



Fourth Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba

STANDING COMMITTEE

on

LAW AMENDMENTS

42 Elizabeth II

Chairperson
Mr. Bob Rose
Constituency of Turtle Mountain



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON LAW AMENDMENTS

Monday, July 5, 1993

TIME — 9 a.m.

LOCATION — Winnipeg, Manitoba

CHAIRPERSON — Mr. Bob Rose (Turtle Mountain)

ATTENDANCE - 10 — QUORUM - 6

Members of the Committee present:

Hon. Mrs. McIntosh, Hon. Mrs. Vodrey
 Mrs. Dacquay, Ms. Gray, Messrs. Lamoureux,
 Pallister, Plohman, Mrs. Render, Messrs.
 Rose, Sveinson

WITNESSES:

Betty Green, Lakeshore School Division
 David Turner, Manitoba Teachers' Society
 Glen McRuer, Manitoba Teachers' Society
 Gail Watson, Manitoba Association of School
 Trustees
 Joan Seller, Canadian Union of Public
 Employees - Manitoba
 June Ross, Canadian Union of Public
 Employees
 Mary Ann Mihychuk, Winnipeg School
 Division No. 1

MATTERS UNDER DISCUSSION:

Bill 16—The Public Schools Amendment Act

* * *

Mr. Chairperson: Will the Standing Committee on Law Amendments please come to order.

This morning the committee will be considering the following bill: Bill 16, The Public Schools Amendment Act. For the committee's information, copies of the bill are available on the table behind me.

It is our custom to hear presentations from the public before the detailed consideration of bills. I have before me a list of persons' names registered to speak to Bill 16.

George Marshall, private citizen; unnamed representative from Transcona-Springfield School Division No. 12; David Turner, Manitoba Teachers'

Society; Gail Watson, Manitoba Association of School Trustees; Wendell Sparkes, St. Vital School Division; Betty Green, Lakeshore School Division; Joan Seller and Paul Moist, CUPE, Manitoba; Mary Ann Mihychuk, Winnipeg School Division No. 1.

At this time, I would canvass the audience to ask if there are any other persons wishing to make presentations to the bill this morning, and if so, would they please identify themselves to staff at the back of the room, please.

Does the committee wish to put a time limit on presentations? No? No time limit. [agreed]

It has been our practice to hear from out-of-town presenters first. Does the committee wish to follow that this morning? [agreed]

In reading the list, I see only Lakeshore School Division from out of town, so I will call then on Betty Green, Lakeshore School Division.

Ms. Betty Green (Lakeshore School Division): On behalf of the trustees of Lakeshore School Division No. 23, I would like to thank the committee for hearing the board's view on Bill 16. We ask that the members of the Legislative Assembly consider the negative impact that the passage of Bill 16 will have on the education of this province and, therefore, the trustees would ask that this bill not be passed into law.

The local control of education has both a historical and practical significance to the ratepayers of Lakeshore School Division. Our school division is quite large and therefore encompasses a great many communities that have many things in common. However, they also differ from one another because of the large separation of distance.

That is why we as trustees come together on a regular basis to meet, discuss and exchange ideas and views from the ratepayers of our different communities. The decisions we make as a board have an effect on each community within our school division. It is the understanding each trustee brings to the table which assists us in

making decisions that will benefit the students in our division.

The passage of Bill 16, which is an erosion of local autonomy, will impair the ability of trustees to represent fairly the citizens of Lakeshore School Division. This bill will impede our ability to tax and, hence, threaten many of the programs that are being offered that are desired by the residents in our division. These programs are of great benefit to our students. In some cases, they are necessary for a post-secondary education entrance. They should not be threatened by this type of legislation, legislation made without consultation or consideration of the long-term effects.

Our school division has made its way through some very difficult financial times. In doing so, the board has always maintained the quality of education throughout the school division. In the past, we have had some difficulty in balancing our budgets. However, the board has brought its budget into line in a consistent and regular basis.

We receive about 80 percent of our funding directly from the province. However, it is imperative that to offer some of the programs which are unique to our school division, we require additional funds from our local ratepayers. Our annual ratepayers meetings indicate a willingness to support these programs, and as long as our ratepayers have the option to pay, the programs will exist. The ability to pay determines which courses the local tax dollars will support.

In the past, school boards and local teachers associations have had to rely on the arbitration boards to settle collective agreements. A board's refusal to give in to high salary increases has often necessitated this course of action, yet time after time, the arbitration boards have not given consideration to the division's ability to pay. This is an area which needs further investigation.

* (0910)

The board views the interference in local decision-making powers as one that is neither desirable nor necessary at the time. Leadership from this government could come through its Department of Education. Reaching directly into local control does not show the quality of leadership that is necessary in the educational community where working together collectively and

collaboratively could result in mutually beneficial solutions.

We would agree with many of our colleagues who have noted that Bill 16 is unfair, because it singles out some school boards while it leaves others alone. Those school divisions with large surpluses or large tax bases will not be affected in the same way as the small school boards, like Lakeshore School Division, will be. The loss of professional development, parent-teacher or administration days will only increase the disparity between the public school boards.

If it is the government's intention to seek a common denominator for education, let it not be the lowest common denominator. Let the government continue to press for equality in education across the province, not by restricting the board's activities but by encouraging boards to accommodate the diverse needs of their residents. Again, we recognize that we are in difficult financial times. However, for one level of government to reach in and remove the responsibilities and powers of another level of government is uncalled for.

We believe a problem-solving approach to the current crisis is required. There was no consultation with school boards prior to the legislation being introduced. At no time did the government sit down and evaluate the alternatives open to school boards and the provincial government, and at no time did the provincial government sit down with school boards and assess the many risks that were involved in removing the democratic rights of school boards. At no time did the government sit down and trust in the wisdom that exists in the 500-plus trustees across the province in assisting them in making a decision.

We would once again ask the government to reconsider the passage of this bill and sit down with the various school boards across the province to identify the concerns of the government.

Let us help set priorities for education by reviewing the report of the panel on education legislation reform using the talents of not only the school trustees but the teachers and parents in planning steps to help improve education around the province.

We would ask that the government not pass this legislation but rather set aside the time used in

meetings such as this one to plan the involvement of the many partners in the education process.

On behalf of the students, parents and communities in Lakeshore School Division, we would urge that you deny the passage of this bill.

Thank you for your time and consideration.

Mr. Chalrperson: Thank you very much, Ms. Green. Would you be prepared to enter into a discussion or answer questions of the committee members?

Ms. Green: Yes.

Mr. Chalrperson: Thank you. Do any committee members have any comments or questions?

