



British Columbia
School Trustees
Association

July 6, 2018

The Honourable Carole James

Minister of Finance

PO BOX 9048, Stn Prov Govt
Victoria BC V8W9E2

Dear Minister James,

RE: Reconsideration of Health Employers' Tax for School Districts

I was pleased to read recent media stories that you are considering changing if, and/or how, the new Health Employers' Tax would apply to school districts. As you will appreciate, boards of education across the province are concerned about the negative financial impact of the new tax on school districts. Certainly, the situation faced by boards is significantly different than that of private businesses or municipal governments.

Boards of education have always anticipated and budgeted for the cost of the previous MSP premiums paid on behalf of employees. Had the new Health Employers' Tax maintained payments at the same level as the previous MSP premium costs, we would have considered the new tax fair and reasonable. Our primary concern is that the new Health Employers' Tax has created additional costs for school districts, with no option for boards to pay the increased amount except by cutting funding to programs or services.

We do see our situation as different from private businesses and municipalities. Both other entities have options available to them to increase revenues to offset the increased costs of the new tax. School districts do not have this option. Any increased cost must be covered by funds that would have been allocated to other programs or services. While the overall cost to individual school districts varies considerably, the necessity of taking money designated for other purposes to cover the additional amount is consistent across all 60 BC school districts.

I hope that the media reports are accurate and that you are reconsidering if, and how, the new Health Employers' Tax will apply to school districts. Our association would certainly encourage you to reexamine the impact of the new tax on school districts and look for cost-neutral alternatives. Certainly, our representatives would be happy to meet with you or your staff at any time to discuss impacts and options prior to the start of the next school year.

Sincerely,

A handwritten signature in blue ink that reads "G B Swan".

Gordon Swan

President

BC School Trustees Association

CC: Rob Fleming – Minister of Education