

Ministry of Education

Fiscal Implications of Proposed Legislative Changes

COLLECTIVE AGREEMENTS AFFECTED:

Teachers' collective agreement.

This is Exhibit KK referred to in the
Affidavit of Brian Porter
Sworn before me at Vancouver BC
This 5th day of May 2010

SUMMARY:

The proposed legislative changes to the School Act would accomplish the following:

- 1) changes to class size.
- 2) changes to class composition.
- 3) changes to non enrolling teacher ratios.

FINANCIAL IMPACT

The proposed legislative changes would allow the school districts (SDs) management flexibility to maximize teacher resources and to use the savings to offset funding pressures in SDs partially.

	Annual cost - \$ millions				Total
	2001/02	2002/03	2003/04	2004/05	
MED's Budget Pressure (base lift)	0.00	143.00	161.00	91.00	395.00
Savings with legislative changes	n/a	0 - 192.50	0 - 275M	0 - 275M	unknown
Low Estimates (1,500 teachers)	n/a	(57.75)	(24.75)	0.00	(82.50)
Mid range Estimate (5,000 teachers)	n/a	(192.50)	(82.50)	0.00	(275.00)
Best Case Estimate (5,000 teachers)	n/a	(192.50)	(82.50)	0.00	(275.00)
Variance (Best-Pressure)		(49.50)	78.50	91.00	120.00
Compensation Pressure (incremental):					
Teachers' agreement provision (2 percent)	30.67	44.43	45.32	13.87	
CUPE (2 percent)	3.83	15.58	15.26	4.67	
Administration (2 percent)	4.70	6.77	6.90	2.11	
Non CUPE	5.30	0.00	0.00	n/a	
Teacher's benefits	7.00	7.50	7.50	n/a	
Teacher's skills	0.00	21.50	13.50	n/a	
Total Comp pressure (incremental):	51.50	95.78	88.48	20.65	256.41
Base lift (compensation):		147.28	235.76	256.41	
in:/aj/ecel03/MEd-collective agreements summary.xls					
30-Nov-01					

The proposed legislation will provide an annualized savings of \$275 million. However, MEd requires a base lift of \$395 million for wages and other pressures. This proposal provides partial offset to MEd's pressures over three years. This legislation does not go far enough to allow MEd to meet its budget target.

SDs will be able to proceed with the implementation of new class size starting September 2002. However, it is unknown to what extent SDs will implement the increases in class size to meet SDs' budget pressures. MEd indicates that it will monitor SDs' budget on an annual basis. (This may result in quarterly forecasts showing flat expenditures since deficits in SDs cannot be identified until the end of the school year).

The proposed legislation will not permit class size to exceed the numbers as per table below. While smaller class size in Kindergarten and grades 1 to 3 is perceived to improve education, the optimum number of students per class is not known. It is not known how the average class size was determined for the proposed legislation.

	Kindergarten	Grade 1-3	Grade 4-7	Grade 8-12
Average Class size in SD	19	21	29	29
Maximum class size	22	24	n/a	n/a
Flex Factor	3	3	n/a	n/a

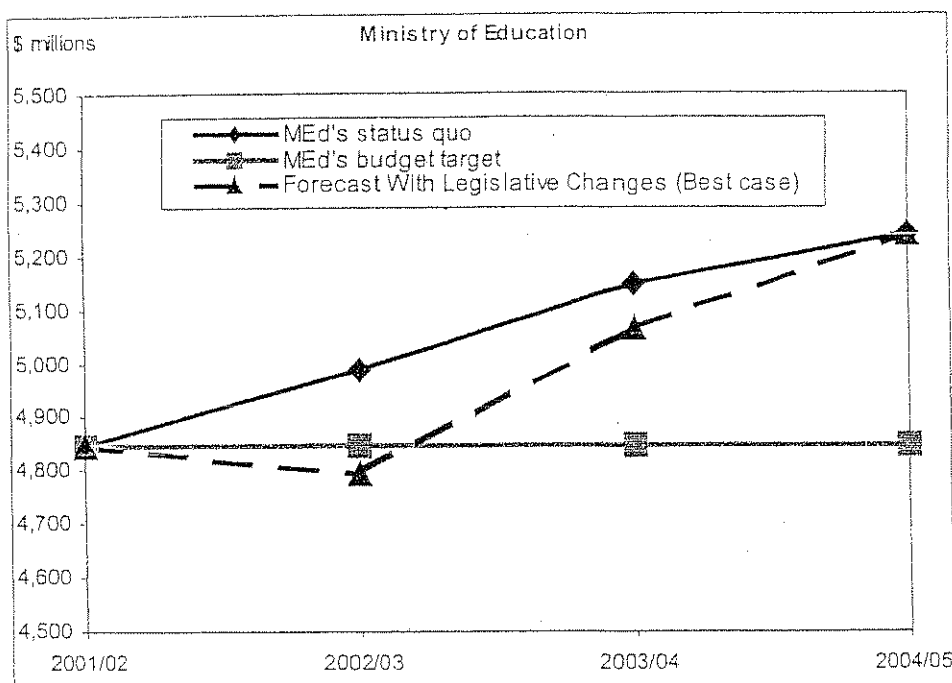
A solution to manage the expenditure gap would be to remove class size average and maximums from the legislation. This also avoids forcing busing children to school outside the catchment area due to inflexible class size requirements.

The best case estimate does not include any savings in capital expenditures. Currently schools are built to meet K-3 class size of 18. Since this legislation would accommodate a larger class size it will result in fewer classrooms and may result in cancellation of new schools. (at present high growth area secondary schools operate at 90 percent capacity and primary schools at 80 per cent capacity).

The proposed legislation does not consider other impediments highlighted by MEd which could improve flexibility. It is not known if these impediments are been negotiated at the bargaining table.

BUDGET FORECAST:

	\$ Million			
	2001/02	2002/03	2003/04	2004/05
MEd's status quo	4,844.0	4,987.0	5,148.0	5,239.0
MEd's budget target	4,844.0	4,844.0	4,844.0	4,844.0
Forecast With Legislative Changes (Best case)	4,844.0	4,794.5	5,065.5	5,239.0



\\tern\spbgroups\AJ\Budget-2003\MEd Collective Agreements Summary-1.doc