Mr. John Plohman (Dauphin): I thought the minister might want to raise some questions first with you, but she has not indicated that, especially as it applies to the consultation.

I note that you mention there was very little consultation with school boards prior to the government bringing Bill 16 forward. Was there any that you know of?

Ms. Green: No, not that I know of.

Mr. Plohman: So when you say very little, you mean absolutely none that you know of.

Ms. Green: Not to my knowledge. That is right.

Mr. Plohman: What is the feeling of the Lakeshore School Board as to why the government brought in Bill 16?

Ms. Green: I think the board recognizes the desire to not rely only on taxpayers' dollars and certainly to control to some degree the amount that school boards are taxing our local taxpayers. However, I think it should be stated again, as I stated in my brief, we do not do that without consultation with our ratepayers. Each year, we meet with each of our communities, or in some cases two communities together, and have ratepayers' meetings where they have input into decisions we make prior to our budget decisions.

They are asked questions such as which programs do you feel should be retained? Which ones do you feel we could at this time perhaps let go? If you want us to retain the programs, are you prepared to pay the taxes that are necessary to ensure they are continued? From the direction that we receive at those ratepayers' meetings, we proceed with our decisions.

Mr. Plohman: I think your system is a good one in terms of consultation because if people are willing to pay, obviously you are prepared to go with their wishes and maintain the quality of education to the degree possible. That is the essence of consultation.

In this case, it does not seem to have happened. Now, you said that you recognize perhaps some of the reasons why the government might have done this, but you did not really say clearly what they were.

They said, and the minister can speak for herself, that there was a desire to keep property taxes down, but we know there was a \$75 increase for every homeowner in the province in the budget, as well as the Pensioner's School Tax Assistance of \$175 was being removed for many senior citizens. So I do not think that is the reason, yet they claim that is the reason.

I wondered if you knew of any other reasons why the government would have shown this lack of confidence in school trustees to make these decisions locally about what level of taxation should be put in place and what the ratepayers were capable or willing to pay.

Ms. Green: I guess I cannot speak to the motives of the government, only to those that I could at this time be aware of.

Mr. Plohman: But what you felt were some of the alternatives then. I guess what I would like to ask you is whether—you know, you said they did not sit down and look at alternatives either.

What were some of those you felt could have been looked at in this particular case?

Ms. Green: Well, I think one of the areas we really would like to investigate further is the arbitration area. In many cases, and, in fact, in all cases, I do not think they take into consideration a division's ability to pay. Our division has never been a rich division. We do not have a large tax base, and the ability to raise taxes is not within our grasp.

So to meet with an arbitration award that we are unable to address really puts us in a difficult position. We have been in a deficit position. We have crawled our way out of it, and we are back at a balanced budget. We would like to keep it that way.

Mr. Plohman: So can I read from what you are saying, that perhaps teachers' salaries, the impact

on teachers' salaries, is one of the major objectives of this bill?

Ms. Green: That is, of course, one of the largest areas of expenditures the school division has. I think there are also other areas. For our school division, one of the areas that is perhaps unique to us is our transportation costs.

For one given period of 10 years, we went \$3 million in an overexpenditure in that area over what the government allocations were. Now, that has been addressed to some degree in the last funding formula and we appreciate that. We are still in a position, though, that we are spending more than what we are receiving just to get our children to school. So that is another area.

Another area, of course, is the area of special needs and what amounts to being almost a medical service that we are providing for some of our students.

So in order to address some of those areas where we are spending more than what is being allotted, we have to be able to tax the people within our area.

* (0920)

Mr. Plohman: Or the other side of it would be that the government would address those areas with special funding in an equitable way so you would not have to do that.

Ms. Green: That is right.

Mr. Plohman: You said it is unfair. Are those some of the reasons why you think this is unfair in terms of its impact on smaller divisions or divisions without reserves, Bill 16 being unfair? Some would argue that it limits the wealthier divisions from raising more money with each mill than a poorer division so it is more equitable.

I have said that I do not think it is fair because it does seem to hit the poorer divisions harder. That seems to be your argument here. Do you see the other side of that, or do you not feel that there is a valid argument on the other side?

Ms. Green: I think there is a valid argument. I am sure the school divisions that sit in that position will speak for themselves and/or the Manitoba Association of School Trustees will speak to that.

I have come prepared to speak to our position from Lakeshore School Division. As I have explained, ours is a position of one of the less wealthy school divisions.

Mr. Plohman: When you say less wealthy, are you one of the bottom five or 10 in the province?

Ms. Green: I would suggest that is true, yes.

Mr. Plohman: Mr. Chairperson, what do you feel the impact will be on your school division? What would you have done differently if this bill would not have been brought in this year? When you can think of the cut as well that took place—I do not know whether you had an actual cut. The 2 percent cut that took place, did it impact in a negative way for your division, or was it about even, or was it 3 percent? What was the actual reduction?

Ms. Green: We actually did not receive a cut. We actually received a little of an increase because of the way that the formula was to address the sparsity and the transportation areas. We do appreciate that.

However, it did impact on some of the programming that we were delivering within our school division. We had to make cuts to both programming and staff. As in all budgets, every area had to be looked at very carefully to decide where we could make those decisions.

Mr. Plohman: Mr. Chairperson, when you say an increase, was it more than inflation?

Ms. Green: No.

Mr. Plohman: So in absolute dollars it was not an increase?

Ms. Green: No, that is right.

Mr. Plohman: What you are saying is, you had to look at your whole budget as all divisions did as to the impact of the limited funding from the province this year. Then you had the other whammy that you could not increase your local levy to meet those priorities that you identified.

Can you give us some idea of what you would have done differently had you been given the opportunity to exercise your jurisdiction as you always have as trustees—that is, to determine the priorities and to determine the local assessment or the local taxation level?

Ms. Green: I guess we are quite thankful for the position that we ended up in this year. We did not receive a cut. In fact, we received slightly more. We were, with that money, able to allocate pretty much in most areas where we would have done whether the bill had been raised or not.

I guess we really are concerned about next year. The possibility, of course, if this bill proceeds, is that we will not be able to increase again, depending on what the government decides to announce for the funding formulas for the upcoming year. That could impact on further decisions.

I think it is really important to remember that as trustees, when we go to those ratepayers' meetings, we hear from individual communities what their needs and desires are for the education of their children. Each year changes. In the rural areas we do not have the luxury of school divisions, for example, in Winnipeg, where numbers of classrooms can be shuffled. We have one classroom, one grade perhaps of Grade 5s which one year may be 30 children and the next year may only be 15. We do not have the ability to accommodate those increases and decreases in population that larger school divisions and schools have.

