



**2019 PRE-BUDGET BRIEF – EXECUTIVE SUMMARY**  
**For the Honourable Scott Fielding, Minister of Finance**  
**Tuesday, January 8, 2019**

**INTRODUCTION**

Representing Manitoba's 38 public school boards, the Manitoba School Boards Association is pleased to submit the present briefing as the Government of Manitoba proceeds to develop Budget 2019. As we prepare to enter the third budget cycle under Manitoba's new Government, our Association would like to take an opportunity to thank the Minister and his colleagues in Government for the significant work that has been achieved since their election in spring, 2016.

**RECOMMENDATIONS FOR MEANINGFUL FUNDING REFORM**

We remain hopeful that in due course, working in partnership and collaboration with the Government, the recommendations that we tabled in the Transition Brief that was received by Government from our association in April, 2016, will receive additional consideration. We believe that the upcoming provincial review commission on Kindergarten to Grade 12 education will also provide a valuable opportunity for us to explore the merits of each of the recommendations that we had previously submitted.

**EDUCATION PROPOSALS UNDER THE 2019 PRE-BUDGET SURVEY**

Based on the online pre-budget survey that the Government has published (as of October 2018), five specific proposals for systemic change appear to be under immediate consideration. School boards are concerned with each of the proposals that have been put forward and we would defer to our formal response to the survey, should any further information or clarification be required.

**2019-20 FUNDING NEEDS AND REQUIREMENTS**

We have chosen to divide the coming year's funding requirements into four broad categories: inflationary pressures, short term funding needs and requirements, long term funding needs and requirements, and our vision for partnership with the Government in restoring Manitoba's fiscal balance. Full analysis concerning each of the recommendations can be found in the "full analysis" document that is attached.

**1) INFLATIONARY PRESSURES**

**Recommendation 1:** That the Government of Manitoba extend consideration to granting a minimum of a one- to a one and a half- percent increase in core operating funds in 2019, in view of next year's projected inflation rate of two percent or higher. We further recommend that allowance for a minimum two percent increase to the mill be considered by Government, as a general guideline only.

**Recommendation 2:** In order to maintain status quo operations without impacting front-line program and service delivery into the 2019/20 Fiscal Year, that the Government extend consideration to maintaining the equalization formula guarantee at its current level of investment, being already limited as it is under the combined four percent reduction experienced over the 2017/18 and 2018/19 fiscal periods.

**Recommendation 3:** That Government continue its past practice of releasing the annual Funding of Schools Program announcement by late January or early February, 2019.

### 2) SHORT TERM NEEDS AND REQUIREMENTS

#### a. Accessibility

**Recommendation 4:** That the pace of regulatory development under *The Accessibility for Manitobans Act* allow public entities such as school boards the opportunity to provide sufficient counsel to Government, under an appropriate and reasonable timeframe, to ensure that future regulations are able to be successfully implemented with a view to balancing accommodation for all community members and available fiscal resources.

#### b. Special needs funding

We would like to thank the Government of Manitoba for its efforts to streamline delivery of special needs funding, with particular appreciation for the significant reduction of red-tape in the administration of special needs funding grants that has already taken place.

#### c. Clinician supports

**Recommendation 5:** That the Government of Manitoba include, as terms of reference under the forthcoming Kindergarten to Grade 12 education review commission, a review of school-focused clinician resources in Manitoba– with a view to expanding capacity and streamlining service delivery for greater efficiency and effectiveness overall.

**Recommendation 6:** That the Government of Manitoba explore opportunities for allocation of a portion of tax revenues generated from cannabis sales, to support an overall review of clinician services within the context of expanding province-wide mental health and addiction services.

#### d. Aboriginal and Indigenous programming

**Recommendation 7:** That the Government of Manitoba, in partnership with the Manitoba School Boards Association, seek clarity from the Government of Canada regarding implementation of Métis education supports arising from the *Daniels v. Canada* case, with a view to determining future funding frameworks in relation to the public education system.

**Recommendation 8:** That the Government of Manitoba consider amending *The Manitoba School Boards Association Act*, in order to provide the Manitoba First Nations School System with the opportunity to join our association as full members, at the earliest available time.

**e. Francophone and French language education**

**Recommendation 9:** That the Government of Manitoba to include, as terms of reference under the forthcoming Kindergarten to Grade 12 education review commission, a review of undergraduate teacher education capacity across Manitoba– with a view to addressing the continuing effectiveness and efficiency of this publically funded capacity.

**f. Newcomer and refugee settlement and integration**

**Recommendation 10:** That the Government of Manitoba extend consideration to additional funding in support of newcomer and refugee students, either on a one-time or permanent basis, under Budget 2019.

**g. Skills and labour-market driven programming, supports and services**

**Recommendation 11:** That the Government of Manitoba consider the establishment of a pilot, joint application-based funding grant, with a focus on introductory level dual credit courses, to support greater integration and transitional pathways between high school, college and university.

**h. Child Nutrition Council of Manitoba**

**Recommendation 12:** That consideration be extended by the Government of Manitoba to allocating an inflationary adjustment to the Child Nutrition Council of Manitoba in order to ensure sustained levels of meal and nutritional programming to address the needs of the most impoverished students in the public education system.

**i. MERLIN**

Our association was pleased to participate in the recent organizational and operational review of Manitoba Education, Research and Learning Information Networks (MERLIN) by Myers, Norris, Penny (MNP). If any structural or operational changes are being contemplated at current time, we would raise important questions concerning how we can achieve the same level of critical savings from which we have benefitted through MERLIN in the past. We look forward to receiving the outcomes of the MNP review soon and remain open to any options that may be proposed to achieve greater cost savings than in the past.

**j. Capital**

**i. Infrastructure**

**Recommendation 13:** That Government of Manitoba consider including the costs related to play-structures in the capital budget, starting in 2019 and in future Fiscal Years.

ii. **School bus fleet replacement and maintenance**

**Recommendation 14:** Based upon possible developments in the 2019 Fiscal Year, that the Government of Manitoba extend consideration to providing one-time funding in either 2019 or 2020, to address installation of safety belts on school buses.

**3) LONG TERM NEEDS AND REQUIREMENTS**

**a) Salaries and benefits**

**Recommendation 15:** Going into the 2019 Fiscal Year, that the Government of Manitoba establish an ad-hoc working group, in partnership with the Manitoba School Boards Association, for purposes of shared contingency planning.

**b) Administrative costs**

**Recommendation 16:** Going into the 2019 Fiscal Year, that any changes to the administrative cost control regulation be made effective as of the subsequent, rather than current fiscal period, to afford sufficient time for school boards to explore all available options that might be available for addressing any changes.

**c) Federal Carbon Tax**

**Recommendation 17:** That, as the Government of Manitoba's response to the federal carbon pricing plan develops, that every consideration be extended to school divisions for their full exemption from any local carbon pricing or taxes, or alternatively, that an option for full rebate of all carbon pricing expenses be considered for school divisions in 2019 and future years.

**d) Tax Increment Financing Economic Development Strategy**

**Recommendation 18:** That, as the Government of Manitoba proceeds to further implementation of the Tax Increment Financing Economic Development Strategy, that principle #4 under the Strategy be amended to include reference to school boards and further, that a working group also be struck with the Manitoba School Boards Association, involving rotational representation from school boards in local communities where economic development involving TIF is to occur, in order to promote fulfillment of all consultative obligations under section 4(3) of *The Community Revitalization Tax Increment Financing Act* and also to assist local school boards in planning for appropriate delivery of programs and services where required.

