



Fast

FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES – MANITOBA

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Financing Education in Manitoba: Equity, Adequacy and Innovation

Historically in Canada¹, education was seen as a private good. Parents paid most of the fees and school for most kids ended by about grade 6, if not earlier. This worked because most jobs did not require much education. A tiny proportion of mostly wealthy offspring went to the few private schools and universities to become professional people, doctors, lawyers, clergy.

Upper Canada's Grammar School Act of 1807 provided the first public funds for schools in what would become Ontario. Further legislation in 1816 set a pattern of school districts, governed by locally elected trustees which has largely been copied and endured across Canada. The Common School Acts were passed in 1846 and 1850 to establish formal teacher training, uniform curricula and text books for Ontario schools.

By 1871, education became primarily a public good with public funding. Of course, it has huge benefits to the individual. But it is the public at large that benefits most from a well-educated citizenry.

Fast forward to a year ago. Bill 64 threatened to put Manitoba's entire public education system under partisan political control. The Bill would have eliminated the very thing that made the system "public," namely locally elected trustees. Trustees are a vital bulwark against partisan political control of education. They are far more accessible to parents than are MLAs. Because they have a single focus on schools, they develop a much deeper understanding

of education's complexities and competing demands. Most innovation in education comes from gifted and passionate educators and committed parents and volunteer organizations. Local trustees hear these ideas, and frequently try to make room in their budgets for real change. Fortunately, massive public opposition forced the government to abandon their takeover plans. Manitobans now can decide how to govern and fund our public system equitably and adequately, and with the capacity for innovation. First, equity. Today, we raise about 40 percent of the costs by taxes on property, and 60 percent from provincial general revenue. The proportion from local property taxes has grown steadily over the past 40 years from under 20 percent to over 40 percent, because provincial funding has not kept up to either inflation or changing needs, such as the sharp increase in technology costs.

Should we keep using property taxes to fund education? Most provincial governments levy province wide property taxes as part of general revenue. Only Manitoba allows school boards to do so as well, with a "special levy" on the local tax base. Because property values differ widely across the province, this requires provincial funding formula gymnastics to even out the differences between divisions with high property values and those with low ones.

Property taxes are really a rough form of wealth tax and have the virtue of growing over time as property values

there is an alternative.

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increase. Manitoba has over 50 years experience in reducing the burden on lower-value properties and renters by using our well-established property tax rebates dating back to the Schreyer government. Using property taxes for education also provides some stability and flexibility to provincial revenues because property values normally change slowly, while income tax revenues can vary widely with the economy. In short, it is appropriate to use property taxes as part of funding education, whether as a specific education levy, or as a general revenue source.

Adequacy of school funding is much harder to address. The key variable is class size to which there is no “right” answer. This is because the literature on the impact of class size on learning is varied, evolving and conflicting. There is general agreement that in the early years, smaller classes are beneficial, but beyond that, there is little agreement. There is widespread agreement that early learning and school readiness are important for primary school success. There is also clear agreement that children from homes affected by poverty or family breakdown are much more at risk of under-achievement in school.

The fairest way to ensure adequacy over time is to fund to a specific standard of class sizes, and to then calculate direct teaching and educational leadership costs which are usually 80% of total costs. To this is added the actual local cost of ancillary services, such as special needs students, busing, maintenance and building operations.

Innovation is critical in helping education adapt to new needs and realities. All parents know well how much education has changed from our childhood. Innovation in learning has been driven by changes in the labour force and by technology of both learning itself and the work world. How should we ensure that innovation can continue to shape our system for the future?

One answer is to allow budgets to have a fixed percentage of flex-funds to both spur innovation and respond to local issues and desires. One simple, yet accountable

option would be to have an “innovation fund” of up to 5% of each division budget. Drawing on the fund would require submission by Trustees of a rationale, a plan, and proposed evaluation measures. The evaluation should be done by an impartial external body not in the control of the Minister of Education.

In summary, a public, open process of setting funding standards that is open to new information makes both educational and political sense. Governments rarely can go wrong in addressing complex policy questions if they use transparent, informed and inclusive approaches to seeking the “Goldilocks point” of policy in a world where policy will inevitably have to evolve with new information.

The current behind-closed-doors process of education finance reform serves no one because it is neither transparent nor inclusive of those most involved.

The reality is that we already have a strong, effective public school system. We would not have our standard of living if we did not. The opportunity before us is to ground the system more firmly in our community by a positive process of community engagement, rather than continued and largely unwarranted criticism which serves only to diminish morale and create uncertainty in both staff and parents.

¹CCPA Manitoba recognizes that the history of education for Indigenous people is vastly different than the history of settler education. Residential schools were government-sponsored religious schools that were established to “kill the Indian in the child”. The damage they have done is well documented and we are still seeing the damaging impact of Residential schools to this day. CCPA Manitoba supports the implementation of the TRC Calls to Action and the MMIWG Calls to Justice.

*Tim Sale was a Trustee in the former Fort Garry School Division and later Assistant Deputy Minister of Education Finance. He has also written a book entitled *An Analysis of School Funding Across Canada*.*

References available upon request.

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