

## **When it comes to kids, let's play fair**

by **Robert Rivard**, President, Manitoba School Boards Association

In the mid-1980s, Manitoba school boards asked the provincial government of the day for an ongoing commitment to fund 80% of public school operating costs. The remaining 20% of needed revenue would be raised locally, through the education property tax. Although we have made progress over the past decade, the goal of 80% provincial funding for education has remained elusive.

Over the years, school boards have not been alone in looking for this increase in provincial funding for K-12 education. Two major studies—the Association of Manitoba Municipalities task force report “Rethinking Education Funding: Challenges and Opportunities 2001,” and the Report of the Minister’s Working Group on Education Finance (2004)—both included, as a fundamental principle, an 80/20 split in provincial and local contributions to education funding.

The recently launched Let’s Pay Fair campaign seeks to eliminate all property taxes in support of education. As a school board member, I am unwilling to head down that path. Here’s why.

There is a widely held belief that Manitoba is the only province which uses property tax revenues to support public education. In fact, seven out of ten Canadian provinces currently derive a portion of public school revenues from property taxes. In Manitoba, these property taxes are levied primarily by the local school board; elsewhere, they are levied entirely by the province. The Let’s Pay Fair campaign assumes that the provincial government is both able and willing to ante up all funds needed to maintain the level of educational services currently offered by Manitoba’s public schools (and that it can do so without relying on any form of property tax).

However, if we look to other jurisdictions where an initial commitment to 100% provincial funding of education has been made, the story is not a positive one. Major commissions in Alberta, Saskatchewan and Ontario have identified significant and chronic funding shortfalls for the operation of public schools in those provinces. In British Columbia, massive school closures and teacher layoffs have been the norm for the past decade. In this current year, school boards across the country have experienced sudden and often dramatic provincial funding cuts which have translated into program and service losses for students.

In Manitoba, \$750 million support for public education comes from property taxes. Can we simply assume that if we eliminate that source of revenue, some other source will be found that will enable school boards to maintain the level and quality of educational programming that our citizens have come to expect from public schools? The Let’s Pay Fair campaign would have us believe so. School boards have to “stand up and be counted,” “draw a line in the sand,” or “play hardball.” Pick your favourite cliché, they all amount to the same thing: school boards cutting services and programming in order to reduce costs and eliminate the need for increased property taxes. The government, the theory goes, will “see the error of its ways,” “come around to our way of thinking,” and “cough up the cash.” The theory may sound good, but can we afford to test it? I don’t think so.

I don’t think we can afford to play what amounts to a game of chicken with our children’s futures. Until and unless we have a commitment from the provincial government that the funds needed to maintain current educational standards are and will continue to be forthcoming, I will not be supporting calls for the elimination of property taxes in support of public education. Put another way, I am not prepared to abdicate my responsibility as a trustee of my community’s public schools, or my responsibility to the children they serve.

We can all agree that the long-standing pattern of adding more responsibilities to schools—social services, health care, mental health supports—without matching grants to support these new initiatives is unfair, that public education is everyone’s responsibility, and perhaps most importantly of all, that public education is priceless. School boards part company with Let’s Pay Fair supporters, however, when the discussion turns to what needs to be done to preserve the good and remedy the ills of our public school system. School trustees refuse to remove students from a discussion that all too often focuses on dollars before people, on costs before value. That doesn’t always make us popular, but trusteeship isn’t a popularity contest; it’s about doing the right thing for the right reason. That reason is the students and the communities whose interests we are elected to represent.



# Education Funding and Taxation REALITY CHECK

There are a number of myths about education funding and property taxation in Manitoba that are frequently offered and accepted as fact. Here are some of the more common assumptions - or myths - and the realities behind them.

## 1. Myth:

Manitoba is the only province which uses property taxation to support public education.

## Reality Check:

The majority of Canadian provinces utilize some level of property taxation revenues in support of public education. The exceptions are Prince Edward Island, Newfoundland and New Brunswick.

