

Winds of Change

K-12 Education, Funding and
Equity in Manitoba

Amin Ali



ISBN 978-1-77125-538-7

This report is available free of charge from the CCPA website at **www.policyalternatives.ca**. Printed copies may be ordered through the Manitoba Office for a \$10 fee.

Help us continue to offer our publications free online.

We make most of our publications available free on our website. Making a donation or taking out a membership will help us continue to provide people with access to our ideas and research free of charge. You can make a donation or become a supporter on-line at www.policyalternatives.ca. Or you can contact the Manitoba office at 204-927-3200 for more information. Suggested donation for this publication: \$10 or what you can afford.

The opinions and recommendations in this report, and any errors, are those of the authors, and do not necessarily reflect the views of the publishers or funders of this report.



CCPA

CANADIAN CENTRE
for POLICY ALTERNATIVES
MANITOBA OFFICE

Unit 301-583 Ellice Ave., Winnipeg, MB R3B 1Z7
tel 204-927-3200

email ccpamb@policyalternatives.ca

ABOUT THE AUTHOR

Amin Ali is a former Student Trustee with the Toronto District School Board and undergrad at the University of Toronto studying public policy, history, and sociology, and is on Twitter @AminSSW

Introduction

LIKE ELSEWHERE IN Canada, public schools in Manitoba have endured an unprecedented year of turmoil and turbulence with the onset of the COVID-19 pandemic. Nevertheless, this is far from the first year of challenge and change for Manitoba education.

In 2016, after 17 years of continuity with consistent but modest funding increases under the former NDP government, Manitoba embarked on a markedly different path with Brian Pallister's Conservative government. As a minister in the austerity-minded Filmon government and an MP in the cost-cutting Harper government, Premier Pallister took inspiration from the past for his administration, and charted a course of cost-reduction in education.

In every budget since the PCs were elected in 2016, the Manitoba government has increased education spending by no more than 0.5 per cent despite seeing 2 per cent inflation and 1 per cent enrollment cost growth in 2019–20. The provincial share of operating funding has consistently declined, representing cuts to education spending in real terms and cost-downloading.

This is an ominous backdrop for the government's education reform agenda. In 2019 the province launched its "Manitoba Commission on K-12 Education", and during the 2019 provincial election campaign the Conservatives committed to phasing out all education property tax over ten years once the budget was balanced.

These two commitments signal defining decisions for Manitoba education funding on the horizon. The Manitoba government may eliminate school division control of property tax, force division amalgamations and

other reforms as to centralize control of education funding in the hands of cabinet. This doesn't align with the priorities of major stakeholders and comes with worrisome precedents from neighbouring provinces; precedents if replicated in Manitoba would bode ill for mitigating the short-term equity crisis of COVID-19, and precedents that need to be inverted to achieve equity in student outcomes long-term.

Context is Key: Manitoba Education Funding, The K-12 Review and 2019 Campaign Commitments

MANITOBA'S \$2.5 BILLION education system is funded through a roughly 60 per cent-40 per cent split between the province and school divisions who set the tax rates for local education property taxes. Provincial funding is allocated through the "Funding for Schools Program" (FSP), with two types of grants: Base Support and Categorical Support. Base Support covers foundational needs for all boards using 11 different allocations — like providing basic per-pupil funding via Instructional Support, and socio-economic supplements via Student Services Grants. Categorical Supports provide more targeted resources for board, school or student-specific needs, like special education resources and Indigenous and international languages allowances. Additionally, some school boards received Equalization Support funding from the province, which aims to ensure school boards have comparable revenue streams if they don't have a large enough property tax base to raise needed revenue.

Education property tax is a key part of the equation. It is an annual levy placed on assessed, taxable property and is raised through two distinct mechanisms. The provincial Education Support Levy (ESL) is collected

solely from commercial properties. The ESL raised nearly \$200 million in 2019–20. It is combined with general revenues from the 60 per cent provincial contribution from the FSP. The school divisions provide a 40 per cent share of education revenue is entirely from the Special Levy. The levy is applied to all assessed and taxable property within a school division’s boundaries including farmland and residential property. The Special Levy brought in \$877 million in 2019–20.

