



**MANITOBA
CHAMBERS OF
COMMERCE**

**Manitoba's Commission on Kindergarten to
Grade 12 Education Submission**

May 15, 2019

Introduction

The Manitoba Chambers of Commerce (MCC), established in 1931, is the umbrella organization for Manitoba's chamber movement and "The Voice of Business in Manitoba." With a membership comprised of 71 local Chambers of Commerce, as well as direct Corporate Members, the MCC is the province's largest and most diverse business association and lobby, representing close to 10,000 organizations.

Our vision is to make Manitoba the "Best Place to Live and Work," and our mission is to champion sustainable economic growth leading to greater prosperity for business and communities across Manitoba.

It is through the lens of our business membership's needs with respect to the future workforce that we deliver our comments to Manitoba's Review on K to 12 Education.

Areas of Focus

Based on our review of the public consultation discussion paper and background/context documents, the Manitoba Chambers of Commerce is capable of speaking to the following three areas of focus **through the lens of business:**

- 1) **Long-term vision:** Manitoba is facing 250,000 job openings in various categories by 2020, and with an unemployment rate of 5.8 per cent, we are the third lowest in Canada behind Saskatchewan and Alberta.
 - Our Province requires a long-term vision to prepare students for a rapidly-changing world, particularly in response to the flourishing technology sector and looming shortages in the skilled trades.
 - We assert that the Province requires an improved labour market prediction tool to ensure we are graduating students with defined career pathways in response to current demand.
- 2) **Student learning:** We assert that there is a requirement for a range of learning environments/settings and program types to support student achievement, and that these should: ensure post-secondary preparation and "job-readiness" while being culturally responsive, take into account poverty rates, leverage unique regional characteristics and opportunities, and contribute to improved Indigenous graduation rates and subsequent labour force participation.
 - Although Manitoba's high school graduation rates have improved and continue to improve, the MCC is concerned about the difference in 4-year on-time graduation rates between non-Indigenous and Indigenous students. Statistics Canada projects that by 2036, 20% of Manitoba's population will identify as Indigenous, representing 20% of our economic capacity.

- Canada welcomed 1.2 million new immigrants between 2011 and 2016, with more than 60 per cent admitted as economic immigrants — nearly half of those through the skilled workers program. Many newcomers are choosing to settle in the Prairies, and today represent 18% of Manitoba's population, a proportion projected to continue on a growth trajectory.
- 3) Funding:** Although MCC acknowledges that the “review will not delve into technical details on topics such as funding models, local taxation, teacher compensation, teacher pensions and benefits,” on behalf of our members, we assert that Manitoba’s education system should reduce its reliance on property taxes.
- The MCC endorses the concept of ONE mill rate for the province instead of multiple mill rates determined by school division.
 - The MCC recommends that MET consider creative and alternative models of funding, including partnerships with the private sector, and potential alliances with industry representatives as consultants, ie, through sector council members acting as advisory committee members.
 - The MCC agrees that Manitoba’s annual per student spending – the second highest of all jurisdictions in Canada – should be reduced.

Observations & Considerations

To quote the context report, *Manitoba Summit on Literacy and Numeracy*, “In December 2017, Manitoba Education and Training invited education stakeholders and the Manitoba public to co-create a provincial literacy and numeracy strategy. Manitobans who are passionate about literacy and numeracy came together in Winnipeg from January 9 to 11, 2018, to participate in the provincial summit *Learning for Life: Charting the Future through Literacy and Numeracy*. Over 700 participants from northern, rural, and urban Manitoba communities engaged in this three-day collaborative process.”

- ***Will the Commission collate and combine public consultation findings (K to 12 Education Review) with the findings and outcomes of the Manitoba Summit on Literacy and Numeracy to inform their final report to the Minister of Education and Training?***
- ***Was there are a variety of stakeholder groups, ie, education, social services, government, and business community representatives, among the 700 MET summit participants?***

In the summit document, *Literacy and Numeracy in Manitoba: Setting the Context*, it reads: “Business and industry expect literacy and numeracy to be a part of what their new employees bring to the workplace, and they play a critical role in continuing to support learning on the job. Partnerships between education and industry can support learners to develop competencies such as critical thinking, self-sufficiency, responsibility, communication and teamwork, by

connecting classroom learning to career opportunities. Building relationships and identifying mutual priorities are essential to generate new opportunities that optimize the use of limited resources and maximize learning outcomes.”