There are times when we have, from year to year, a need to hire additional staff just to cover some of those anomalies that are created by the changing of sizes in classes. So perhaps next year we are going to find ourselves in a situation where we actually have to hire additional staff and where, if we are unable to tax, it is going to put us in a very difficult position. We will be either deciding not to and having classes of 40 in a classroom or actually cutting programs that may be necessary to our children.

Mr. Plohman: Do you have larger-than-average class sizes in Lakeshore Division now?

Ms. Green: I am not sure what the provincial average is, but I know that we are running around 17. I think that is slightly above the provincial average.

Mr. Plohman: Would you agree that the bill has already had its impact on this current year, so really it is the second year of the impact of the bill that we are discussing in terms of any ability to change? Would you like to see the government remove the provisions for the second year of the bill and undertake a consultation process to determine what alternatives might be put in place for next year?

Ms. Green: Yes, that is correct. We do feel that this year the impact has been felt and has run its course. Next year, we would like to see the

consultation that you are suggesting and the setting aside of this bill.

Mr. Plohman: One more question. Is your opposition basically to the principle of the bill insofar as it is impacting your division? I gather you were able to manage this year, but you are very much opposed to the principle of the government stepping in to the traditional jurisdiction of school boards.

Ms. Green: Yes, that is exactly right. As I said in our brief, we understand the financial position that we are in and, in all honesty, perhaps if we had gone to the ratepayers and Bill 16 had not been imposed or presented to us, we may have chosen not to increase our taxes by more than 2 percent anyway. We can appreciate that, but what we are saying is it attacks the basic fundamental right of school boards to make those decisions. We are elected by our ratepayers, our electorate. We are accountable to them, and we will remain accountable to them.

Mr. Plohman: Yes, and just along those lines, one other question. You mentioned that the lack of consultation also involved the government not considering, in your mind at least, the risks of moving into this area of school board jurisdiction. What do you see? Is this the beginning of a process that will see a much larger abrogation of responsibilities—or taking over of responsibilities by the government? Is that the risk that you are talking about, that it establishes a precedent? What are the risks that you see?

Ms. Green: I think certainly if this bill were to proceed and be enacted for longer than the two-year period, it would, in fact, have a devastating effect on the public school education. I know that in our area from time to time there are fluctuations of needs, and depending on our ratepayers' views of what we plan on proceeding with, they will or will not support us. One of the examples that I might use is the ITV initiative that we are involved in right now. That is going to be a relatively costly venture. However, in presenting to the community where we are implementing the first classroom of ITV, they are quite supportive of that, and they are willing to go along with and investigate the possibilities of using that.

ITV is going to be, in our opinion, one of the saving factors in rural Manitoba. We are going to be able to teach those small classes that I referred

to earlier by tying in with other classrooms within our division and perhaps even outside of our division with neighbouring divisions and have one teacher teaching two or three classrooms of children. Those kinds of initiatives, it is critical that we are able to make those kinds of decisions and from time to time that may need the support of the taxpayers. As I indicated before, we have gone to the taxpayers, asked for that kind of support, and they have been willing to give it to us.

* (0930)

Mr. Plohman: Mr. Chairperson, I just wanted to say in closing, that I believe Ms. Green has given us a very balanced presentation. I want to thank you for that.

Hon. Linda McIntosh (Minister of Consumer and Corporate Affairs): I, too, indicate that you have given a very good presentation here. I have a question I would just like an opinion on. You made reference to it in your brief and it is one I have heard surface, so I would be interested in getting some feedback from you.

I have heard this one surface from time to time from both teachers and trustees and it concerns the binding arbitration. Lately, in particular, I hear teachers tell me, individual teachers—I am not saying official MTS position, but individual teachers—saying we have given up the right to strike; we had taken away from us our democratic right to strike. Like that was something they had to give up.

Boards, as well—and I know with your division particularly that you historically have worked very hard to try to set wage levels that your public can afford—boards have said consistently that the third party decision making, and actually the principle behind your whole brief here is the local autonomy issue and third parties coming in to make decisions for you.

In terms of the arbitration, I am not asking your board if they do not have a formal position, but do you have any suggestions as to what might be done? Because I am convinced, as are many, that the bulk of the cost is in salaries, and if the ability to freely negotiate that is taken away, how do you control those costs? Do you have any comments on that that you are able to make?

Ms. Green: I guess, I do not have a well formulated solution to this problem. Arbitration has created some problems and most definitely in the

area of settlements where ability to pay has not been considered. Perhaps just an address to that one question may be sufficient. I am sure it is going to take a more detailed look than that. In all honesty, we have not spent a great deal of time on that, but I think it is something that needs further investigation.

Mrs. McIntosh: I thank you for that response. I know that it is difficult to respond if you do not have a formal board position because it is a highly sensitive area.

I have heard again and again that the main problem with arbitration is the inability or the unwillingness of the arbitration board to take into consideration a board's ability to pay. Again, without knowing that your board maybe has not a formal position on this, would such a provision assist, do you think, in terms of your trying to keep a handle on your biggest expenditure?

Ms. Green: Yes, I think it definitely would. I should probably clarify and say that our board has not gone to arbitration on a regular basis, if ever, I am not sure. I think if a school division were to know that was going to be a factor, it would work favourably in the negotiations. Certainly for any organization or business, you have to have the ability to pay before you can consider coming to a collective agreement with your employees. Without the ability to pay it, it certainly would not reflect well on you to make a settlement.

Mrs. McIntosh: For clarification, you indicate that you have not gone to arbitration often or ever. I wonder if it is possible for you to answer this question, again without compromising your board.

I have had it put to me on many occasions, indeed, I have been part of a scenario as a trustee myself where this type of situation has happened where the negotiations are proceeding, the board is saying I do not have the ability, we do not have the ability to pay more than zero percent, or 1 percent, or whatever the amount is, and at the time that arbitration is being considered then other boards begin to be handed arbitration settlements in the area of, say, 3 or 4 percent. I am aware that many boards in that circumstance will say, rather than being forced to go to arbitration and having a 3 or 4 percent imposed upon us, which will surely be the outcome once the precedent is set, we will settle for 2 percent which is more than we want to pay, more

than we are able to pay, but less than we think the arbitration board will impose upon us.

Are you able to indicate whether or not your board has found itself in that situation and thus avoided arbitration by settling for higher than they felt they could afford?

Ms. Green: In many cases, that is in fact how things proceeded, a final settlement was come to in those situations.

Mrs. McIntosh: I realize these are not directly on the principle you have put forward which I have heard and I think is self-explanatory. I just appreciate the extra clarification on this issue here.

Mrs. Shirley Render (St. Vital): Like the others, I appreciate a very reasoned brief and actually Mrs. McIntosh's questions answered my own.