However, the Manitoba government’s K-12 review combined with the Throne Speech announcement to begin eliminating the education property tax could upend this education funding model. The Manitoba Commission on K-12 was announced in January 2019 and billed as the first full review of education in four decades. While ostensibly guided by principles like long-term vision, student learning, and funding, there are worrisome signs of its true intention, with co-chairs from ex-Saskatchewan and Manitoba cabinet ministers known for brutal spending cuts, and government characterization of the review prioritizing “long-term sustainability” and “labour-market needs”.

The 2020 Throne Speech announced Manitoba would begin phasing out both the Education Support Levy and the Special Levy within 10 years starting a year earlier than previously announced, now in 2022–2023. This means school boards would lose their ability to raise and spend revenue totally independent of the government, and using 2018–19 numbers it was estimated that this would leave a \$830 million hole in the education budget – which the Manitoba government vaguely committed to fill with general revenues.

The austerity-tinted focus of the K-12 review and education election promises are not aligned with key stakeholders. The Manitoba School Board Association’s K-12 review submission explicitly stated “*MSBA does not believe that a move towards centralized funding ... will serve the best interests of students or of our communities.*” The association argues that the wholly discretionary nature of revenue from the Special Levy is what supports unique district-level programs vital to meeting the unique needs of a division’s particular students and not fundable under the confines of the FSP. MSBA also holds this discretionary additional revenue is what bridges growing gaps between FSP allocations and student need.

Rather, key stakeholder submissions highlight addressing poverty as the key to education reform. The MSBA said “*poverty as a factor remains one of Manitoba’s most significant obstacles in terms of progress and improvement in educational attainment and achievement*”, and highlighted poverty’s role in graduation rates, attendance rates and provincial assessment results. The Manitoba Teachers Society wrote that with Manitoba child poverty

being 12–22 per cent higher than the national average, “*getting a child into a classroom is simply not enough. To best serve the students of this province, we must first acknowledge the far-reaching effects of poverty ... in our school systems*”. Thus the Society recommended free student transit passes, universal school meals, and other poverty-focused measures.

With then-Education Minister Kelvin Goertzen declaring “nothing is off the table” when launching the commission, and the Manitoba government committing to begin eliminating education property tax, the mechanisms responsible for 40 per cent of education spending, starting this year. The conditions are ripe for a radical restructuring of education in Manitoba through wholesale centralization of funding. Restructuring comes with significant precedent in Canada.

Property Tax in Perspective

ACROSS CANADA CENTRALIZATION of education funding has become the norm, with Manitoba and Quebec boards the last to wield control over the mill rate. However 7 out of 10 provinces still retain education property tax revenue overall, with the exceptions of PEI, Newfoundland, and New Brunswick. As of 2016, the average education funding approach was 68 per cent being funded out of general revenue and 27 per cent from property taxes.

To understand what the Manitoba government's promised property tax reforms would mean for Manitoba education, there's a cautionary case-study of what happens with centralization of education funding under an austerity-minded Conservative government: late 1990s Ontario.

Like Manitoba in 2016, in 1995 Ontario had soured on an unpopular NDP government and elected a landslide Conservative majority. Mike Harris' government quickly made education reform the hallmark of its first-term, introducing cuts which added up to nearly \$1 billion by 1997. Then, the government went dramatically further and introduced Bill 160: the Education Quality Improvement Act.

In an effort to carve out more dollars for tax cuts, Bill 160 would transfer control of education spending from local boards and trustees to cabinet by eliminating school board property tax powers and allocating all funds through the one-size-fits-all Grants for Student Needs (GSN) funding formula. This centralization of funding was accompanied by a centralization

of control — as the Minister of Education gained vast regulatory power over class sizes, school board governance, support staff levels. This authority was used to dramatic effect — evidenced by the present-day 250,000 student Toronto District School Board being the product of forced amalgamation of six different school boards pre-1998.

