs will leave our Board and all others in the province no choice but to reduce the services that we provide.

The Board of Education of SD72 is strongly requesting that the provincial government seriously consider addressing these increased but unfunded costs. Our Board and Boards of Education across the province are continuing to be placed in an unsustainable situation which is occurring as a result of underfunding by this and previous provincial governments. It is past time that education in this province is funded adequately, predictably, and sustainably.

Yours truly,



Original signed by Susan Wilson



Susan Wilson, Chair,  
Board of Education,  
SD72 (Campbell River)

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