- **The summit’s long-term targets are aspirational for the next decade – and some are ambitious. Has MET committed to these long-term targets, and if so, is it part of the Commission’s mandate to create actionable objectives to support their achievement?**

Supporting Statistics

In order to provide comment on the three select areas of focus and share our concerns on behalf of the business community, we will leverage results from our *2018 Business Outlook Survey*, to which more than 500 business leaders responded, as well as the MCCs book of policy resolutions which include four relevant education policies.

- 1) We asked our *2018 Business Outlook Survey* respondents the following question: “If they expected to experience slow, little, or no growth in the year ahead, what did they anticipate would be the top 3 barriers?” **The rising cost of doing business (63%), skills & labour shortages (41%), and taxation (33%)** were the most frequently selected barriers to business growth in the year ahead.

[IF SLOW OR NO GROWTH] What do you anticipate the biggest barriers to business growth in 2019 will be? Select up to 3 barriers. N=467	Total Barrier Selections %	Top Barrier Selected %
Rising cost of doing business	63	42
Skills/Labour shortage	41	40
Taxation – payroll, sales tax, income, carbon tax	33	2

- 2) When we inquired about the “greatest challenges facing their company in the next 12 to 18 months,” when looking at the first topics identified, three surfaced prominently: **government regulations, skilled labour shortage, and labour costs.**
- 3) Just over **half of respondents (51%) feel the labour market, specifically access to skilled workers, has not changed in the province compared to 2 to 3 years ago.** Only 8% say it has improved, while almost a quarter (23%) say it has worsened. Interestingly, members

operating in a unionized environment are more likely to say it has worsened (38%).

- 4) Members provided a range of selections when asked to identify their top barriers to accessing skilled workers. Topping the list was a **“lack of funds to hire the qualified person”** garnering 23% of all selections, and second was **“inability to attract qualified candidates.”** Winnipeg members were particularly likely to select the barrier, *alignment with current employee skills and abilities with needs* (27% of selections).

Q21. What do you see as the biggest barriers impacting your ability to hire qualified employees in your business? Please select the <u>top two</u> from the list below.	Total Top 2 Selections %
Lack of funds to hire qualified staff (can't meet the market pay range for the right person)	23
Inability to attract qualified candidates	21
Wages don't meet expectations	21
Time and cost of training	20
Amount of steady work to offer	18
Alignment of current employee skills and abilities with needs	14
Not suited to the specific requirement of work	12
Lack of proper training	10
Turnover related to hiring the wrong person/talent mismatch	10
Education	8
Lack of proper certification	7
I experience no issue in terms of access to labour	12
Don't know	6
Other	6

- 5) Three positions were mentioned most frequently by members as being difficult to fill: **Skilled workers (i.e., manufacturing); management positions and manual labour.** Non-Winnipeg members were much more likely to select the following positions as being difficult to fill:
- Skilled workers (i.e. manufacturing) (41% vs. 32%)
 - Manual labour (32% vs. 17%).

Q22: What positions is your organization having the most difficulty filling? SELECT ALL BELOW track order 1 st , 2 nd	% of mentions
Skilled workers (i.e., manufacturing)	39
Management positions	29
Manual labour	28
Administrative/clerical	22
Service/Retail	5
Trades/Technical skills	4
Professional (i.e., teaching)	2
Healthcare	1
Other	2
No issues	21
Don't know	5

MCC Policies for Review

As a business advocacy organization, the Manitoba Chambers of Commerce members and committees create and submit policy resolutions for consideration, and vote on their acceptance and/or decline each year at our Annual General Meeting.

These policies inform our government relations activities and guide our involvement in economic development strategies. The following four policies are relevant to the K to 12 Education review.