I was just going to make the comment that I was curious of the fact that you did put in the fact that arbitration is something that needs to be resolved and this whole question of ability to pay is not necessarily a factor in these kinds of negotiations, either perhaps with the teachers, although there are many, many teachers who realize that the province or the school division does have problems but it seems as if this is one of the areas where you do not have control. That courses, transportation, you seem to be in the driver's seat, you can go to the ratepayers, but with salaries this seems to be slightly out of your hands.

I think you have raised an interesting point that this is something that perhaps has to be discussed, not necessarily with the government but the whole business of talking about salaries so that everything is looked at as a coherent whole. Thank you.

Ms. Green: I would just like to say that it is quite similar to the principle that we are arguing within Bill 16.

As Mrs. McIntosh suggested, it is another area where a third party comes in and makes those decisions.

We really believe that school divisions, school boards have to be able to make as many of those decisions as they can to remain accountable to our taxpayers.

Ms. Avis Gray (Crescentwood): I would like to thank Ms. Green for her presentation. It was very informative, and we appreciate your taking the time to come here this morning.

I will not repeat a number of the issues that my colleague Mr. Plohman has raised. I just wanted to clarify, as I listened to your brief, and correct me if I am wrong, I really picked out two main themes of your brief. One was your concern about Bill 16, because it does in fact remove local autonomy and decision making from school divisions and, as well, the inequity that this bill creates among school divisions. Would that be correct?

Ms. Green: That is correct.

Ms. Gray: Thank you. I wanted to clarify that because as comments were being made and you were answering some questions about funding, et cetera, there were a number of comments at this committee table about school divisions always asking for more. I did not get that impression at all from your presentation, so I did want to clarify that.

One more question in relation to the consultation, and again this is not directly related to Bill 16. I am wondering if you could answer this. One of the recent decisions that was made as well by this government was in relation to speech and hearing clinicians. Did that affect your school division?

* (0940)

Ms. Green: Yes, it did. We had been receiving our services from the Child Care and Development Branch and now have to hire our own clinicians.

Ms. Gray: Mr. Chairperson, was there consultation with your school division before that decision was made, any consultation in terms of here is something we may be looking at, what would the impact be, do you think you could manage with the changes? Was there any consultation?

Ms. Green: To my knowledge, there was not. However, there may have been consultation with our special needs co-ordinator.

Ms. Gray: I asked that question because again in your presentation you talk about consultation, and actually that theme in your presentation is very consistent with the minister's comments during our long Estimates process in Education. She uses that word a lot, and we have been concerned on the opposition side of the House about whether in fact there has been any real consultation with school divisions.

I know you mentioned it as a concern here in regard to Bill 16. I was interested to know if, in fact, there had been consultation on other areas.

I agree with you that whatever decisions government has to make, it is important that there be real consultation with people in the field and school trustees, particularly when it is related to education.

I thank you very much for your time and your presentation.

Mr. Ben Sveinson (La Verendrye): Ms. Green, it is nice to see you here this morning.

There is just one little question I would like to put to you. We talked about arbitration. When we go to arbitration—and once again, I have been on a school board also—and we have the open right, if you will, to tax over and above the student grants and categorical grants that we get from government. It puts, would you think, perhaps, the arbitrator or the arbitration board in somewhat of a difficult position knowing that you as a school board, indeed, have an open right to increase taxes to cover whatever expenses or whatever increases they would impose. Now if, and indeed it has happened here, your amount that you can increase your taxes has been capped and the amount of, in fact, the per student grants and so on that you as a board get are indeed set, do you not think that this would put a different picture in the eyes of an arbitrator?

Ms. Green: I am sure it would. Unfortunately, we had arrived at a collective agreement prior to any of these announcements and are now in a three-year collective agreement with our teachers and our nonteaching staff. So that solution is not available to us. The bill will be in place for two years. We will come out of a collective agreement and be back in the situation as we were before. I agree with you that certainly, for those school divisions who had not arrived at a collective agreement, it may be of some benefit to them, though, I must also say, the arbitration boards have not always taken that into consideration when they come to their agreements.

Mr. Sveinson: I can appreciate what you are saying as far as what the arbitration boards have taken into consideration. I have seen it many times myself. That is all at this point. Thank you very much.

Mr. Chalrperson: Thank you.

Hon. Rosemary Vodrey (Minister of Education and Training): I would just like to say, too, nice to see you here this morning. I have certainly enjoyed the opportunities we have had previously

to discuss the issues of your division. I know that we have spoken several times apart from this bill specifically on the issues such as distance education, the interactive TV and the issues that lie before your division, but I appreciate your time in coming here this morning. I know we will talk again.

Mr. Chalrperson: If there are no other questions or comments, I thank you very much, Ms. Green, for your presentation this morning.

Ms. Green: Thank you very much.

Mr. Chalrperson: Thank you. George Marshall, private citizen. The No. 2 presenter from Transcona-Springfield is not here, but they have submitted a written presentation. It will be circulated for the committee members later. David Turner, Manitoba Teachers' Society. Mr. Turner, you may proceed.

Mr. David Turner (Manitoba Teachers' Society): I am accompanied by the general secretary of the society, Jean Gisiger, and the society's analyst, Glen McRuer. Should your questions become highly technical, I shall, with your permission, ask Mr. McRuer to assist me in answering them.

By way of introduction, The Manitoba Teachers' Society welcomes this opportunity to provide a committee of the Manitoba Legislative Assembly with its views in regard to The Public Schools Amendment Act, Bill 16, of 1993.

The Manitoba Teachers' Society, for decades, has had a deep interest in the range of issues encompassed by the subject of public school finance. The society has continually studied the numerous aspects of public school finance functioning within Manitoba and throughout Canada. On behalf of its more than 13,000 members, the society has endeavoured over the years to advise the government of Manitoba of those measures necessary to enhance student equity, the equitable provision of education programs and services to Manitoba students.

Likewise, based on its detailed examination of public school finance models, the society has attempted to advise Manitoba provincial governments of funding policies and practices which would have a detrimental effect on the objective of student equity.

The society has also attempted to identify to Manitoba provincial governments those methods of

taxation in support of public schools which impede taxpayer equity.

We come now to the insertion of new definitions into The Public Schools Act. The new legislation proposed by Bill 16 opens at Section 186.1(1) with four definitions of known and familiar terms associated with Manitoba public school finance.

In the past, the society has been concerned about the use by the provincial government of terminology in the implementation of public school funding schemes which have not been defined in statute or in regulation. Therefore, such terminology has been of questionable application as well as legal standing.

