

ASSOCIATION OF MANITOBA MUNICIPALITIES POSITION PAPER

MINISTER OF EDUCATION | CLIFF CULLEN | MARCH 18, 2021



ASSOCIATION OF MANITOBA MUNICIPALITIES

The AMM appreciates the opportunity to meet with Minister Cliff Cullen and representatives of Manitoba Education.

The AMM encourages the Province to consider municipal concerns as well as the effects of funding decisions on local communities throughout the budget process.

This document outlines the AMM's position and recommendations on a number of important municipal issues relevant to the Education portfolio.

PRIORITY ITEMS:

**MODERNIZE
EDUCATION
FUNDING**

PARTNERS IN GROWTH

The AMM looks forward to working with the Province of Manitoba to strengthen provincial-municipal growth and partnership opportunities.

Priority Item #1

Modernize Education Funding

The AMM recommends the government:

- ✓ ***Convene a multi-stakeholder Task Force to comprehensively review and modernize Manitoba's education funding model; and***
- ✓ ***Consult with the AMM on the provincial commitment to phase out Education Property Taxes***

- While the AMM looks forward to reviewing the Manitoba Commission's K-12 Education final report and recommendations, we urge the Province to provide new, sustainable long-term funding to reduce school division reliance on property taxes.
- The AMM and Manitoba School Boards Association (MSBA) have renewed discussions on this issue with the shared objective of establishing a provincially-endorsed Task Force to review opportunities and options concerning the education funding model.
- The system's future and long-term sustainability cannot be de-coupled from how it is funded and paid for.
- The current model is antiquated and inadequate, particularly given the ever-increasing demands and financial pressures on municipalities.
- Thus, we welcome the provincial commitment to phase out of the Education Property Tax as committed in the most recent Speech from the Throne.
- It is vital that a plan to ensure the needs of taxpayers and the services provided through property taxes is developed in close consultation with our organization before any additional changes are contemplated by the provincial government.
- Therefore, we would appreciate receiving an update regarding the government's plan moving forward.
- In addition, AMM members continue to appeal for the \$5,000 cap on the Farmland School Tax Rebate to be lifted as it negatively impacts agricultural producers and the vibrancy of local communities.
- Landowners are currently required to submit an annual application to the Manitoba Agricultural Services Corporation (MASC) to apply for up to an 80 per cent rebate that is limited to \$5,000 on farmland school taxes.
- When the rebate was first introduced, there was no cap in place.

Appendix – AMM Active Resolutions

AMM Resolution #21-2020

Topic: School Tax Deferral

Sponsor(s): Municipality of Russell-Binscarth (Midwestern District)

Department(s): Manitoba Education

WHEREAS the government has placed a six-month moratorium on the payment of interest and penalties on all school tax levies; and

WHEREAS municipalities are liable to pay all school tax levies;

the AMM lobby the Province of Manitoba to provide an option so that the municipalities do not have to pay any school tax levies until the payment of the total amount owed has been received from the property owner.

AMM Resolution #33-2017

Topic: Education Funding Model Task Force

Sponsor(s): RM of Morris (Central District)

Department(s): Manitoba Education; Manitoba Finance

WHEREAS the education funding model in Manitoba has been in existence for many years and is in need of a major review; and

WHEREAS education has traditionally been jointly funded by a portion from the provincial government and a portion from local municipal governments; and

WHEREAS several organizations such as the Association of Manitoba Municipalities (AMM), Manitoba Municipal Administrators' Association (MMAA), Manitoba School Boards Association (MSBA) and Manitoba Association of School Business Officials (MASBO) are all involved in the process of creating the financial plans for school divisions, levying for and collecting the taxes; and

WHEREAS it would be deemed prudent to request the Province of Manitoba to establish a task force to review how education is funded in Manitoba;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to establish a task force to review how education is funded in Manitoba; and

FURTHER BE IT RESOLVED THAT such a task force include representatives from AMM, MMAA, MASB, MASBO and other individuals that the provincial government deems appropriate.

AMM Resolution #34-2017

Topic: Education Tax

Sponsor(s): RM of Lac du Bonnet (Eastern District)

Department(s): Manitoba Education; Manitoba Finance

WHEREAS municipalities are required to provide a levy to the Province of Manitoba for a provincial education support levy and to local school divisions; and

WHEREAS the amount payable to the Province of Manitoba is increasingly burdening property owners which is concerning for Council. The current provincial education requisition is 60.6% of the total municipal tax requirements; and

WHEREAS significant inequities exist in the education taxation methodology;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to prioritize a 4-year plan to move to a more equitable collection of education tax similar to other Canadian provinces.

AMM Resolution #32-2013

Topic: Modernize Education Funding

Sponsor(s): RM of Edward (Western District)

Department(s): Manitoba Education; Manitoba Finance; Manitoba Agriculture and Resource Development

WHEREAS farmers in rural Manitoba have lobbied and fought for fairness when it comes to the education tax system;

AND WHEREAS the 2013 Budget would see the rebate capped at \$5,000, which would unfairly discriminate against producers with a larger land base, causing greater hardship;

AND WHEREAS the current education tax system is clearly dysfunctional and antiquated, in need of restructuring so that the cost of education is funded fairly;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to repeal the \$5,000 cap on the Farmland School Tax Rebate immediately;

AND BE IT FURTHER RESOLVED THAT the Province of Manitoba work to create a new, modernized model for how education funding is achieved.



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