POLICY 1 - Creation of a Plan for Education across the Province for the Development of Skills for Jobs

Issue:

According to the provincial government (before the April 19, 2016, election), the Manitoba economy will need a total of 177,800 job openings between 2015 and 2021, with 63% of these openings to replace worker retirements and deaths. Their forecasts predicted approximately 25,400 total job openings per year.

The business community across Manitoba, more critically in the north, is currently experiencing challenges hiring skilled labour and the expectation is that labour pools will become more strained in the next decade. The changes made to the Temporary Foreign Worker Program has had an impact on labour pools across all sectors going forward creating an additional stress for business across the province. The importance of hiring local labour continues to be a common thread of discussion through all sectors of business. This is not a unique problem for Manitoba. Some Western provinces are also facing labour shortages. The need to fill jobs has and will continue to open up a very competitive job market that could pull talent from other provinces.

In advance of the growing challenges, other provinces, most recently in British Columbia, have worked to develop plans to address this potential crisis. Working Groups have been established in these other jurisdictions that were responsible for providing plans that would provide the ability to the right workers with the right skills in the right places. The push was to develop resourceful, innovative avenues and a common purpose. In BC, the Working Group's final plan called for a more targeted focus on training for high-demand jobs, providing all partners with more up to date and useful labour market information, encouraging innovation in how education and training was provided to meet the needs of giving employers and industry a stronger role and voice in shaping and evaluating our skills and training funding and program delivery.

In Manitoba, our primary goal should be to providing first in line for job openings – something that can only happen if we ensure Manitobans have the training they need to take these jobs. As part of our goal to maximize the potential of our existing workforce and our young workforce of the future, a plan needs to be developed that will give our young people a seamless path right from school through to the workplace. For this to be effective, the government and post-secondary institutions must reach out to business to provide them a list of what they require regarding skills and jobs.

Any development must consider these three objectives:

- A head start to hands on learning in our schools,
- A shift in education and training to better match with jobs in demand, and
- A stronger partnership with industry and labour to deliver training and apprenticeships.

Resolution:

That the provincial government:

- **Strikes a working group of business organizations, including the Manitoba Chambers of Commerce, to begin working on a program to identify and provide funding for programs created in cooperation with industry, school districts, post-secondary institutions, and colleges offering dual credit courses in a partnership format;**
- **Significantly revamps and enhances, promotes, and puts the decision-making for key programs, specifically the Cooperative Education Tax Credit (CETC), and the Cooperative Opportunities Graduate Hiring Incentive (COGHI), into the hands of employers in cooperation with government; and**
- **Increases the efficiency and effectiveness of the investment in training by leveraging successful government, union, and private training programs.**

Submitted by the Manitoba Chambers of Commerce Workforce Committee
Adopted by Manitoba Chambers of Commerce, May 2016

POLICY 2 - Strengthening Labour Market Information (LMI) for Business Competitiveness

Issue:

You can make numbers say whatever you want. But when the numbers are outdated or not focused in the right area, the information builds and becomes an outdated representation of what the numbers say. At this time, Manitoba is operating in a data vacuum. Insufficient labour market information (LMI) limits effective funding, policy-making, and program design/delivery.

Labour market information is a shared responsibility between federal, provincial, and territorial governments. Although the federal government has retained the responsibility of being the primary producer of LMI, provinces have had a greater role in LMI following the devolvement of labour market programs to the provinces/territories that came as a result of bilateral Labour Market Development Agreements (LMDA).

In Manitoba, the Ministry of Growth, Enterprise, and Trade (GET) is lead on LMI for the province. The GET site provides information and reports on trends in the labour market. GET publishes *“The Manitoba Current,”* an online publication providing information on current trends and the future outlook and trends for work in Manitoba. There also exists a monthly document, *“Manitoba Monthly Help Wanted Dashboard.”* This document posts industries in which jobs are were available and filled. Much like the collection of LMI, each publication is outdated by the time it reaches those who visit the LMI site on the Government of Manitoba website, making the information available but not practical for use.