**4) OUR VISION FOR ONGOING PARTNERSHIP IN RESTORING MANITOBA'S FISCAL BALANCE**

School boards stand ready to assist the Government with its priority of restoring fiscal balance and of meeting deficit reduction targets. In the past, we have suggested that it would be most helpful if the Government were to set a universal target for boards to meet, when addressing the overall provincial fiscal challenge.

Depending upon the specific measures that are chosen by Government to address our shared priority on restoring fiscal balance under Budget 2019, we remain apprehensive that this next year may see greater front-line impacts than have been experienced in the public school system in many decades.

When it comes to Budget 2019, we would therefore be grateful if the Government of Manitoba were to consider establishing a global annual funding target for K-12 education, towards addressing its current budget management priorities. We remain of the perspective that this is the best way forward for avoiding any unforeseen front-line impacts, while also helping Manitoba to restore its fiscal balance.

For the last 146 years, school boards and the Government of Manitoba have together shared in the important responsibility of funding the needs and requirements of the public school system in Manitoba. Together, we have produced a quality public education system that is safe for all students: one that has also changed and adapted to meet the needs of Manitoba's ever-changing and growing population and the social, economic and cultural needs that sustain the fabric of this province and its people. Our education system is one of the best in the world because of our continuing partnership.

We are therefore hopeful that this reaffirmed message is received in a spirit of genuine cooperation and partnership, and we would like to thank the Government of Manitoba in advance for its consideration of our recommendations and observations under Budget 2019.



**2019 PRE-BUDGET BRIEF – FULL ANALYSIS**  
**For the Honourable Scott Fielding, Minister of Finance**  
**Tuesday, January 8, 2019**

**INTRODUCTION**

Representing Manitoba's 38 public school boards, the Manitoba School Boards Association is pleased to submit the present briefing as the Government of Manitoba proceeds to develop Budget 2019. As of 2018/19, public school boards share responsibility with the Government of Manitoba for funding, implementation, and oversight of daily programming, services and supports for the over 207,000 pupils who attend our schools. These programs, services and supports are delivered by close to 31,000 employees, each of whom seeks to provide a better future for our children, their families and our communities.

As we prepare to enter the third budget cycle under Manitoba's new Government, the Manitoba School Boards Association would like to take an opportunity to thank the Minister and his colleagues in Government for the significant work that has been achieved since their election in spring, 2016. Many of the key recommendations that our Association submitted to the Government as part of your transition have now been implemented. We sincerely appreciate the efforts that have been made on behalf of Manitoba's public schools.

**RECOMMENDATIONS FOR MEANINGFUL FUNDING REFORM**

Some of the other recommendations that we had tabled for Government's consideration, including those designed to address education funding, have remained outstanding or are partially outstanding at current time. We remain hopeful that together, working in partnership and collaboration with the Government, these items will also receive due consideration. Before we turn to the most immediate funding needs and requirements for the 2019/20 Fiscal Period, we believe that a reiteration of our fiscal recommendations may be helpful for framing dialogue with the Government of Manitoba. As per the Transition Brief received by Government from our association in April, 2016:

- 1) MSBA recommended that a special task force be struck, beginning in 2016-17, to review future increases to the overall education budget portfolio, in order to ensure that, starting in 2017-18, overall investments in future years remain sustainable and can be factored into school planning cycles in advance, and also to explore opportunities for system-wide budget economies and efficiencies.
- 2) MSBA also recommended that the Government of Manitoba continue to approve and allocate education grants with a view to achieving maximum flexibility and accountability through localized administration of such grants, with preference for non-categorical or block grants, without conditions, where feasible.

- 3) MSBA lastly recommended that a joint task force be convened, co-chaired by the Manitoba School Boards Association and the Association of Manitoba Municipalities, with the Province of Manitoba officially represented on this task force, to explore options and opportunities concerning the school funding model, with the overall objective of halving educational levies across the province for everyone's collective and mutual advantage.

We believe that the upcoming provincial review commission on Kindergarten to Grade 12 education will provide a valuable opportunity for us explore the merits of each of the above recommendations.

That school boards embrace change and seek to work for the betterment of Manitobans and the ongoing improvement of their public education system should remain clear. We have earnestly sought to provide meaningful support and counsel to Government as it has proceed to implement its mandate, in a manner that recognizes each partner's shared autonomy and responsibilities for education in Manitoba. This shall remain true through to the development of Budget 2019 and also in during the work of the education review commission in the months ahead.

### **EDUCATION PROPOSALS UNDER THE 2019 PRE-BUDGET SURVEY**

As was rightly stated by the Frontier Institute for Public Policy in 2005, the need to invest time and effort in “meaningful change” remains this province's largest lesson learned from the education reform initiatives of the past. With this in mind, our association and its members have sought to build a renewed partnership with you, our colleagues in Government, for the improvement of our public education system. Into the near future, we therefore look forward to working with the review commissioner(s) as they study Manitoba's education system.

Based on the online pre-budget survey that the Government has published (as of October 2018), five specific proposals for systemic change appear to be under immediate consideration. As Manitobans prepare for the year 2020 and beyond, we acknowledge that the children born today are those who will see this province into the 22nd century. Providing them with continuing and enhanced quality of education is therefore our foremost objective. For this reason, school boards are concerned with each of the proposals that have been put forward under the 2019 Pre-Budget Survey, for a variety of reasons. We have communicated these concerns publicly through our formal response to the survey.

The foremost reason for our opposition to these proposals reflects our commitment to meaningful change for the improvement and betterment of the education system in Manitoba– from 2020 through to the 22nd century. Drawing upon lessons learned from prior reform initiatives both local and national, we do not believe that it is in the best interests of Manitoba and of Manitobans to pursue these options. We do not believe that these options will not engender the meaningful improvement and betterment that the Government seeks to achieve. We neither believe that these options will result in the economies and efficiencies that will help restore Manitoba's fiscal balance– again for reasons we have outlined in our formal response.

With the above considerations stated for the record, we will defer to our formal public response regarding the survey, should the Minister or his colleagues require any clarification or additional information regarding the specific proposals that have been put forward.

Of more pressing and immediate importance for our Association in relation to development of the 2019 Budget, is to address the most critical and urgent funding requirements of our school board members—and the students, staff and communities they serve—in the fiscal period ahead.

### **2019-20 FUNDING NEEDS AND REQUIREMENTS**

We have chosen to divide these funding requirements into four broad categories: inflationary pressures, short term funding needs and requirements, long term funding needs and requirements, and our vision for partnership with the Government in restoring Manitoba's fiscal balance.

#### **1) INFLATIONARY PRESSURES**

In the two fiscal periods now past, the Government has set as a priority its continued efforts to restore fiscal balance and address the global budget deficit. For Manitoba's school boards, ensuring the health of Manitoba's public finances could not be more important. We understand that everyone benefits when the provincial treasury operates at its optimum effectiveness.

Given the significant work that has already been achieved in terms of deficit and debt-load reduction, and the difficult choices that must be made to prioritize overall funding investments under such circumstances, we appreciate the ongoing commitment of the Government of Manitoba in providing school divisions with operating budget increases that have helped to mitigate the general rate of inflation.