In response to the draconian legislation, Ontario teachers launched in fall 1997 what was the largest work stoppage in North American history as 127,000 education workers went on strike for over two weeks. However, the government still managed to ram Bill 160 through the legislature and upend Ontario education to this day.

The reverberations of Bill 160 and the wholesale centralization of education funding are chronicled through a 2017 analysis by economist Hugh Mackenzie for the Elementary Teachers' Federation of Ontario;

By 2002–03, education spending had fallen \$1.7 billion below its pre-centralization level, and the province amassed a school repair backlog of \$5.7 billion. This has since tripled to \$16.3 billion — a reality brought into sharp relief by COVID as deteriorating schools (especially with ventilation/HVAC) may enable virus transmission.

When resources are limited, equity suffers. Equity in education is not about making sure everyone has the exact same resources. It is about making differentiated approaches to resourcing to acknowledge students and schools have differentiated and distinct needs. Equity in education has been uniquely hit by the centralized Harris funding formula — without property tax revenue boards no longer had the discretionary dollars to fund the unique equity programs (aimed at supporting those distinct needs) not funded by the province. Thus the new GSN funding formula had a central equity allocation of the Learning Opportunities Grant, recommended by experts to be funded at \$400 million but was allocated only \$185 million — a structural underfunding that remains today. Additionally, because of cost pressures of this deeply inadequate and antiquated funding formula many boards raid this equity grant to backfill other areas — as seen through the TDSB in 2015 diverting 48 per cent (\$61 million) of this grant away from low-income student supports and further underfunding equity programs.

All in all, the impacts of centralization of education funding is best distilled this way: 20 years post-Bill 160, Ontario ranked 18th out of 18 in the Great Lakes North Eastern states and provinces and 45th out of all 61 Canadian and U.S. jurisdictions in per-student funding.

Looking Ahead: Achieving Equity in Education Short and Long-Term

ONTARIO'S EXPERIENCE WITH over two decades of a centralized one-size-fits-all approach has clearly resulted in chronic significant underfunding, which has been devastating to everything from education infrastructure to class size/composition, but particularly to achieving the full promise and power of public education: opening the door of opportunity wide to everyone in society regardless of their colour or creed, ethnicity, ability, gender or economic standing.

If such a centralized formula were to come to Manitoba through the Manitoba government's reforms, it could similarly devastate equity efforts in Manitoba public schools. However, if government moves towards progressive alternative funding approaches in the long-term, it could remake the boundaries for educational equity.

In the short run, this pandemic continues to be the biggest hurdle to advancing equity in Manitoba schools by virtue of the virus magnifying and exacerbating the inequities of our pre-COVID world. With the requirement of home learning, access to computers at home has also become essential — but during emergency distance remote learning in the spring the Winnipeg School

Division roughly estimated a staggering 40 per cent of its students didn't have computer devices at home, and in turn 40 per cent families making the 2500 initial device requests also didn't have internet connection. While this was during the initial outbreak of COVID pandemonium in the spring and some gaps may have been bridged since, it's a stark display of the inequities inherent in online learning.

In addition, safe and supportive schools during a pandemic require a multitude of mitigation measures – from smaller class sizes to increased sanitation and HVAC/infrastructure repairs to increased mental supports. All of these pandemic learning requirements will not be fulfilled on the cheap – it will take substantial investments like technology procurement, hiring more teachers and support staff and emergency school repairs.

Ideally, provincial governments would recognize the immense social and economic value of supporting a safe return to school and fund these investments – but ideal realities don't materialize often these days. With a funding model like Manitoba's which provides for local fiscal autonomy, school divisions can raise the revenue and manage their own safe return to schools.

This type of flexibility is essential during a crisis like this, as evidenced by the Toronto District School Board's school-reopening difficulties. Lacking the ability to independently raise revenue, the board has been wholly at the whims of a provincial government that appears to want to spend as little as possible on education. Thus the board has had plans rejected, forced to raid reserves set aside for important initiatives, and implement a back-to-school plan less comprehensive than originally envisioned by trustees and staff – a decision that could have been avoided with revenue tools.