A primary concern for Manitoba business is the lack of available local and occupational level LMI. There are significant gaps in information on job vacancies across the province; currently, data can demonstrate when a province is experiencing shortages but not precisely where labour is needed within regions or what specific skills are in demand. In Don Drummond’s 2014 report on LMI, he cites that one of the biggest challenges is that labour market survey results are often only available on a provincial basis and are aggregated into a small number of industries, masking dissimilarities between individual occupations.

It is essential that Manitoba advocate for better and more localized information. The federal government has announced changes to two Statistics Canada surveys, expanding the sample sizes of both the quarterly Job Vacancy Survey and the National Wage Survey to report at the level of economic regions, rather than provincial and territorial levels. However, economic regions are as large geographically as the province of Prince Edward Island and will not provide data at a local level. The example of the UK Commissions’ Employer Skills Survey should be examined and advanced by the province to the federal government. The first survey in 2011 gathered answers from more than 91,000 businesses across different sectors, giving the UK government local, reliable and timely information.

There is also a need to make provincial data more accessible. Information is not always coordinated or shared in an easily accessible and digestible manner for employers, job seekers, and decision-makers.

Manitoba might benefit from British Columbia and its WorkBC website; the site contains a list of job openings across the province, analysis of the provincial labour market, and the results of employment surveys among post-secondary education graduates (including information on where jobs are in demand). BC also has a distinct strategy of partnerships and active networks across the province to improve coordination of LMI including a cross-ministry LMI roundtable committee bringing together various ministries involved in LMI. The work of this committee has allowed for strengthened provincial provision and dissemination of LMI.

Beyond a lack of internal collaboration in the province, there is insufficient intergovernmental coordination and sharing of information between the province and the federal government. The timeliness of data would be enhanced if provincial and federal governments were willing to extract LMI from the wealth of data already collected from Canadians for other purposes while ensuring the protection of private information. This includes evidence from income tax, employment insurance (EI) and social assistance purposes. Provinces do not have access to postal codes and National Occupational Classification (NOC) codes for EI recipients. This type of information regarding which regions and occupations are experiencing changes in employment would allow Manitoba to build more responsive training programs.

The other key component is the buy-in from business to share and make their data available to develop a better sense of where the needs are. As it stands, the ability to get access to this information is simply not there. Whether it is a lack of trust from business or a lack of incentive to share the information, the infrastructure and information already exist, but it needs to be determined who is doing it well so it can be replicated. Labour market policies and programs also suffer from a lack of standard performance measures linked to employment outcomes. Based on existing metrics, it's hard to evaluate program effectiveness. A collaboration between business and government is needed to establish a new framework to address deficiencies in the quality and sharing of information and strive to adopt a standard set of performance measures that can be applied to all future-funded employment services.

Resolution:

That the provincial government:

- **Works with business and education sectors, on a strategy to establish a new governance framework to address deficiencies in the quality and sharing of LMI and one that aims to create a set of standard performance measures for program evaluation;**
- **Uses LMI to better focus towards targeting of students and market-ready individuals, and new immigrants;**
- **Works with school boards to develop communication products that outline education and career paths for students;**
- **Promotes existing LMI more actively and enhances public awareness of what is available; and**
- **Enhances interprovincial collaboration on LMI and considers the establishment of a cross-ministry committee to improve coordination on LMI efforts.**

Submitted by Manitoba Chambers of Commerce

Adopted by Manitoba Chambers of Commerce, May 2017

POLICY 3 - Development of a Volunteer-Business Credit Program for High School Students

Issue:

Among other roles, high school plays a large part in young students developing interests that will help guide them down a career path and focus their post-secondary. Unfortunately, students are not getting proper exposure to a wide variety of skills required to help make these decisions. A number of programs, like the Student-Initiated Projects (SIPs), Community Service Student-Initiated Projects (CS SIP), and Cultural Exploration Service Student-Initiated Projects (CE SIP) exist to help students gain rudimentary training. These are more student-driven initiatives, and there is debate as to how driven a school is to guide and encourage participation.

