



LEADERSHIP, ADVOCACY AND SERVICE FOR MANITOBA'S PUBLIC SCHOOL BOARDS

July 24, 2019

Rt. Hon. Justin Trudeau, PC
Prime Minister of Canada
Ottawa, Canada
K1A 0A2

Dear Prime Minister Trudeau:

It is with both hope and in a spirit of genuine cooperation and partnership that I write to you, on behalf of the 38 public school boards that serve Manitoba's students, people and communities.

In Manitoba, each and every school board strives to provide strong and innovative spaces and places where our children can grow, develop, thrive and learn. Our students are the very citizens who will shape what Canada can become and achieve, as this generation helps us to fulfil our potential in the 21st century, while also ushering in the 22nd century.

When the Federal Government announced the implementation of a carbon tax under Budget 2017, we as school boards early recognized that the collection of such revenue from our budgets would place a very real strain upon our total discretionary funding. This would come with some impact in our ability to provide students with programming, supports and services designed to promote their personal well-being and educational achievement. Given existing cost pressures and the pace of inflation overall, it goes without saying that funding constraints have become an enduring reality for all Manitoba school boards.

When any new tax revenue source is therefore levied upon school boards by any level of government, be it federal, provincial or municipal, the only choice that school boards have is to either reduce the programs, supports and services upon which our children depend, or, here in Manitoba, to request that these additional cost pressures be borne by our local ratepayers. For Manitoba's school boards, both options are neither viable nor desirable, whether related to the carbon tax or any other form of tax revenue.

On June 25, 2019, when your Government announced that the carbon tax revenues collected from school boards would be returned in the form of the titled "Climate Action Incentive Fund", we were optimistic. At the very least, we hoped that funds taken from our operations by the carbon tax would be returned for use for the Government's announced purposes: promoting *energy efficiency*, building *better learning environments*, cutting *energy costs* and helping *people save money*. while at the same time ensuring *students can learn in a healthy environment that will also help young people succeed*.

The accompanying letter from Federal Environment Minister, the Honourable Catherine McKenna, to Manitoba Minister of Sustainable Development, the Honourable Rochelle Squires, did cause us some surprise, however, in that it proposed joint Federal-Provincial co-operation in disbursing the Climate Action Incentive Funds to Manitoba's school boards. During the discussions and planning that had been convened by the Federal Government with our association in January, 2019 regarding the establishment of a carbon backstop, we very clearly indicated that the Climate Action Incentive Fund monies could in fact be disbursed directly to school boards by the Federal Government, in one of two possible forms.

- 1) The Fund could be disbursed to school boards in the form of taxation rebates that could be directly claimed by school boards (according to the tax year cycle, and subject to our submission of receipts or other evidence to Revenue Canada of school-based, climate focused infrastructure retrofits or other improvements); or
- 2) The Fund could be disbursed to school boards through a monetary transfer or instrument such as a cheque, much like the payments that are issued by the Federal treasury to countless Canadian citizens, organizations and foreign governments, for a number of purposes.

Notwithstanding our advice and the significant benefits that would be incurred by the use of the Climate Action Incentive Fund in support of the school-focused objectives outlined in the Federal announcement of June 25, 2019, it now seems that a decision is being contemplated to withdraw the Fund entirely from school boards. The outcome of such a decision would mean no identifiable return or rebate of any carbon tax revenues that have been paid to the Federal Government by Manitoba's public schools.

In a reply to our inquiry concerning whether media reports of July 22nd and 23rd were indeed valid concerning the Federal Government's decision to withhold the Climate Action Incentive Fund from our schools and to also redirect it to other sectors, it was cited that the Federal Government "knows of no precedent for the federal government providing funding to school boards without coordinating with the provincial government". Our earlier advisement on this matter however, as is clearly outlined above, provides clear direction to assist our Federal counterparts in doing the right thing for Manitoba's schools and children.

We would like to thank the Federal Government for its continuing partnership in building a strong nation that stands committed to addressing the negative impacts of climate change. However, that the Federal Government may contemplate that school boards in Manitoba would not now receive any portion of our carbon tax rebate would be, from our perspective, a most regrettable development, from a number of standpoints:

- insofar as withdrawal of the funding would deny school boards in Manitoba the opportunity to reinvest in any project related to the originally intended purpose of improving school infrastructure for the sake of our children and communities;
- insofar as these very same carbon tax revenues are generated by our local ratepayers for the key purpose of delivering programs, supports and services to Manitoba's children and therefore rightly belong to the school boards from which they were collected;
- insofar as withdrawal of this funding would be akin to one level of government taking from another revenues required for the programs, supports and services that directly benefit our children and their future;
- insofar as it would equally challenge the return any tangible benefit to our children and their communities in fulfillment of their current educational journey and aspirations, and in helping them continue to take their rightful place among the world's leading education achievers.

We do trust that such regrettable developments can be avoided.

Through our continuing and ongoing partnership on this matter, the Climate Action Incentive Fund can— in its entirety— remain on target for investment in Manitoba's schools and children, as was originally foreseen by your Government for this current fiscal year.

We support the pro-ration of available funds on a per pupil basis, as well as the original intention of the Federal Government to ensure that each sector, from among municipal, university and college, schools, and health-care services, will in their turn, qualify for disbursement on a rotational annual basis.

We believe that such a plan would in fact serve to equitably distribute the backstop in the longer term, even as we still must concede that the carbon tax itself shall continue to present a very real budgetary constraint upon our members and ratepayers. Not providing for the recuperation of any of these funds by Manitoba public schools is however, from our perspective, a non-starter.

On behalf of the nearly 185,000 students, and their families, who depend on the programs, supports, services and infrastructure that Manitoba public schools provide, and the 34,000 employees who deliver these programs, supports and services to the people of our communities, we look forward to your reply to our present concerns and recommendations.

We therefore close with a continuing note of optimism concerning the future and what prospects it may hold in respect of our cooperation. We remain hopeful for an expedient resolution to these concerns, and one that will benefit all parties.

Sincerely,



Alan M. Campbell
President

C. Hon. Catherine McKenna
Hon. Jim Carr, Senior Minister for Manitoba
Manitoba Federal Liberal Caucus