In each year since assuming office, the Government has committed to a general inflationary adjustment in base operating grants for those school boards who are eligible under the current equalization formula. For this, school boards remain very grateful. In real terms, this has meant that approximately half of all school boards have received an increase designed to address annual inflationary pressures. This has ensured that front-line delivery of education programs, supports and services can continue without impact, as in the past.

Under the equalization formula, the other half of all school boards (which are located mainly in rural and northern communities), have not received any inflationary adjustment. This reflects the Government's guarantee that such divisions will receive the same level of funding as in previous years. This guarantee is a longstanding feature of education funding in Manitoba, due to the reality that these boards do not benefit from diversified local property assessment bases. As such, some form of supplemental investment is required for these boards to maintain status quo operations from one year to the next.

In the above respects, two trends have emerged that are of great concern to school boards province-wide.

- a) For those boards that remain eligible for operating grant increases, MSBA has observed that between 2018 and next year, inflationary adjustments for Manitoba are projected to run at over two percent– and perhaps even as high as 2.5 percent– the highest forecast in several years. This will most certainly place a marked burden upon all school divisions in terms of meeting our average yearly operating costs.

Last year, the Government came through for these school boards, with an operating increase that reflected approximately half of the general inflationary rate. Approval of this increase also came with one significant condition: a recommended limit increase of two percent was suggested by Government to boards when setting their local mill rates, in an effort to maintain overall household taxation levels.

As a result of this decision, many internal budget measures were undertaken by boards to ensure zero impact to front-line program and service delivery. In most cases, school boards were able to implement the recommended mill increase that was put forward by Government, while others had to implement increases that were slightly above the limit. Where these increases were above the suggested limit, this measure was undertaken only to ensure that no core programs, supports or services were impacted. In many cases, boards were able to offset any impacts by depleting existing divisional operating reserves.

With inflation now set to double between current and next year however, boards not on the equalization guarantee will find it increasingly difficult to stave off front-line impacts if increases to operating funding do not match inflation rates and/or if mill rates remain capped. The depletion of operating reserves over the course of 2017/18 and 2018/19 has meant that the principal means boards may have had in previous years to offset global budget impacts, will also no longer remain available in the coming fiscal period.

**Recommendation 1: We therefore recommend that the Government of Manitoba extend consideration to granting a minimum of a one– to a one and a half– percent increase in core operating funds in 2019, in view of next year’s projected inflation rate of two percent or higher.**

**We further recommend that allowance for a minimum two percent increase to the mill be considered by Government, as a general guideline only.**

Both of these recommended measures will support school divisions in their efforts to sustain status quo operations. While school boards acknowledge that no express permission need to be sought from the Government of Manitoba for the establishment of local mill rates, we do respect the guidance that may be issued by the Government in this respect, as was true in 2018.

By working together in partnership on this specific question, we can ensure that no students, staff or communities will be impacted due to next year’s projected inflationary pressures.

- b) For boards that remain on the equalization guarantee, the last Fiscal Year saw the reduction to the equalization formula guarantee by an additional two percent. When combined with comparable reductions during the 2017/18 Fiscal Year, these boards therefore received four percent less operating funding overall.

At the same time, these boards face increasing budget constraints, given that annual inflationary pressures come with the same operating impacts as they do for those boards not on the formula guarantee. With a four percent reduction in 2017/18 and 2018/19, these boards have faced significant decisions when it comes to maintaining status quo delivery for programs, services and supports.

Every year, our association conducts a survey of our members to study the overall impacts of each year's Funding of Schools announcement. Last year, boards on the formula guarantee were most impacted coming out of the 2018 provincial budget. One school division was compelled to cancel a pilot program designed to support early years learning in the area of numeracy. Other school divisions addressed the budget shortfall by implementing human resource vacancy management and attrition strategies for non-frontline staff positions. From the perspective of our association, these impacts, while reflective of marginal incremental change between 2017/18 and 2018/19, are the starting symptoms of a deeper reality that will continue to be faced by these school boards.

Into the future, the same level of program and service delivery will prove increasingly difficult for these school boards to sustain, particularly if equalization support is further reduced in the same measure as the anticipated annual inflationary increase. We therefore do anticipate that as 2019/20 begins, front-line programming and services across rural and northern school divisions will in fact become impacted in far greater proportion, if the equalization formula guarantee is reduced.

**Recommendation 2: In order to maintain status quo operations without impacting front-line program and service delivery into the 2019/20 Fiscal Year, we would respectfully request that the Government extend consideration to maintaining the equalization formula guarantee at its current level of investment, being already limited as it is under the combined four percent reduction experienced over the 2017/18 and 2018/19 fiscal periods.**

No one in Manitoba should be under any illusion that externally driven inflationary pressures will not continue to pose challenges for public school divisions province-wide. As just one illustrative example over the past year, MSBA petitioned the Public Utilities Board to implement a more gradual approach to approval of Manitoba Hydro's proposed general rate increase.

With electric and heating costs still increasing by 3.5 percent between this year and next, school boards will face additional combined expenditure pressures of close to \$1.2 million system-wide. MSBA also

joined forces with partners nationwide in opposing possible changes to the federal *Copyright Act* that would have seen school boards shouldered with millions of dollars in costs for continued use of print, visual and other classroom materials.

Our efforts to address such external cost pressures may not seem all that significant, given the overall level of public education investment in Manitoba. However, when combined with many others, such cost factors lead to significant runaway expenses when it comes to operating our schools. Rising fuel prices, vehicle insurance, and even the escalation of grocery costs over this past year, have meant that the same has to be achieved every year but with far less.

If school boards and the Government of Manitoba can therefore continue to work together in addressing these inflationary pressures overall, we can continue to assure zero impact upon our students, staff and communities. For this reason, we strongly encourage the Government of Manitoba to consider the recommendations above, when finalizing its development of Budget 2019.

Lastly, as has become a staple of our association's pre-budget presentations, we would remind the Government that all school boards have until March 15 of each year to set the mill. In this respect, efforts by the Government of Manitoba to announce the annual Funding of Schools Program earlier in each New Year remain greatly appreciated. By releasing the announcement at the end of January or early February, this enables boards to finalize their own budget development process for the next fiscal period, with sufficient available time to determine what level of local revenue support is required for this purpose.

**Recommendation 3: In order to assist school boards with establishment of school budgets in 2019/20, we recommend that Government continue its past practice of releasing the annual Funding of Schools Program announcement by late January or early February, 2019.**

## 2) SHORT TERM NEEDS AND REQUIREMENTS

With an immediate clientele of over 207,000 pupils in 38 distinct communities province-wide, and taking into consideration the wider needs of these pupils' families and also of Manitoba's communities, highlighting the specific needs and requirements that exist in the short term for the ongoing sustainment and enhancement of Manitoba's public education system, can be a significant challenge.

While we have chosen to avoid the submission of an exhaustive list of budget priorities for 2019, below are some of the most pervasive and prevalent pressures experienced by school divisions province-wide. The Government of Manitoba's continuing support to all school divisions in addressing these priorities remains appreciated.

We believe that several of our member school boards have already had the opportunity to share community-level needs and requirements with the Government as part of the 2019 pre-budget development process. We will thus provide general comment only on the following short-term priorities, with a view to the larger education system province-wide.

a) **Accessibility**

As an association, we were very pleased to meet with Ms. Theresa Harvey Pruden this past year, as she met with community stakeholders during the mandated review of impacts and outcomes relating to *The Accessibility for Manitobans Act (AMA)* and its sole regulation to date, *The Customer Service Standard*.