While the society concurs with the entry of the definitions presented in Bill 16 into The Public Schools Act, these definitions might more properly be added to the other definitions for this part of the act contained within Section 171.

The introduction of the public schools finance program in 1992-93 with a high special levy requirement, in introducing the schools finance program, a new model of public school finance in the 1992-93 fiscal year, the government of Manitoba stated the funding approach was constructed pursuant to certain guiding principles. Foremost among these principles were student equity and taxpayer equity.

A third guiding principle identified by the Manitoba government in relation to the introduction of the public schools finance program was "shared responsibility" for funding.

It can be observed that the capping of the special requirement being proposed by Bill 16 overrides this principle.

The Manitoba Teachers' Society heartily concurs with the two guiding principles of student equity and taxpayer equity for a model of public school finance.

During the educational finance review preceding the inauguration of the schools finance program, the Manitoba Teachers' Society had advised the Manitoba government of its policy that the funding of public schools should be the complete responsibility of the provincial government.

* (0950)

The society believes full provincial funding of public school education programs and services is essential to student equity.

Society policy further holds that over and above the amount of full provincial funding, any public school division or district wishing to provide supplementary programs be entitled to do so from local revenue sources at a level not to exceed 5 percent of the annual value of provincial operating support to the division or district.

It is important to emphasize that the proportionate representation of society policy is not 95 percent provincial source revenue plus 5 percent local source revenue but, rather, 100 percent provincial source revenue plus 5 percent local source revenue.

Moreover, the society regards the 5 percent local source revenue as being an option to support added services, not as a necessary support of revenue to cover a shortfall in the provincial government responsibility to finance Manitoba public schools.

As the term "special levy" implies, local source revenue should be confined to the funding of certain education-related services sought by a particular community. It should not constitute a major source of revenue to maintain an underfunded provincial public school finance model. The key aspect of any limitation of local-source revenue is a fully appropriate and encompassing level of provincial-source revenue to ensure equitable service delivery.

In relation to the '93-94 fiscal year, society's policy of 5 percent local-source revenue, in addition to full provincial funding, anticipates a total province wide special levy of no more than \$50 million.

The introduction of the new model of public school financing, 1992-93, presented an opportunity for the provincial government to reduce the growing burden placed on the special levy during preceding years. However, in deciding the total value of provincial funding to be distributed by the schools finance program, the Manitoba government recognized that the new funding model in its initial year would require public school divisions and districts to contribute an additional \$300 million in special levy revenue.

No effort was made by the Manitoba government at the design stage of the schools finance program to build factors into the funding model to reduce the continued substantive reliance on the special levy in most public school divisions and districts. The Manitoba government apparently accepted that its

new funding model would involve a shortfall of \$300 million relative to the total annual operating costs of public schools throughout the province. The Manitoba government did not demonstrate concern for the heavy and inequitable burden of the special levy in 1992-93. As a result, the introduction of the schools finance program in '92-93 saw the total province-wide special requirement rise by \$18 million, from \$283 million in the '91-92 fiscal year to \$301 million.

Bill 16 does not enhance equity. After one year of operation of its new public school funding model, the Manitoba government now seeks to cap the special requirement in 1993-1994 and in 1994-1995. However, the provincial government is not utilizing a device within the funding model to establish an upper threshold for the special requirement. The Manitoba government gives the impression of wanting to outflank its own newly introduced funding model through the enactment of Bill 16 amendments to limit special requirement increments by an arbitrary 2 percent in each of the '93-94 and the '94-95 fiscal years. As such, the modular integrity of the schools finance program has been weakened.

Given the parameters of capping, the total province wide special requirement will rise by \$13 million, from \$301 million in the '92-93 fiscal year to \$314 million in the '93-94 fiscal year. This increment is slightly more than 4 percent and includes the offset for reduced phase-in support as well as the allowances for increased enrollment.

Chronic underfunding by the provincial government is forcing public school boards to raise ever larger amounts of necessary revenue from local property tax base. The special requirement continues the recent trend of setting a new historically high level each year as the Manitoba government reduces the proportionate value of its operating support to public schools. It is this dominant trend which defeats both student equity and taxpayer equity in relation to Manitoba public school finance.

An analysis of the distribution of the \$314-million special requirement for public schools in 1993-94, among the 53 taxing jurisdictions, reveals the stark inequity being reinforced by provincial government underfunding.

The attached table has calculated the total value of the capped 1993-94 special requirement in each

school division or district on the basis of total eligible enrollment to ascertain special requirement per eligible student. The 1993-94 special requirement per eligible student ranges from a high of \$3,214 in the Snow Lake School District to a low of \$171 in the Frontier School Division.

Even setting aside these two particular jurisdictions in response to a possible claim of some form of northern anomaly, the range then extends from a high of \$2,849 per pupil in the Sprague School District to a low of \$665 per pupil in the Hanover School Division.

Capping the special requirement: the prerequisite to property tax credit reduction. According to the remarks made by the Minister of Education and Training (Mrs. Vodrey) in introducing Bill 16 to the Manitoba Legislative Assembly on March 9, 1993, the objective of capping the special requirement of public school divisions is to control tax increases. Later, in these same remarks to the House, the minister was careful to specify "any division-driven tax increase."

One month later, in delivering the Manitoba provincial budget for the 1993-94 fiscal year, the Minister of Finance (Mr. Manness) reduced the total value of Manitoba property tax credits by \$53 million. Eliminating this amount of property tax credit formerly paid by the Manitoba government on behalf of the ratepayers acted to increase the property tax burden of ratepayers throughout Manitoba by \$53 million.

This provincial government continues to transfer revenue responsibilities from the far more comprehensive and equitable province-wide taxation base to the local taxation base, which is wholly dependent on the property tax. Moreover, there is an obvious congruence between the action on the part of the government of Manitoba to curtail property taxation by public school boards and the action to eliminate 22 percent of property tax credit revenue.

The Manitoba Teachers' Society believes these two measures demonstrate fiscal policy linkage. In crafting its fiscal policy for 1993 and 1994 and seeking to eliminate \$53 million in existing property tax relief, this provincial government has sought to mitigate the impact of the resulting property tax increase by curtailing property taxation by public school boards. Such a narrow objective for

provincial fiscal policy fails to enhance either student equity or taxpayer equity.

In conclusion, the Manitoba Teachers' Society believes the essential condition of any limitation of local source revenue from Manitoba public schools is a fully appropriate and encompassing level of provincial source revenue to ensure equitable service delivery. This condition is far from being met within our province. For the 1993-94 fiscal year, the Manitoba government will contribute operating funds of only 67 percent of the actual costs incurred by public schools in providing education programs and related services.