## 2. Myth:

Education property taxation is a disincentive to home ownership.

## Reality Check:

Housing sales in Manitoba in recent years have reached unprecedented highs and home buyers have not been deterred either by rising housing costs or property taxation levels. Provincial tax credit programs have been established and exemption levels increased to offset the impact of education property taxes on residential and agricultural properties. The Farmland Tax Rebate rate is now at 80%. The Seniors' Education Property Tax Credit will increase from \$950 in 2011 to \$1,100 in 2013.

## 3. Myth:

Education has no relationship with property ownership.

## Reality Check:

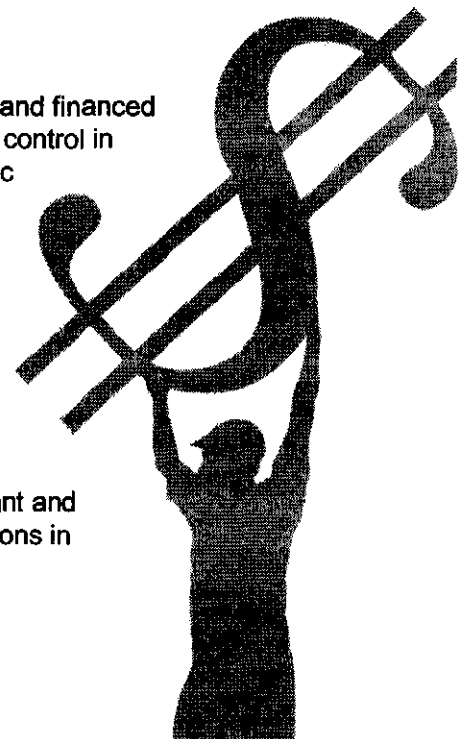
Historically, public education in both Canada and the US has been governed and financed by local property owners. This model allows for greater community voice and control in public education matters. Local dollars mean local choices for Manitoba public schools.

## 4. Myth:

Full provincial funding for education will ensure quality and equity for students in Manitoba public schools.

## Reality Check:

Full provincial funding in several Canadian provinces has resulted in significant and chronic under-funding of public education with concurrent losses and restrictions in programming and service offerings for students.



### **5. Myth:**

Full provincial funding will reduce high-priced administration costs for public education.

#### **Reality Check:**

School division administration costs in Manitoba are restricted to less than 5% of total operating expenditures. This percentage is lower than that of most Manitoba municipal governments for similar operating functions.

### **6. Myth:**

Provincial funding increases for public education make property tax increases unnecessary.

#### **Reality Check:**

Provincial funding formula grants apply to a portion of total school division operating expenditures and may vary significantly from one division to another. The Tax Incentive Grant (TIG) introduced in 2008 provides additional funds to school divisions where tax rates are frozen at the previous year's level. School division property tax revenues address the gap between actual operating costs for public schools and total provincial grant support including the TIG.

### **7. Myth:**

The province funds 75% of operating costs for Manitoba public schools.

#### **Reality Check:**

The 75% figure includes amounts for capital funding, property tax credits and the teachers' pension plan which are not part of school division operating budgets. The provincial contribution to school division operating budgets in 2010-2011 is 65.4%.

### **8. Myth:**

If education property taxes are eliminated, home owners will experience significant tax savings.

#### **Reality Check:**

There is only one taxpayer. Revenues lost through the elimination of property taxes will have to be raised elsewhere. Moreover, there is no guarantee that municipal taxes will not increase to fill the tax room left by eliminating school tax levies.

### **9. Myth:**

Higher property taxes are a result of school boards' unwillingness to control costs.

#### **Reality Check:**

Provincial policy directions and new legislation often introduce new and unfunded costs for school boards. Provincial policy and community expectations can also limit school board options for significant cost reductions. Moreover, proposed cost reduction strategies in school divisions are often met with strong and vocal community opposition.