We will defer to the forthcoming report that Ms. Harvey Pruden will submit to the Government to assist us in highlighting the school board experience with this legislative and regulatory framework. In the 2019 pre-budget context, we would therefore simply note that further implementation of the remaining regulatory standards that are envisioned under the Act, including for employment, transportation, and the built environment, will place additional cost pressures upon all school divisions in the short term.

Manitoba's public education system has remained a leader in addressing accessibility requirements for our staff, students, and larger communities. In this particular respect, we have enjoyed a close working relationship with the Manitoba Government itself, given the Province's responsibilities for select funding of accessibility-related equipment and assistive technologies and devices for our pupils, as well as for capital upgrades and retrofits to address the physical environment.

Historically, our members have relied upon the *Manitoba Human Rights Code* to provide guidance in matters of accessibility. With the additional definitions that are envisioned under each of the AMA's regulatory standards, even greater requirements and expenses will be imposed upon school boards, as well as upon the Manitoba Government, given our shared responsibility on this file.

As the regulatory framework that the Disabilities Issues Office has chosen to replicate is based on that of the Province of Ontario, we would highlight the reality that Ontario has accompanied their framework with several funding envelopes designed to assist public entities with compliance. To date, no such funding envelopes have been established by the Province of Manitoba, notwithstanding implementation of a comparable legal and regulatory framework.

As our association highlighted for Ms. Harvey Pruden, school boards shall continue to strive for excellence in meeting the accessibility requirements of each school community. Based on recent communications from the Disabilities Issues Office, we understand that all remaining regulatory standards are now set to be introduced prior to the end of the Government's current term. While we shall oblige in meeting any requirements that may be established, we would advocate for greater consultation and counsel from affected stakeholders, before proceeding to any further regulations.

It is important to us that the Disabilities Issues Office shares a full and comprehensive understanding concerning the finite resources that are available to public entities in each fiscal period. The finite nature of these resources means that individual and collective social needs will have to be met according to greatest priority and widest impact or outcome. School boards will continue to make every effort to ensure that accommodations are made, to enable the full participation of every member of our society in the programs and services that we provide. This shall be met however, while striking a reasonable balance in terms of available resources. To date, we do not feel that this mutual understanding has been achieved with the Disabilities Issues Office when moving to prior regulation of our system. We would therefore request that in future, sufficient time be accorded in which to achieve such mutual understanding.

**Recommendation 4: We recommend that the pace of regulatory development under *The Accessibility for Manitobans Act* allow public entities such as school boards the opportunity to provide sufficient counsel to Government, under an appropriate and reasonable timeframe, to ensure that future regulations are able to be successfully implemented with a view to balancing accommodation for all community members and available fiscal resources.**

**b) Special needs funding**

At the time of the 2017 Funding of Schools Program announcement, Manitoba Education indicated that funding for special needs students would remain capped at 2016/17 support levels. Along with this change, two allowances were made: first, that the total amount of funds received in prior years by each school division would remain unchanged. Second, that school divisions would retain the continued ability to apply for Level 2 and 3 funds, should existing funding ever prove insufficient to meet demand.

On behalf of our members, the Manitoba School Boards Association would like to acknowledge the initiative taken by the Government to help streamline the administration of the special needs funding envelope. The overall experience to date has been very positive, in that divisions are, in large measure, able to satisfy special needs-related funding requirements with the existing grants that have been provided. However, this has come with one important difference: our members are now able to address the same needs but without the same red-tape obstacles that formerly resulted in hours of staff time being invested in navigating the administrative processes associated with special needs grant funding, rather than being invested in front-line service delivery to these same students.

In the past, our briefings to the Government of Manitoba have addressed special needs funding requirements on behalf of our membership. This year, we wanted to take the opportunity to follow-up with the Government to extend our gratitude for the changes that have been made. In respect of our association's transitional recommendation that block and categorical grants become adapted for greater localized administration, the Government certainly adopted this

approach for special needs funding grants and Manitoba's public education system is better because of this decision.

**c) Clinician supports**

Oftentimes, delivery of special needs programming or adaptations can only be streamlined if clinical resources enable for diagnosis of a child's needs prior to their arrival in the public school classroom. In the past, our association has therefore strongly advocated for specialized funding grants to school divisions to address ongoing clinician shortages province-wide.

Whether in psychology, social work, physiotherapy, occupational therapy, audiology, or speech and language pathology, there simply are not enough school-based resources to address the wide variety of needs that can present during a given fiscal period. This situation then leads to increasing referrals from the public education system to the provincial healthcare system. In the past, during its consultations with stakeholders regarding the Funding of Schools Program, Manitoba Education had proposed that each school division be given limited funds to address the greater development of divisional clinician capacity. Given the limited nature of available resources however, such investment often meant that no one school division could match the funding required to meet its local needs and finding a qualified clinician, especially for smaller school divisions in rural and northern communities, remains a persistent challenge.

For our association, the announcement that was made as part of this session's Throne Speech outlining planned investment, by April, 2019, of nearly three quarters of a million dollars in support for the Children's Therapy Initiative (CTI) is therefore especially appreciated. This funding will address preschool therapy services through early interventions, in a centralized location that can be accessed by all school divisions, especially in Winnipeg and outlying communities. This will make a significant difference by ensuring that critical needs for pupils entering mainstream classrooms will be partially addressed, while helping to reduce wait-times for physiotherapy, occupational therapy, audiology, or speech and language pathology.

That Manitoba's public education system must continue to respond to the diverse and complex needs of all of our pupils, means that there shall always remain need for access to timely clinician resources. In this respect, requirements for other key clinical services remain unaddressed, particularly for behavioural, cognitive, mental health and addiction interventions. Access to psychologists and other specialists in these fields remains a significant challenge, and especially so in rural and northern areas, where, for example, there is often a ratio of one psychologist for every 100,000 people. Once again, the desirability of providing our students with earlier interventions remains important for their social, physical and academic success.

To this end, we would advocate that the Government of Manitoba consider reviewing the effectiveness and efficiency of clinician resource supply, to address ongoing shortages and to better meet demand. In this respect, the Government of Manitoba could potentially explore

opportunities for allocation of a portion of tax revenues generated from the sale of cannabis for such a review, given the pending need for greater clinician resources and capacity to address the overall mental health impacts arising from substance abuse and addiction province-wide.

**Recommendation 5: We would strongly encourage the Government of Manitoba to include, as terms of reference under the forthcoming Kindergarten to Grade 12 education review commission, a review of school-focused clinician resources in Manitoba– with a view to expanding capacity and streamlining service delivery for greater efficiency and effectiveness overall.**

**Recommendation 6: We would further encourage the Government of Manitoba to explore opportunities for allocation of a portion of tax revenues generated from cannabis sales, to support an overall review of clinician services within the context of expanding province-wide mental health and addiction services.**

It is our perspective that a formal study, whether as part of the K-12 review commission and as a stand-alone process, would assist the province in prioritizing where future investments ought to be made, in order to address local supply and demand for clinicians.

#### **d) Aboriginal and Indigenous programming**

Over the course of several years, our association has worked in partnership with several key informants, including education partners, First Nations, Métis and Inuit organizational representatives, community members and government officials, to forge a clear path forward for addressing the needs and requirements of Aboriginal and Indigenous communities in Manitoba. This critical work of reconciliation has resulted in the development by our association of a comprehensive action plan involving five key priorities:

- i. To expand board capacity and proficiency in Aboriginal and Indigenous matters.
- ii. To enhance representation and voice of Aboriginal and Indigenous Peoples in school governance.
- iii. To promote greater equity and justice through inclusive workplaces and organizational practices in the public school system.
- iv. To foster a culture of innovation and creativity for addressing Aboriginal and Indigenous student success.
- v. To acknowledge truth and champion reconciliation in public education.