This underfunded back-to-school plan may have contributed to the inequities already starkly apparent. An analysis from an academic at the Ontario Institute for Studies on Education (OISE/UofT) found that as few as 27–62 per cent of students in Toronto's lower-income schools are opting for in-person learning, while upwards of 74 per cent students are returning in-person in more affluent areas.

But for the long-term as we move past this crisis and look to reform the inequities it shined a bright and unyielding light on, the path to equity in Manitoba schools runs through the opposite of centralized funding: needs-based funding. While socio-economic demographic metrics are used in aspects of the FSP formula, like socio-economic component of the Base Support's Student Services Grant for professional support services, these components are submerged by an overriding emphasis on enrollment as the driver of funding.

Enrollment-driven funding quantifies students as black-and-white, dispassionate numbers on a spreadsheet that merely exist to be multiplied against cost benchmarks to generate budget lines, as opposed to unique people with distinct needs from one person to the next.

Education funding must be rooted not just in how many students you have, but what supports those students have to get to meet their academic, social, well-being, and material needs so that they can find a path to enduring student success. This means looking at a much broader array of indicators beyond enrollment and integrating them into the allocation structures across all grants. Such metrics could be:

- Housing stability/frequent homelessness rates
- Social assistance program utilization rates
- Regional unemployment rates
- Student physical and mental well-being rates
- Disaggregated student achievement results
- Immigration/refugee settlement rates
- Non-English home language use rates
- Parental education attainment rates
- Low-Income Measure rates

These are just a few options, but incorporation of such metrics will go a very long way to ensuring education spending correlates with the lived-realities and accompanying needs of the students schools serve. And when student needs are supported, every single student will be able to achieve their full potential.

All in all, between the Manitoba government's education reform agenda, the COVID-19 pandemic and the pivotal role of poverty in student achievement in this province's schools, Manitoba education is at a crossroads. The course that will be charted as a result of the K-12 review and 2019 campaign commitments could completely redefine how Manitoba funds its schools, and the entrenched socio-economic challenges that exist in Manitoba schools and COVID-19's reverberating impacts will define how the changes play out.

But with reforms rooted in local autonomy as opposed to centralization, student-need versus enrollment, and ensuring COVID's inequities don't create a generational education equity crisis — a path towards a broad, bold and ambitious future for Manitoba education will be set.

Reference List

- Chmielewski, Anna Katyn, and Omar Khan. "Toronto's Rich Neighbourhoods Opt for In-Person School." Medium, September 17, 2020. https://medium.com/@katyn_and_omar/torontos-rich-neighbourhoods-opt-for-in-person-school-8161dc6cc13b.
- Lennon, Eileen, Doug Jolliffe, and Michelle Teixeira. "Remembering the Bill 160 Protest 20 Years on..." OSSTF Toronto, October 27, 2017. <https://osstftoronto.ca/news/2017/10/remembering-the-bill-160-protest-20-years-on/>.
- McCracken, Molly. "What Is Happening to Public Education in Manitoba?" Canadian Centre for Policy Alternatives, February 28, 2019. <https://www.policyalternatives.ca/publications/commentary/what-happening-public-education-manitoba>.
- "2019/20 Funding Announcement." The Manitoba Teachers' Society, February 5, 2019. <https://www.mbteach.org/mtscms/2019/01/28/2019-20-funding-announcement/>.
- "2020 Vision ." Manitoba School Boards Association, 2019. https://www.mbschoolboards.ca/documents/Advocacy/MSBA_Submission.pdf.
- "FRAME Report 2019/20." Manitoba Education, April 2020. https://www.edu.gov.mb.ca/k12/finance/frame_report/2019-20_frame_budget.pdf
- Froese, Ian. "'High Degree of Anxiety' as Manitoba's Education System Braces for Major Reforms | CBC News." CBC/Radio Canada, January 5, 2020. <https://www.cbc.ca/news/canada/manitoba/manitoba-education-review-kindergarten-grade-12-anxiety-1.5414078>.
- Froese, Ian. "Lack of Computers, Internet Access Exposes Shortfall of at-Home Learning in Manitoba | CBC News." CBC/Radio Canada, April 14, 2020. <https://www.cbc.ca/news/canada/manitoba/lack-computers-internet-shortfall-at-home-learning-manitoba-winnipeg-1.5531100>.
- Froese, Ian. "Tories Promise to Gradually Phase Education Tax out of Property Bills | CBC News." CBC/Radio Canada, September 3, 2019. <https://www.cbc.ca/news/canada/manitoba/tories-education-tax-property-bills-1.5268737>.
- "Funding of Schools 2019/20 School Year." Manitoba Education, 2019. https://www.edu.gov.mb.ca/k12/finance/schfund/2019-2020/funding_19-20.pdf.
- Mackenzie, Hugh. "Shortchanging Ontario Students — An Overview and Assessment of Education Funding in Ontario." Elementary Teachers' Federation of Ontario, September 2017. [https://www.etfo.ca/AboutETFO/Publications/PositionPapers/PositionPapersDocuments/Shortchanging per cent20Ontario per cent20Students per cent20- per cent20An per cent20overview per cent20and per cent20assessment per cent20of per cent20education per cent20funding per cent20in per cent20Ontario.pdf](https://www.etfo.ca/AboutETFO/Publications/PositionPapers/PositionPapersDocuments/Shortchanging%20per%20Ontario%20per%20Students%20per%20-%20per%20An%20overview%20and%20assessment%20of%20education%20funding%20in%20Ontario.pdf).
- "Manitoba's Commission on Kindergarten to Grade 12 Education — Discussion Paper Summary." Manitoba.ca. Manitoba's Commission on Kindergarten to Grade 12 Education Secretariat, April 2019. <https://www.edu.gov.mb.ca/educationreview/docs/public-discussion-paper-summary.pdf>.