Moreover, the capping of the special requirement does not enhance student equity or taxpayer equity throughout the province. At minimum, Bill 16 will preserve the existing range of student inequity and the existing range of taxpayer inequity. At worst, Bill 16 will intensify the educational disparities encountered by students and the taxation disparities borne by ratepayers.

Given the chronic underfunding of public school programs, and the failure of this proposed legislation to reduce student inequity and taxpayer inequity, the Manitoba Teachers' Society recommends the withdrawal of those proposed sections of The Public Schools Amendment Act—Bill 16 of 1993 appearing after section 186.1(1).

Finally, I would draw your attention to the figures on the last two pages of attachment there: The Ranked Value of Capped Special Requirement for Each Eligible Student Per Manitoba School Division and District in 1993/94 (Current Dollars).

Mr. Chalrperson: Thank you very much, Mr. Turner. Does the committee have any questions or comments to direct to the presenter?

Ms. Gray: Thank you for your presentation. As usual, it was very thorough. One question, because really your presentation, I think, very aptly talks about the MTS' concerns with Bill 16, but you talk about looking at changing the way that government funds education and moving away from property tax base. I know that has been a topic of discussion among numerous organizations and groups and probably among different political parties in Manitoba.

Given that we have the funding formula the way we do now, in that we actually use property taxes as one method for receiving funds for funding

education, one of the main concerns with the funding formula now, as I understand it, is—particularly with Bill 16—that it does create such inequities from one school division to another. I am wondering if MTS has a solution for—what amendments could be made, not necessarily to Bill 16, but what amendments could and should be made to the funding formula that would allow more equity across the school divisions?

* (1000)

Mr. Turner: In response, first of all, I would suggest to the questioner that this bill not so much creates inequities as maintains inequities. It is not starting inequities off; it is preserving them, perhaps making them a little bit more inequitable; but I do not think it is exactly creating them. The inequities are already there.

To get back to your question, though, I think the policy that the society is promulgating is on page 2 about the fourth paragraph down there. Basically, to try and put this into different words, the emphasis would be on the larger tax base of the whole province, rather than on small, local tax bases, as the previous presenter made the point, some of which are more able to fulfill that requirement than others are. As you can see from the figures at the back there, the spread is quite amazing really for one province of just over one million people.

Ms. Gray: I am wondering, Mr. Turner, if you could tell me what type of consultation occurred with the Manitoba Teachers' Society in regard to Bill 16 or other policy decisions that have been made in regard to education in the last year.

Mr. Turner: There are two parts to that question. I am not aware of any consultation of a Bill 16. In respect to other matters, there is a continuing discussion, dialogue with the minister and her deputies through the year. So there is ongoing discussion, as there would be with the other partners of education, with the trustees and superintendents and so on.

Mrs. McIntosh: Thank you for your presentation. It is very clear in terms of your position.

You refer to chronic underfunding of education. I know that when the money was there that in fact funding to education was not underfunding. It was, in fact, higher than the cost of inflation for the first few years that we were here.

I am just wondering if you have done any studies or have an in-depth awareness of the fiscal and

financial situation of this province and this country vis-à-vis the international money markets, our credit rating, comparisons to countries such as New Zealand. Are you aware of what happened in New Zealand, for example, in terms of the need to have the fiscal responsibility in place in a very strong way to signal that our credit rating is such that we do not see our interest compounding and escalating?

Mr. Turner: In response to the question, two members of our executive, together with one or two other teachers from Winnipeg School Division No. 1, I believe, visited New Zealand during the spring break of this year. They certainly brought back a picture of New Zealand education which was not exactly glowing, from the reports that I heard.

I do have some information with regard to the relative size of '92-93 deficits as a percentage of the gross domestic product in Canada. These figures that I have in front of me here, effective as of March 23, 1993, and the source is provincial budgets, ministry of finance and corporate relations estimates, Manitoba, in terms of its deficit, is the second lowest in the country, second only to B.C.

Moody's bond rating, to move to the international flavour that you asked about, in the U.S.A., have rated the Canadian debt position as overstated. In other words, the implications of those figures would be that the deficit is of some dubiousness in Manitoba if you are going to be comparing it to other provinces.

I have also got here in front of me an article from the Winnipeg Free Press of March 1, 1993. The analysis here was based on Conference Board figures. I will just quote one sentence from it. It says: In all cases, the growth in Manitoba outstrips the national trend.

Mrs. McIntosh: Yes, and I wonder if you are aware, when you say the situation in New Zealand was dreadful and you talk about the gross national product, that New Zealand was at 66 when it slipped over the edge and its credit ran out, and we are at 64 in Canada, and that Manitoba's credit rating, along with one of the Maritime provinces, has been sustained because, and stated very clearly because, we are attempting to not raise taxes and we are attempting to not spend excessively. Those provinces that are doing those things, you are quite right, are worse off than us, far worse off than us.

I do not know if the teachers who went over to New Zealand on your behalf were there to do a study of what happened when New Zealand's credit ran out, but I could assure you that they went from the third highest standard to the 22nd overnight. We do not want that to happen here. We know that there are at least two provinces in Canada who, because they were not watching their spending, were in grave jeopardy of having an official trustee come in. I do not think that you want that to happen.

You say that the deficit is not the problem that we think it is and that the statements of our concern are overrated and that type of thing. I do not know who else you have talked to. That would certainly be a position that we have not heard a lot of. That is a very unusual statement for us to hear being said, and it is certainly not a statement that provinces right across this country, indeed, the federal government itself are saying, because we see provinces, British Columbia, Ontario, Saskatchewan, right across, having to make these kinds of decisions.

What would you suggest if we presume that the deficit is a problem and high taxation and government spending is a problem and that it is not overstated as you say it is? What would you suggest we do to try to contain the costs and size of government and the burden on the ratepayer and maintain our international credit rating so that we do not have people in Zurich and London and bankers in New York deciding what our social programs are going to be here?

Mr. Turner: In response to the question, I would like to go back to the beginning of your question, where you were referring to the sudden drop in the financial situation in New Zealand. My understanding of that sudden drop agrees with yours. It was very sudden, but it was due, not to any particular long-term policy of the government, it was due to the fact that because the government had instituted a policy of nonnuclear weapons in New Zealand or the area and since certain countries close to us had been putting pressure on New Zealand to accept visits of nuclear warships, et cetera, and New Zealand had resisted this, tremendous pressure was put on the International Monetary Fund to withdraw all credit from New Zealand, resulting in the kind of chaos that you described.