Under these collective priorities, 22 distinct action items have been identified by our partners. We are proud of the work that has been achieved to date and believe that into the future, we

will continue to contribute meaningful resources that will help school boards in fulfilling their mandate towards Aboriginal and Indigenous students and community members.

While none of the action items proposed under our association's plan calls for public funding in support of their implementation, that all school divisions continue to face budget pressures related to Manitoba's youngest demographic population is our members' common reality.

There are many aspects of Aboriginal and Indigenous education that could therefore be addressed at the present time. However, one particular area for which we would appreciate the assistance of the Government of Manitoba would be to work with our association, the Government of Canada, and the Manitoba Métis Federation, to clarify the final framework for implementation of the Supreme Court of Canada's decision in the case of *Daniels v. Canada*.

Given the court's decision to place Métis children on the same footing as First Nations children in terms of education funding, that the adoption and implementation of such a framework holds promise for enhancing the fiscal revenues available to public school divisions in the delivery of programs, supports and services to Manitoba's sizeable Métis population cannot be understated.

In spite of repeat requests for clarification from the federal department of Indigenous Affairs concerning how such a framework is to operate in future, we have not received any further information. If the final framework were to operate as it does in the case of First Nations students studying in the public school system in Manitoba, in respect of tuition transfers, this would represent a significant new revenue source in which to meet fiscal demands and requirements related to Métis students, both today and tomorrow.

**Recommendation 7: That the Government of Manitoba, in partnership with the Manitoba School Boards Association, seek clarity from the Government of Canada regarding implementation of Métis education supports arising from the *Daniels v. Canada* case, with a view to determining future funding frameworks in relation to the public education system.**

Finally, as we have in the past, we would also signal our association's readiness to amend *The Manitoba School Boards Association Act*, in order to enable the federally-funded Manitoba First Nations School System (MFNSS) to join our association as a full member. This would ensure that the MFNSS is able to benefit from the full scope of programs, supports and services that our association provides to its regular membership.

With much at stake in the success of MFNSS, given the recent federal commitment of equal funding for First Nations students on a pilot basis and, with all provinces looking to Manitoba to establish the example for how such federally-funded school divisions will be integrated or

associated with the public education system, the time is appropriate for Manitoba to proceed with the amendments necessary to ensure the full participation of First Nations communities across Manitoba, in the rights and benefits to which they are entitled.

In respect of our association's programs, services and supports, these can be achieved at a much reduced expense overall for MFNSS than were they to seek to implement such programs, supports and services on a stand-alone basis, hence why this recommendation is being tabled for consideration under our 2019 pre-budget brief.

**Recommendation 8: That the Government of Manitoba consider amending *The Manitoba School Boards Association Act*, in order to provide the Manitoba First Nations School System with the opportunity to join our association as full members, at the earliest available time.**

**e) Francophone and French language education**

Over the course of several years, our association has been engaged by Manitoba Education in provincial efforts to identify opportunities and address challenges when it comes to the critical shortage of French Language professionals to meet the needs of Francophone and French Immersion programs across Manitoba.

While our association remains appreciative of the efforts that Manitoba Education has undertaken to secure limited, one-time federal funding in support of provincial pilot projects to reduce the supply gaps that exist, our association would advocate for the adoption of a more expedient and targeted local strategy, focused on prioritized realignment of teacher education capacity across Manitoba's several faculties of education.

In 2015, Manitoba Education estimated that the need for net new French language teachers would approximate 60 to 65 per year. This did not account for the replacement rate in terms of teachers leaving or retiring from service. While local graduation from the teacher education program at the Université de Saint-Boniface has served to address part of this demand, the shortage of French language staff has now reached the point of criticality.

In some communities, even if parents do wish to enrol their children in French programming, the lack of available teachers means that such opportunities will be withheld. In view of the demand for bilingual English-French personnel across all employment sectors and the salary and pay premiums that graduates with language abilities receive upon employment, any denial of access to French programming in Manitoba represents a real loss, educationally but also economically, for our province.

In 2015, our association therefore put forward a comprehensive response to the first consultation on this subject that was held by Manitoba Education. While many options for

addressing the shortage of teaching staff were identified in our submission, perhaps the most compelling, given increasing competition for these same qualified language teachers across all of Canada, was the need to establish a local, innovative, cohort-based teacher education program for education assistants (EAs).

Given the number of EAs who must currently leave the employ of their school division in order to complete full-time teacher education programming in French, we felt that the establishment of a part-time program, modelled along the same lines as two proven and highly successful cohort-based programs for EAs of Aboriginal and Indigenous ancestry in Manitoba, would better serve to expand the local French teacher supply pool. Most importantly, such a program would build the right capacity within our own province, rather than having to go outside of Manitoba to fill local positions.

While some may argue that establishing a new teacher education program will be costly, the alternative, which is to continue divisional practice of investing funds in out-of-province recruitment missions, even while many of Manitoba's faculties of education continue to supply unilingual teacher candidates in subject specializations that have long experienced gluts in supply, remains unsustainable at best.

**Recommendation 9: We would strongly encourage the Government of Manitoba to include, as terms of reference under the forthcoming Kindergarten to Grade 12 education review commission, a review of undergraduate teacher education capacity across Manitoba– with a view to addressing the continuing effectiveness and efficiency of this publically funded capacity.**

As the last meaningful review of teacher education capacity in Manitoba took place over twenty years ago, a formal study, whether as part of the K-12 review commission or as a stand-alone process, would assist the province in prioritizing where focus ought to be placed in order to address local demand and supply, not only for French language teachers but also for Aboriginal and Indigenous teachers, and also in teachable subject areas that remain in high demand and in short supply. This includes for mathematics, and science, technical-vocational education and industrial arts, to name just a few of the key subjects that warrant study under such a review.

**f) Newcomer and refugee settlement and integration**

Three principal forms of support are provided by the Government of Manitoba for newcomer and refugee settlement and integration: English as an Additional Language (EAL) grants, Intensive Newcomer Support (INS) grants and application-based contingency grants under the INS.

In view of the continuing influx of newcomer and especially refugee students of all age ranges into Manitoba's public schools, the needs and requirements related to settlement and

integration for these pupils has far outpaced the availability of funds that have been made available under the three principal grant-types above. As of the 2016/17 Fiscal Year, funding in excess of \$10 million was directed over and above these grants to support newcomer and refugee students across Manitoba's school divisions. Much of this comes from the collection of local revenues.

With the move by the federal Government to accommodate increased numbers of refugees from Syria, we have attempted very diligently to respond to the array of services and supports that are required not only by these students, but those from other war-torn and politically unstable regions. Even now, proposals for Winnipeg to support an acute influx of refugees from Central America, would mean stretching available resources even more thinly when it comes to the public education system in Manitoba.

In the 2018 Fiscal Year, the Manitoba Government helped us to meet the overall needs and requirements of these students by approving an increase of \$40,000 to the INS contingency support fund. We remain appreciative of this additional investment. If the Government of Manitoba can extend consideration to a further increase of funding in any grant category that applies to newcomer and refugee pupils, it would certainly help to offset the significant investments being made in this area through the local revenues that are raised by our members.