- “Moving Manitoba Forward — Our Guarantee to Manitobans, Platform Commitments.” Manitoba PC Party, September 3, 2019. <http://d3n8a8pro7vhmx.cloudfront.net/themes/59383b474d992c9319000000/attachments/original/1567522224/Platform-Final.pdf?1567522224>.
- “My Classroom, Our Future: Submission to Manitoba’s Commission on Kindergarten to Grade 12 Education.” The Manitoba Teachers’ Society, May 2019. http://www.mbteach.org/pdfs/news/MTS_CommissionSubmission2019.pdf.
- “News Releases: Province Announces New Commission on Kindergarten to Grade 12 Education.” Manitoba.ca. Government of Manitoba, January 23, 2019. <https://news.gov.mb.ca/news/index.html?archive=&item=44959>.
- Queiser, Sharma. “Missing Opportunities: How Budget Policies Continue to Leave behind Low-Income Students.” Social Planning Toronto, January 12, 2017. https://d3n8a8pro7vhmx.cloudfront.net/socialplanningtoronto/pages/542/attachments/original/1484226232/LOG_report-final-web.pdf?1484226232.
- Rushowy, Kristin. “Repair Backlog in Ontario Schools Hits \$16.3 Billion.” thestar.com. The Toronto Star, November 6, 2019. <https://www.thestar.com/politics/provincial/2019/11/06/repair-backlog-in-ontario-schools-hits-163-billion.html>.
- “WSD Computer Devices – Bridging Equity and Connectivity.” Winnipeg School Division . Accessed January 11, 2021. [https://www.winnipeg.wsd.ca/About per cent2520WSD/NEWS/Pages/WSD-computer-devices- per centE2 per cent80 per cent93-bridging-equity-and-connectivity.aspx](https://www.winnipeg.wsd.ca/About%20WSD/NEWS/Pages/WSD-computer-devices-%20per%20cent80-per%20cent93-bridging-equity-and-connectivity.aspx).
- “Lack of Computers, Internet Access Exposes Shortfall of at-Home Learning in Manitoba | CBC News.” CBC/Radio Canada, April 14, 2020. <https://www.cbc.ca/news/canada/manitoba/lack-computers-internet-shortfall-at-home-learning-manitoba-winnipeg-1.5531100>.



CCPA

CANADIAN CENTRE
for POLICY ALTERNATIVES
MANITOBA OFFICE