Anyway, it was an international force on New Zealand. It had very little to do with the actual economy of New Zealand. But to get back to the second part of your question, talking about our advice to the government of Manitoba, here I have to go back to something I said in the presentation of the society's on Bill 22. The indications that we have from our research is that, since the present government took office in 1988, something of the aggregate of \$300 million have been given away or absorbed by the Treasury, and this \$300 million clearly would do wonders for the present public school system. I have an itemized list of this \$300 million which I am prepared to read to you if you so wish.

* (1010)

Mrs. McIntosh: I am sorry, my question was, since 1988, you mentioned the chronic underfunding of education. What was the funding in education in 1988 versus inflation, 1989 versus inflation, 1990 versus inflation, was it higher or lower?

Mr. Turner: I am afraid I cannot answer that question, I am sorry.

Mr. Plohman: Mr. Turner, one of the first things you mentioned here is the society's feelings that the government has violated its own principles and guidelines that it had established that student equity and taxpayer equity would be the guiding principles behind policy actions by the government, and Bill 16 has violated that because—and I do not want to put words in your mouth, but what you really said in the conclusion of your brief summed it up best—what it really does is preserves the existing range of student inequities. In other words, it freezes the inequities that are there right now.

Through your research, have you been able to determine whether the government made any substantive steps towards addressing those inequities, quite apart from the freeze which entrenches that with this capping, other steps to ameliorate those inequities? Are you saying that it has done some or none or is it insufficient in terms of what they have actually done?

Mr. Turner: In response, the government's schools finance program is in its first year of operation. There is still advising the government a committee for that program. I believe, as a result of advice from that committee, certain small

amendments were enacted in that funding to allow, for instance—the previous presenter referred to this—if a school division is regarded as sparse, certain additional helps were given to it. I believe this is in Bill 16 as well. If a school division experiences a sudden increase in student numbers, there is the possibility there. These are very small things though and they are what I would call tinkering. They do not address the main problems.

Mr. Plohman: So in the area of special needs, has that been addressed in a specific way by the government for dealing with the divisions who are unable to meet the needs, quite apart from the belief that the provincial government should fund 100 percent of special needs? I believe that is the society's position along with 100 percent of all the costs of the public school system. Since that is not the case at the present time, are there sufficient resources for school divisions in the area of special needs to address inequities that may exist in ability to fund those requirements of special needs students?

Mr. Turner: In response to the question, the society is extremely concerned about the special needs area. We were very concerned when the government gave layoff notices to 66 clinicians. Now these were not our members, but we could see the immediate impact on students of the province, hence our public protest through an advertising campaign on their behalf.

I believe the government has since then said that it will offer \$45,000, later raised to \$55,000, to school divisions that would employ these people. Whether it is just a one-shot deal or whether it is a continuous supporting grant, I am not, quite frankly, sure. But certainly in that area, in the layoff notices that went to the clinicians, I think there was a clear indication from the government that special needs was not a priority of its educational system, and we think it should be.

We think it should be both for the children who are involved and also for our own members because our burnout rates, the number of our members who are receiving assistance of various kinds, I mean, counselling assistance, is increasing every year. To some extent this is due, I think, to the impact of mainstreaming, not the principle of mainstreaming I am referring to, I am talking about mainstreaming without the supports that should go with that.

Point of Order

Mrs. Vodrey: Just to clarify for the president of MTS, the \$45,000 for special needs for funding for clinicians is a part of the funding formula, has been in the past, was not an addition as a result of this particular decision.

Mr. Chairperson: Thank you, the minister did not have a point of order.

* * *

Mr. Plohman: Yes, another point that the society has made here is that it should be 100 percent provincial funding of the public school system. Based on what for each school division have you determined how that would work? It is good to say 100 percent, but is it based on a provincial average cost or on the norm, or is it based on the highest cost divisions or how would that work? Would it be on the actual costs of delivering a set amount of educational services by each division, is that how it would work?

Mr. Turner: The difference in funding between the present level of funding and a 100 percent funding would be something in the range of \$270 million. Clearly, that would be something that would be unrealistic to expect immediate implementation of that. But if a policy principle was accepted, that the 100 percent funding would be the aim, the objective, that could be achieved over a period of five to 10 years to implement that.

Another aspect of our policy that is not referred to here refers to boundary review. The society favours ongoing, continual boundary review by a legislative committee, and in that respect I think perhaps the 100 percent funding that you are referring to in your question could well be tied in with considerations coming from a boundary review. You will appreciate that in the figures at the back of this presentation to you, we have school divisions here: I am looking at the first two, as a matter of fact. Snow Lake has 225 students, Sprague has 126, but lower down, Leaf Rapids 385 and so on.

We have over 50 school divisions in a province with only just over a million people, and it does seem as though such a boundary review is called for, but not a one-shot deal as the last one was, not one for the next 25 years, but an ongoing review of school division boundaries. Only then, I would

suggest, to get back to your question, is it going to become meaningful.

Mr. Plohman: I understand that you feel there would be some efficiencies from boundary review, but I was asking really about what constitutes 100 percent funding in the society's policy? Is it based on 100 percent of the costs of each division based on actual costs? Or would it be based on a normal cost or an average cost of delivering that service?—just for clarification.

Mr. Turner: With the Chair's permission, I would ask our analyst to respond to that question.

* (1020)

Mr. Glen McRuer (Manitoba Teachers' Society): Very interesting question, Mr. Plohman. There are a number of ways that programming costing could be undertaken in the province. The society has some concern that since FRAME was introduced in 1983, it could continue to be developed beyond the, approximately, 37 or 38 programs that are specified in FRAME at the moment, FRAME being the standard reporting system of program accounting required of all Manitoba public school boards.

The society sees the evidence accumulated year by year, school board locale by school board locale, unlike other provinces in Canada, as providing a fairly good starting point in terms of education program and service delivery costing with the extension of FRAME, as the society has recommended to the government over the years, to perhaps a delineation of 50 or 75 program areas, education service areas. We could then, within the public school community and working in conjunction with the government, come to some sort of recognized costing pattern and then apply the public school funding model to those actual costs.

You are aware that the public school funding model, today, designates recognized costs which are quite different than actual costs in Dauphin as compared to Morris, for example.

Mr. Plohman: Mr. Chairperson, what I am gathering then is that this would be based on actual cost determined by a detailed analysis and experience as a result of intensive record keeping.

Mr. Turner: That is correct.

Mr. Plohman: I am gathering from your presentation that it is clearly your position that this

bill was not introduced out of concern for property taxpayers by the government per se, because if anything, from what I gather from your presentation, you believe that it just simply gave the government more room to increase property taxation, themselves, by way of the property tax credit reduction.

Mr. Turner: In response, it would seem from Bill 16 that the emphasis is from the Finance department of the government, not from the Education department. This is not a bill that does much for education. It, perhaps, does something for the government's financial strategies.