In this respect, we believe that the federal government ought to bear a significant funding responsibility given their mandate for newcomer and refugee settlement. The Government of Manitoba and local school boards have however, been compelled to make up the difference between what the federal government provides and what is actually required. With the recent decision by the federal government to allocate a greater share of federal equalization funding to the Province of Manitoba in 2019, we therefore do hope that a portion of this funding can be so directed, in recognition of their overall settlement responsibilities.

While we as an association are not in a position to recommend a specific target amount for such an increase, at this point any amount, on a one-time or permanent basis, would assist and support school boards to ensure that all pupils' needs are met.

While children remain highly adaptive to new contexts at any age, our members remain especially concerned about the plight of those older students who arrive with already disrupted learning. Given that our time with these pupils remains short, based on their relative age at time of entry to Manitoba, ensuring that they receive as much one-on-one support and language functionality as required, remains our key priority. Preparing them for the social, cultural and economic/employment context that they will face following graduation from our schools is also a foremost priority. If the Government of Manitoba can consider the establishment of a fund to assist these particular pupils, we would remain grateful for these efforts.

**Recommendation 10: That the Government of Manitoba extend consideration to additional funding in support of newcomer and refugee students, either on a one-time or permanent basis, under Budget 2019.**

**g) Skills and labour-market driven programming, services and supports**

As stated earlier in this brief, Manitoba’s public school boards will appreciate that the child born today in this province will see the dawn of the 22nd century in this province. Providing their generation with the skills and knowledge needed to sustain Manitoba’s economic diversity could not be a greater priority.

At current time, a wide array of programs, supports and services have been established across the public school system that are designed to address skill-focused and labour market driven priorities, including work practica and placement programs, the High School Apprenticeship Program (HSAP), the regional technical-vocation consortia, and an array of career counselling services and career fairs for secondary students.

While our association is prepared to address such programs in greater measure given the work of the K-12 review commission, perhaps one immediate item to which the Government of Manitoba could extend consideration, would be pilot funding in the specific context of dual credit offerings.

Jurisdictions across North America have used dual credit educational opportunities to promote greater seamlessness and transitional opportunities between the public school system (inclusive of the Adult Learning Centre network) and the post-secondary education system. By providing high school students and adult learners with the ability to complete introductory university and college courses both towards and before they receive their high school diploma, we as a province can ensure that every student has the opportunity to explore their interests in a co-facilitated manner that, in most cases, remains entirely free for the secondary student.

Manitoba’s dual credit strategy can also help to address credit completion for HSAP students who, through no fault of their own, may not be able to complete all Level requirements for their trade, by providing them with pre-employment credit at the college level in their chosen occupation or in other instances where accreditation of learning outcomes may prove challenging.

Recently, a strategic dialogue has taken place to highlight areas for improvement and opportunity when it comes to dual credits. To this end, we would encourage the Government of Manitoba to consider one-time pilot funding of \$100,000 in 2019/20, subject to approval by Manitoba Education of joint applications from both school divisions and post-secondary partners, to fund greater access to the Intro to University, Intro to Trades, and Intro to Industry courses offered by Manitoba’s post-secondary system, as key transitional pathways. If these key courses were made available in greater measure to secondary students, Manitoba could ensure that today’s student is more seamlessly prepared for entry to university or college tomorrow. The pilot initiative would be designed to explore the feasibility of establishing all three introductory programs on a more regular basis across a greater number of school divisions and institutions.

**Recommendation 11: We recommend that the Government of Manitoba consider the establishment of a pilot, joint application-based funding grant, with a focus on introductory level dual credit courses, to support greater integration and transitional pathways between high school, college and university.**

**h) Child Nutrition Council of Manitoba**

As the Government of Manitoba seeks to find innovative ways to enhance the academic performance and outcomes of students across Manitoba, our association would highlight the important connection between meal supports for those students who are most in need, and their ability to learn in the classroom.

In this respect, the grants that the Government of Manitoba has provided in support of the Child Nutrition Council of Manitoba (CNCM), and the breakfast and lunch programs that it funds, are absolutely critical to academic performance. Over the many years of our experience, we have found that it is next to impossible to fill a student's mind if they have an empty stomach.

Over the past three fiscal periods, an increase in the number of students served through the CNCM has increased while at the same time, Manitoba has experienced inflationary increases in food costs. This dynamic has resulted in a significant decrease to the overall level of service that can be provided to schools. In real terms, this has resulted in a seven percent decrease to actual funding support, even though the same level of funding has been maintained as in prior years.

It is our association's understanding that the CNCM has submitted a five year funding proposal for review and consideration by the Government of Manitoba, to address the above realities. As our association provides in-kind support to CNCM in terms of grants administration for meal programs and nutritional services, we appreciate how many recipients benefit from the funds that are made available in any given year.

We would therefore humbly request that the Government extend consideration to the opportunity for inflationary adjustments in support of CNCM, in order to meet the increased demand pressures and food expenses that have been witnessed over the past three years.

Many jurisdictions worldwide have established strong, research-based relationships between academic performance and student nutrition. In Manitoba, we know that the margin of difference on national and international standards assessments can largely be accounted for by socio-economic factors reflective of Manitoba's overall child poverty rate. Continued delivery of meal and nutrition programs in our schools could therefore not be of greater consequence, as we together strive to enhance our students' academic performance and outcomes.

**Recommendation 12: That consideration be extended by the Government of Manitoba to allocating an inflationary adjustment to the Child Nutrition Council of Manitoba in order to ensure sustained levels of meal and nutritional programming to address the needs of the most impoverished students in the public education system.**

**i) MERLIN**

Our association was pleased to participate in the recent organizational and operational review of Manitoba Education, Research and Learning Information Networks (MERLIN) by Myers, Norris, Penny (MNP). While our members await the outcomes of the MNP review, we did wish to offer a word of counsel to the Government concerning past experience with, and also regarding the future of MERLIN.

As a consortium-based model that provides bulk purchase licenses for software, web-hosting and communications, and common access technology support, MERLIN has served Manitoba's public education system very well over nearly three decades.

If any structural or operational changes are being contemplated at current time, then we would raise important questions concerning how education partners across Manitoba will achieve the same level of critical savings from which we have benefitted through MERLIN in the past. We therefore table this for the Government's due consideration, pending the outcomes of this important review.

If greater savings can be realized through the adoption of a different model or platform, our membership would certainly remain interested in learning more about such an opportunity. However, our shared experience has been that MERLIN has, to date, helped to realize the greatest cost savings of any such platform. We therefore look forward to receiving the outcomes of the MNP review soon and shall continue to benefit from the services that are received through MERLIN in the interim.

**j) Capital**

**i. Infrastructure**

In light of the fact that most buildings within the ensemble of Manitoba's public education infrastructure stand at between 40 and 50 years of age, responding to the needs and requirements of aging infrastructure remains a foremost priority for our membership. Manitoba's school boards remain grateful to the Government for continued investment in addressing our growing capital infrastructure deficit. We do appreciate the responsibility that the Government retains relative to our schools and the financing of maintenance and renovations projects through capital debenture, as well as for select equipment.

Our association also appreciates the recent announcement, under Budget 2018, of new school construction in several communities in need. We are thankful for the evidence-based approach adopted by the Government when studying Public-Private Partnership ("Triple P") models for school construction and operation and the Government's decision to rely upon a hybrid building model that provided for optimum allocation of funds to realize new school builds. Into the future, our members will await the final release of the KPMG "Triple P"

Capital review to better understand the future way forward for capital construction, operations and maintenance in Manitoba.