Many of the SIPs are projects initiated by a student in an area of special interest not provided in the senior year list of classes. Part of the problem is waiting until the senior year to narrow that level of focus. This is a missed opportunity for students and the business community. Providing a focused high school course (starting in Grade 10, 11 and 12) and attaching real value in obtaining credits towards graduation, while exposing students to potential career opportunities, learning the pace in which businesses work, and encouraging a healthy work ethic could give them a more complete list of choices when deciding what to pursue in a post-secondary institution. The end goal, to encourage students, would be to attach credit availability based on the level of engagement through volunteered hours.

With an increased demand for students to fill the upcoming workforce gap, providing them with choices and opening up avenues to what lies ahead of them and give them a better sense of self and ability to pursue their goals and dreams.

Resolution:

That the provincial government:

- **Actively promotes SIPs in all school divisions within Manitoba;**
- **Adjusts the SIP model to encourage student participation through the number of credits obtainable via the program;**
- **Sets a limit for hours required in Grade 11 with a goal of increasing the hours required in graduating year; and,**
- **Identifies allies and work with stakeholders and school divisions to implement this as a mandatory three-year course, with credits going towards graduation, for student volunteer work in the business community.**

Submitted by the Manitoba Chambers of Commerce
Initially adopted by Manitoba Chambers of Commerce, May 2016

POLICY 4 – Modernize K-12 Education Funding

Issue:

Manitoba is unique in the way which our education system is funded, and not in a good way. We are the only province in which school boards can independently set their own property tax mill rates. With 38 school divisions, we now have a hodgepodge system with multiple mill rates. This lack of consistency can result in similarly assessed properties paying vastly different education taxes on their property tax bill. In some school divisions, the education portion can be as high as 80% of the property tax bill.

The current taxation model creates a system that supports taxation without representation. Property owners can only vote for school trustees in their principal residence's school division. In 2009, Saskatchewan took away the ability for school boards to set the mill rate, and have since established centralized standard mill rates across property types. Homeowners in Regina and Saskatoon now have the exact same mill rates, whereas in Manitoba, neighbours can be taxed with different mill rates.

Municipalities also continue to struggle to provide the wide range of services Manitobans expect. Since municipalities have limited tools and resources at their disposal, they must rely heavily on property taxes to generate revenue at the local level. However, municipalities do not have full control over this mechanism due to the ongoing reliance on property taxes to fund education. If school taxes on the property are raised, municipalities are often criticized, even though they do not have access to this portion of revenue.

Since all of society benefits from public education, including citizens without children currently attending school, the Manitoba Chambers of Commerce asserts that education should be funded through provincial revenues. In addition, farmland values have increased dramatically over the last several years, and farmers are starting to see land reassessments come in without corresponding adjustment to mill rates from school divisions. Unfortunately, this goes hand in hand with a decline in commodity prices generally and farm incomes. In short, farmers are making less money and paying a lot more school tax today.

Property taxes can also discourage development, and the current funding model with different mill rates can negatively impact business investment decisions, due to the variation in the tax rate. Moving to a single mill rate will simplify our complex K-12 education funding system, and address the inherent unfairness of the current model.

Resolution:

That the provincial government:

- **Establishes one mill rate for the Province of Manitoba.**
- **Provides new or re-allocates existing funding to reduce and eliminate the education system's reliance on property taxes by 2030.**
- **Immediately rescinds the \$5,000 cap on the Farmland School Tax Rebate.**

Submitted by Portage la Prairie Chamber of Commerce
Initially adopted by Manitoba Chambers of Commerce, May 2016

Conclusion

We applaud the provincial government for undertaking a review of the Kindergarten to Grade 12 Education system in Manitoba, and we thank you for the opportunity to provide comment.

- We are concerned about the timeframe allotted for this public/stakeholder consultation phase. Ideally, the process would have included a greater number of in-person consultation dates in a greater number of locations to engage a broader cross-section of Manitobans, and allow stakeholder groups to better prepare.
- We recommend the creation of working groups/task forces to address all six areas of focus. We believe this approach will lead to the delivery of actionable, practical objectives and implementable recommendations to the Minister by 2020, by forging important community and business partnerships in support of the established long-term targets.

While we recognize that the commission has a broad mandate, we hope that its final recommendations will be focused on improved literacy and numeracy performance, excellent outcomes for students, and on the development of our future workforce, generating positive results for the Manitoba economy.