



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

September 5, 2024

Honourable Nello Altomare
Minister of Education and Early Childhood Learning
Room 162 Legislative Building
450 Broadway
Winnipeg, MB R3C 0V8

Honourable Adrien Sala
Minister of Finance
Room 156 Legislative Building
450 Broadway
Winnipeg, MB R3C 0V8

[by email only: mineecl@manitoba.ca; minfin@manitoba.ca; dmedu@manitoba.ca; dmfin@manitoba.ca]

Dear Ministers Altomare and Sala,

On behalf of our member school boards, we would like to again express our gratitude to the Manitoba Government for the more flexible and responsive funding arrangements that were extended to our members as we finalized our budget development process for the 2024/25 school year. Combined with the additional changes that you have made to education property tax repealment, as originally established under Bill 71, school boards stand on a greater fiscal foundation to meet the needs of our staff, students, schools and communities.

We are very grateful that you heard our request, as previously submitted for your consideration under our 2024 Pre-Budget Brief, to remove the cap on school board levy authority to address operational requirements in 2024/25. As you may be aware, at our convention in spring, 2023, our membership passed Resolution FFM-02-23: Removal of Restrictions on Use of the Education Special Levy. Under this resolution, we called upon the previous Government to “remove the restrictions on the use of the education special levy to enable school divisions to respond to local needs and unexpected expenses.” Your actions under Manitoba Budget 2024 certainly confirmed the call made by our members. We are equally grateful that you have also signalled your consideration for maintenance of our existing levy authority as we now attend to anticipated settlement expenses as related to implementation of the very first provincial teacher collective agreement as was also outlined in Pre-Budget Brief 2024.

It is very important that we clarify that Resolution FFM-02-23 was a call to permit all school boards to draw upon their authority to increase the Education Special Levy as required in any given budget year: the framing of our subsequent request in this respect may have given rise to perceptions that we were calling for removal of restrictions in 2024/25 to be a narrowly applied exception rather than a permanent change in policy decision. To clarify, and again in keeping with the spirit of FFM-02-23, we fully appreciate, based on our meetings during and following budget implementation, your willingness to work with us in this important respect and your recognition that maintenance of school board levy authority will serve mutual interests in the future.

In closing, we wished to use this opportunity to communicate a further call from our members, as was issued this past spring under **Resolution FFM-05-24 – Grants for Interim Loans**, and which is directly related to school board capacity to achieve flexibility and responsiveness through maintained education levy authority. As passed by our members, the wording of this resolution is as follows:

BE IT RESOLVED THAT the Manitoba School Boards Association lobby the Manitoba Government to extend interim loans or grants to school divisions pending receipt of tax revenues from municipalities to mitigate interest payments incurred by divisions.

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Roughly 85 per cent of rural municipalities and cities/towns in Manitoba have tax remittance due dates after the start of the school year. This translates to 30 school divisions beginning the school year with inadequate funds for start-up operations, which then requires them to borrow money until such time as municipalities forward the education portion of property tax to them. These 30 divisions are having to divert funds from the classroom to pay ever increasing interest charges associated with borrowing.

As just one example, one of our members has been incurring interest charges on their bank overdraft portion for over 50 per cent of the school year. As of June 2023, interest payments required of this school division have tripled in one year to \$180,000. For the current school year, this division has already incurred \$90,000 in interest payments in just two months' time.

We therefore request due consideration from the Manitoba Government for extension or increase in interim payments to affected divisions during the waiting period for tax payments. This would ease the burden of their interest payment requirements and allow funds to be redirected back into the classroom, where they rightfully belong.

We cannot underscore how important such a measure would be and would appreciate the opportunity to discuss prospects for implementation in time for the 2025/26 Budget cycle. Pending the upcoming release of the new Education Funding Model as we also called for under previous Resolutions and Pre-Budget Briefs, we feel that adopting interim loans or grants to respond to the above circumstances could prove to provide the elasticity needed to sustain our members' operations. Particularly for boards with smaller tax assessment bases, as we move towards fiscal change to provide for the needs of our students and communities, such an approach could yield positive benefits under what we appreciate are some very tight fiscal constraints as faced by all public sector entities.

Should you have any questions or wish to discuss this matter further please feel free to arrange a meeting. Our Executive Director, Josh Watt, can be reached at jwatt@mbschoolboards.ca at any time.

We thank you in advance for your consideration of our concerns and look forward to working with you to achieve constructive outcomes for the sustainability of our programming, supports and services.

Sincerely,



Sandy Nemeth, President

cc: Brian O'Leary, Deputy Minister, Manitoba Education and Early Childhood Learning
Silvester Komlodi, Deputy Minister, Manitoba Finance
Josh Watt, Executive Director, Manitoba School Boards Association