One important consideration that we would wish for Government to entertain going forward, as part of new capital construction, concerns play-structures. Traditionally, the costs related to play structures at new schools, and the expenses involved with retrofit and accessibility requirements for older play structures, has become the responsibility of the local school board.

Oftentimes, it falls to the Parent Advisory Council at the affected school, to raise the funds necessary to achieve such capital additions. In consideration of the relative cost of play-structures and the overall efforts required at the local level to acquire safe structures that meet all modern standards, we would formally recommend that Government include the cost of play-structures in the overall budget for capital construction and renewal.

**Recommendation 13: That Government of Manitoba consider including the costs related to play-structures in the capital budget, starting in 2019 and in future Fiscal Years.**

**ii. School bus fleet maintenance and replacement**

Since the time that provincial grants were first implemented to support pupil transportation expenses, available funding has remained largely unchanged even while the cost of maintaining and replacing aging bus fleets has doubled during that same period. School boards province-wide have therefore borne considerable expense to ensure that division owned and operated buses remain safe and will be replaced as required.

Into the 2019 fiscal period, all school boards are waiting upon the federal government for further decision regarding mandatory implementation of safety belts on all school buses, according to the federal responsibility for safety standards under Transport Canada.

If the federal government does impose this new requirement, we would request that the Government of Manitoba consider establishing a one-time application-based grant to support all school divisions in retrofitting existing bus fleets with any safety belts that may be required. We continue to work in partnership with the Pupil Transportation Unit of Manitoba Education in monitoring this situation. At current time, we do not believe that the expenses related to this change, if it is approved, will require any ear-marked funding envelope. Instead, one-time funds to address the costs borne by each school division would be sufficient to address these requirements, and final costs could also be tallied and addressed under Budget 2020 as well.

**Recommendation 14: Based upon possible developments in the 2019 Fiscal Year, that Government of Manitoba extend consideration to providing one-time funding in either 2019 or 2020, to address installation of safety belts on school buses.**

### 3) LONG TERM NEEDS AND REQUIREMENTS

Based on the annual Financial Reporting and Accounting in Manitoba Education (FRAME) report, the overall cost drivers related to the public education system are very straightforward and easy to understand.

On average, eighty cents on every dollar spent on today's schools goes directly to salary and benefit costs for staff. Ten cents is invested in operations and maintenance: to provide supplies, to fix and repair schools, and to keep the heat and lights on. Four cents goes to transporting kids to and from school, including maintaining and fuelling the bus fleet. Three cents pays for qualified administrators to meet the needs of changing, demanding, and fast-paced school divisions. Half a cent supports the work of locally elected school boards, who ensure that local voices and local choices are protected when it comes to meeting the needs of each community's children. Lastly, most remaining funds are used to deliver programming for local communities and to operate Adult Learning Centres.

Control of education-related expenses therefore tends to occur through the adoption of measures across each of these cost drivers. Based on developments in the 2017/18 and 2018/19 fiscal periods, new measures were adopted by the Government of Manitoba in two of these categories: a) salaries and benefits and b) administration costs.

#### a) Salaries and benefits

Given the expiry of all collective agreements with teaching staff as of June 30th of this past year, school boards found themselves in a very difficult position due to the timing of the quadrennial municipal and school board elections in October.

Normally, school boards do not open local bargaining until such time as elections have occurred, in order to assure that the bargaining team that represents the employer— in this case the school board— will be firmly in place for purposes of maintaining institutional memory, follow-through and consistency.

School boards across Manitoba communicated this message to all local teacher associations over the summer months and maintained every expectation of opening bargaining following election day on October 24th. We are also very appreciative to Government for having clarified the situation for all parties, in respect of the continuance of local bargaining in 2018, pending the Government's stated plans to adopt legislation that would result in a single provincial bargaining table for teaching staff.

As select local teacher associations have now responded that it is their intention to move directly to binding arbitration to settle outstanding collective agreements, without first allowing school boards the opportunity to open negotiations following the elections, we do trust that any arbitrator will recommend that these local teacher associations first meet with school boards.

We have however, looked to recent examples of similar circumstances experienced by our peers in provinces across Canada. Based on their experience, we would only note that it is their strongest recommendation that shared contingency planning be undertaken at the earliest reasonable time, between school boards and their provincial counterparts.

**Recommendation 15: Going into the 2019 Fiscal Year, we would recommend that the Government of Manitoba to establish an ad-hoc working group, in partnership with the Manitoba School Boards Association, for purposes of shared contingency planning.**

Lastly, in terms of salaries and benefits, we would note that while it remains our association's formal position that school boards ought to retain local bargaining rights relative to both teaching and non-teaching employees and furthermore, that a move to a single provincial table will not achieve reduced salary costs in the longer term based on the Canadian experience to date, we have nonetheless enjoyed a collaborative dialogue with representatives of the Government of Manitoba concerning the forthcoming adoption of the legislation that would move to one provincial table for all teaching staff.

Our message to your representatives has been very clear and consistent: all changes must focus on our students and their academic achievement; school boards should remain at the table when it comes to collective bargaining with staff in future; and strike/lockout remains the least desirable settlement mechanism for the future of Manitoba.

With so much at stake for the people and communities of Manitoba under the proposed move to provincial collective bargaining, all school boards await the outcomes of Government's coming legislation with great interest. In terms of ongoing development of this key legislation, we wish to signal our continued readiness and availability to share key insights, based on the Canadian experience with comparable legal frameworks.

**b) Administrative costs**

In the acknowledgement that tough times call for tough choices, many school boards had to manage the difficulties and challenges of meeting the fifteen percent cost control reductions that were announced as part of the 2018 Funding of Schools announcement.

While our association remains grateful to the Government for implementing this reduction in a manner that minimized impact for those who were not already at the maximum ceiling established under the existing cost control cap, we do trust that any additional changes that may be contemplated to the administration cost controls in future can be communicated with sufficiently greater advance time, prior to the targeted implementation window for such changes to take effect.

In this respect, we would acknowledge that not all boards are created equal in Manitoba and the overall administrative complement ranges from school boards with full trustee complements, to those with the minimum trustee complement.

Some school divisions have administrative teams consisting of multiple superintendents, secretary-treasurers and assistants, while others have only one person who fulfils the duties for both of these positions. We are therefore grateful to the Government for adopting a measured approach to administrative cost controls, by avoiding a broader 15 percent reduction across divisional administrative complements.

Into the longer term, it would be most helpful to school boards if any additional cost control changes could be communicated so that they can be implemented in the next rather than current fiscal period. This would allow time for boards and their senior staff to draw up plans for implementation with a view to vacancy and attrition management.

We appreciate that 2018 presented a unique situation given opportunities for revisiting the size of boards in advance of elections, especially in cases where no other option was available for meeting the 15 percent target. However, we do hope that into the future, we can receive a greater timeframe for implementation in order to mitigate any impacts that might arise.

**Recommendation 16: Going into the 2019 Fiscal Year, we would strongly recommend that any changes to the administrative cost control regulation be made effective as of the subsequent, rather than current fiscal period, to afford sufficient time for school boards to explore all available options that might be available for addressing any changes.**

On behalf of our members, the Manitoba School Boards Association would like to conclude by highlighting two significant concerns that may pose longer term funding pressures for our members, pending the adoption of final frameworks in relation to both initiatives.

