

# Education funding needs a sustainable solution

by Tyler MacAfee, Director of Policy and Communications

It seems that almost as far back as anyone can recall, education financing from property has been an issue for municipalities. In 1939, a resolution was brought forward to the Union of Manitoba Municipalities Annual Convention asking for the total removal of education funding from property. I guess in 65 years not a lot changes, as **resolution #17 – The total removal of education tax from property** was passed at the 2004 AMM Convention.

The impact of municipalities being forced to collect a tax that they have no input into setting should not be understated. The perception among many property owners is that this is a municipal tax, which is simply not the case. Municipalities do not set this tax and simply collect the tax for school boards and the Province. When the school tax increases, it forces municipalities to seriously consider the impact of raising municipal taxes as well, as this will only further increase the burden on local residents. This is a real problem as municipal revenues become limited while municipal responsibilities continue to increase.

The AMM recognizes the complexity of this dilemma and has been working on helping to find a solution. This issue has

been the number one issue identified by the AMM Board of Directors in the last three strategic planning sessions. Last year, the AMM raised this issue with every member of the Provincial Cabinet in individual meetings, as well as with the Premier and both opposition parties. At every opportunity, the AMM was explaining the need to remove the reliance of education funding from property.

The AMM participated on the Minister's Working Group on Education Funding, a working group created as a result of the AMM's own task force report on this issue. The AMM task force report came to the conclusion that there must be a reduction of education funding from all property classes and simply shifting the tax burden between property classes is not acceptable. The AMM spent two years with the other stakeholders on the Minister's group trying to find a solution to this issue. In the end, the AMM was not able to support the recommendations of the report, as it did not equitably remove the tax burden from all property classes.

The debate on resolution #17 at this year's convention made it clear that urban and rural municipalities are united in their desire to see reductions in education taxes from all property classes.

This year's Provincial Throne Speech mirrored the focus of the AMM Convention. Education funding was front and centre in this speech as the Provincial Government announced a 33% reduction in school taxes on farmland this year and a 50% cut in 2005. There is also a commitment from the Province of further reductions in the 2005 Budget.

This is a good first step in removing the education funding burden from property. The AMM is pleased that the Provincial Government has acknowledged the seriousness of this issue and has begun to provide relief. The AMM is equally pleased that although the current reduction is solely for farmland, the Province acknowledges that shifting taxes between classes is not an option and will be announcing further cuts in the 2005 budget. Immediate cuts were needed and the AMM is pleased to see action taken.

The AMM understands that the solution to this long-standing issue will not be found overnight. There is no single pot of money to be found that will finance education in Manitoba. The AMM is committed to working with the Provincial Government to continue to build on the progress made and to work on finding a viable, sustainable solution to this problem. §