**c) Federal Carbon Tax**

It has been a longstanding policy of our association that no level of government should impose taxes upon another. The Manitoba School Boards Association would therefore join with the Government of Manitoba in expressing concerns over the Government of Canada's proposed plan for carbon pricing, starting in 2019 and increasing in each year thereafter through to 2022.

In the specific context of the impact of inflationary pressures upon our membership, the establishment of a carbon tax in Manitoba would only further exacerbate school division efforts to contain costs and avoid local revenue increases.

We further object to any characterization of Manitoba’s public education system as an environmental polluter, given the criticality of the programs, supports and services that are provided to students, their families and our communities through school infrastructure and the vehicles that serve to promote the delivery of our educational mandate.

As a system, we have always strived to ensure that our students graduate as environmentally conscious citizens, equipped with a foundational understanding in the principles of sustainable development. Manitoba has in fact always been recognized as a world leader in Education for Sustainable Development. We believe that all citizens must stand together to help address negative externalities from mass industrial production.

However, we fail to see how local public schools can be described as, or ought to become subject to, the same general measures imposed on such mass industrial polluters. Our greenspaces provide communities with important recreational opportunities across Manitoba, even as our carbon footprint remains largely neutral during summer months.

As greater taxes are envisioned for vehicles operated on diesel fuel, as is currently true for almost all school buses in Manitoba, one must properly account for the shared ridership that our buses provide as an option for students and their families, which serves to reduce the carbon emissions that would otherwise be produced if pupil transportation were not offered by school divisions.

While we await confirmation of the eventual path forward that will be taken by Manitoba in relation to the federal carbon pricing plan, we would request, on behalf of our members, every consideration by the Government of Manitoba for full exemption or full rebate from this tax. As we work together to contain our expenses overall, adding yet another percentage onto the cost of our operations and supplies ought to be avoided. If it is not, then school boards would likely face additional cost pressures of millions of dollars going into 2019 and in future years.

**Recommendation 17: We would request that, as the Government of Manitoba’s response to the federal carbon pricing plan develops, that every consideration be extended to school divisions for their full exemption from any local carbon pricing or taxes, or alternatively, that an option for full rebate of all carbon pricing expenses be considered for school divisions in 2019 and future years.**

**d) Tax Increment Financing Economic Development Strategy**

As part of this session’s Throne Speech, the Government announced plans to establish an economic development strategy focused on expansion of Tax Increment Financing (TIF) as established under *The Community Revitalization Tax Increment Financing Act*.

We cannot help but to highlight that section 4(3) of this Act clearly mandates the continued duty to consult affected school boards before any such project is undertaken. We would therefore request that the seven principles outlined by the Government be amended, in order to emphasize the reality that the alignment and collaboration of both municipalities and school boards remains important, as TIF initiatives are expanded and undertaken in local communities under the proposed strategy.

Our association would also request that under the new framework, a formal working group also be established with our association, just as has also been foreseen with the City of Winnipeg and the Association of Manitoba Municipalities. This will also enable us to work collaboratively with the Government and participate in long-term strategic planning for investment in areas of mutual interest.

Use of *The Community Revitalization Tax Increment Financing Act* for economic development purposes finds resonance with school boards when each of the seven principles that have been outlined by the Government are responded to and respected.

However, for any projects that do anticipate substantial local school enrolment impacts without adding revenues to school budgets, the establishment of a working group can assure that such initiatives will be sufficiently planned in advance of their development, in order to mitigate situations where public schools become ill-equipped or under-resourced in addressing sudden local increases in pupils and programming requirements.

**Recommendation 18: We recommend to the Government of Manitoba that, as it proceeds to further implementation of the Tax Increment Financing Economic Development Strategy, that principle #4 under the Strategy be amended to include reference to school boards and further, that a working group also be struck with the Manitoba School Boards Association, involving rotational representation from school boards in local communities where economic development involving TIF is to occur, in order to promote fulfillment of all consultative obligations under section 4(3) of *The Community Revitalization Tax Increment Financing Act* and also to assist local school boards in planning for appropriate delivery of programs and services where required.**

#### **4) OUR VISION FOR ONGOING PARTNERSHIP IN RESTORING MANITOBA'S FISCAL BALANCE**

As we hope was successfully communicated by our association upon election of Manitoba's new Government, school boards stand ready to assist the Government with its priority of restoring the fiscal balance and of meeting deficit reduction targets.

In the transitional briefing note that we sent to the Manitoba Government in April 2016, we therefore suggested that it would be most helpful if the Government were to set a universal target for boards to meet, when addressing the overall provincial fiscal challenge.

This would mean that, rather than looking at specific measures or targets in select operational areas or concerning select grants or other funding supports, we would instead have the opportunity to prioritize areas from across our collective operating budgets, in order to ensure that the impacts of any mandated reductions are mitigated for divisions that may rely on status quo funding in one area of operations or one area of budget support over another.

Over the past two fiscal periods, the school board experience with the various budget management and cost control measures that have been established by the Government has come with varying impacts, with the largest impacts being experienced especially by smaller school divisions in rural and northern communities.

We remain very apprehensive that, into the future, many school divisions will not be able to absorb continuing reductions without making changes to front-line programs, supports and services. As a general indicator, we can only highlight that province-wide, Tax Incentive Grant (TIG) investment represents the equivalent of nearly two entire weeks of funding in combined support for those school divisions who currently receive that grant.

While no school board will experience the entire loss of two week's funding from the proposed elimination of TIG over the next five years, as was announced under the 2018 Funding of Schools Program, the collective impacts of last year's decision to remove this grant are indeed being felt, and again, by the smallest school divisions. It therefore follows that doing the same with less funding cannot continue, without experiencing more significant front-line impact.

Depending upon the specific measures that are chosen by Government to address our shared priority on restoring fiscal balance under Budget 2019, we anticipate that this next year may therefore see greater front-line impacts than have been experienced in the public school system in many decades. If so, then this would prove very unfortunate for the public education system, our students and our communities.

School boards are by no means averse to change. The last message we want received from the above advocacy is one of not wanting to do things differently than they have in the past. Making changes to a system as complex and varied as a school system however, is not an easy task. As the association that represents those who are elected by communities to ensure that local ownership remains a vital feature of Manitoba's public education system, we well understand how daunting a task this can truly be.

Therefore, in closing, we again extend a hand of partnership and cooperation to the Government of Manitoba. Given that the Government and school boards share responsibility for Manitoba's public education system, as established under our system's legal and regulatory framework, it is therefore incumbent upon both of us to work closely when addressing one another's needs and requirements.

For the last 146 years, we have indeed shared in this important responsibility. Together, we have produced a quality public education system that is safe for all students: one that has also changed and adapted to meet the needs of Manitoba's ever-changing and growing population and the social, economic and cultural needs that sustain the fabric of this province and its people. Our education system is one of the best in the world because of our continuing partnership.

When it comes to Budget 2019, we therefore repeat our offer to work together, especially if the Government of Manitoba were to consider establishing a global annual funding target towards addressing current budget management priorities. We remain of the perspective that this is the best way forward for avoiding any unforeseen front-line impacts, while also helping Manitoba to restore its fiscal balance.

We are therefore hopeful that this reaffirmed message is received in a spirit of genuine cooperation and partnership, and we would like to thank the Government of Manitoba in advance for its consideration of our recommendations and observations under Budget 2019.