Mr. Plohman: Yes, I asked that question in light of the \$75 increase to every property taxpayer in the province plus the \$175 pensioner tax reduction that was eliminated for many senior citizens.

I just want to ask one more question in terms of consultation and alternatives. You mentioned something about the government having alternatives in terms of taxation measures that perhaps could have been used.

We have seen huge increases to private schools. I believe this year again it was in the neighbourhood of 10.4 percent. I do not know if you are aware of that figure but, overall, the government did have revenue options.

You mentioned some \$300 million. Can you tell us how you determined that? Is that the cumulative amount over the last four or five years that the government has been in power in this province? Where do you find the \$300 million?

Mr. Turner: In response to the question, the data comes from the annual provincial budget as analyzed by our own research office at the society.

In the fiscal year '88-89 there was a reduction in the provincial personal income tax resulting from the implementation of the national tax reform measures by the Government of Canada. The annual loss there was in the region of \$52 million.

In '89-90 there was a reduction in the provincial personal income tax resulting from the lowering of the basic Manitoba income tax rate from 54 percent to 52, a loss of \$33.4 million; also, an increased deduction to Manitoba personal income tax allowed for children and disabled dependants, \$28 million.

In the fiscal year '88-89, annual payroll exemption raised from \$100,000 to \$300,000. That was a loss of \$23.3 million. The fiscal year '89-90,

the annual payroll exemption was raised from \$300,000 to \$600,000, a loss of \$23.6 million. In 1990-91, introduction of Workforce 2000 plan offering a maximum payroll tax credit of .3 percent to offset employee training costs, \$8 million.

The fiscal year 1992-93, payroll tax credit for training costs extended from goods-producing firms to include service-oriented firms, half a million dollars. The fiscal year 1993-94, annual payroll exemption raised from \$600,000 to \$750,000 for payrolls between \$750,000 and \$1.5 million taxes phased in at reduced rates. Of 43,000 Manitoba employers, 2,300 pay the tax. That was a loss of \$7.8 million.

In the fiscal year '90-91, impact of the elimination of the federal manufacturers sales tax on the Manitoba retail sales tax, \$30 million. In the fiscal year '92-93, sales tax telecommunications exemption, removal of provincial sales tax from certain business telecommunication services, \$1.2 million.

In '88-89 fiscal year, the scope of application of the land transfer tax was reduced. For example, land transfer to a parent corporation was exempted, and that was a loss of \$6.1 million. That, I believe, comes to somewhere in the region of \$300 million in aggregate.

Mr. Plohman: Yes, so the position is that there were alternatives in terms of revenue sources that have been forgone by the government over the period of time. You are not recommending necessarily that each of those should have been retained or increased or anything, but you are saying, these are some revenues that the government had as alternatives to making the cuts in education that were made this year. Is that correct?

Mr. Turner: What I quoted to you were a series of policy decisions made by the government over the last five, almost six, years. Each of those decisions had its effect, as I said there, on reducing the net income of the provincial treasury.

Mr. Plohman: Mr. Chairperson, just one final question. Do you have a position with regard to public funding of private schools, in the neighbourhood of \$22 million per year and now, again, largely due to enrollment increases, a 10.4 percent increase year over year, school year over school year this last year, even though it was stated

publicly that it was a freeze, now are 2 percent cut, the same as the public school system got?

Mr. Turner: In response, the society recognizes the right of private schools to exist. What we do not agree with is the use of public money to support private schools.

Mr. Plohman: Private schools of any kind, or is this a blanket kind of policy, or does this deal with elite schools that exclude certain students or all students, all private schools?

Mr. Turner: The policy refers to private schools. It does not discriminate between those that you, in your question, called elite schools and those that would be other private schools.

Ms. Gray: Mr. Chairperson, I have a general question in relation to education reform, and it relates certainly to Bill 16 and Bill 22 and the policies of this government.

I know you have just become President of The Manitoba Teachers' Society, but you have been on the executive for certainly the past year. You mentioned that there have been ongoing meetings, and there are ongoing meetings with the minister and certainly her senior staff.

* (1030)

I would ask you, and perhaps you can enlighten me because I have had difficulties in getting this answered in the Estimates, but with the education reform that is about to occur or has already begun to occur, which was announced in the throne speech by this government, do you have some ideas or an understanding from this government as to what exactly this reform, what it will involve, a set of objectives and guidelines about the reform, any type of framework, and have you also been asked to participate in that reform in any particular way?

Mr. Turner: In response, there is a report on educational legislation reform from a panel chaired by Roy White, and we have, in the society, responded to that. We have our response now, and it will be passed on, I believe, to the minister probably in the next few weeks.

There were 106 or 107 recommendations that we addressed. Naturally, there were some that we did not support and many that we supported. Since we had submitted to the Roy White panel, we had had our half-day in court, as it were. So that will be an ongoing dialogue, I presume, as those recommendations are underway.

One of the recommendations that I remember, for instance, that we cannot accept was the idea of naming the private schools, since that has come up in our discussion this morning, naming the private schools, independent schools. That is something the society cannot accept. But there was a recommendation, one of the 106 refers to some element of professionalization of the teachers of the province, and that we would be in support of.

So it is a mixed bag as you can expect with 107 recommendations. We will be presenting our response to those 107 in the very near future.

I am sorry, but I forgot the first part of your question. I remember you ended with the talk about the Legislature before. If it was to do with ongoing dialogue, I have been on the provincial executive for five years now. I am starting my sixth year on the provincial executive, and I am conscious that every year the president and the Minister of Education (Mrs. Vodrey) will have fairly regular ongoing liaison meetings, as I think would be only right and proper, to maintain the public school system.

Mr. Chairperson: Thank you. I would like to remind the members of the committee that the legislation before the committee this morning is Bill 16, and we do have a number of people that are waiting to make presentations. It is not my intent to limit the discussion on Bill 16, but I would appreciate it if the committee members would confine their questions and comments to that bill.

Ms. Gray: I know that the minister is concerned about my line of questioning, but I basically see Bill 16 as being not just what it says.

Point of Order

Mrs. Vodrey: I just would remind the member for Crescentwood that I have not said anything yet, so to attribute that kind of motive is just absolutely ridiculous. I think she should be listening instead to the words of the presenter rather than attempting to attribute a motive.

Mr. Chairperson: The honourable minister did not have a point of order, but I would remind the committee members that it was the Chair that brought it to the attention of the committee members that we should confine our discussion to Bill 16.

Ms. Gray: I recognize that Hansard certainly is unable to indicate what nonverbal communication there is in this committee, but be that as it may, and of course we have been listening very closely to all presenters.

My question was really related to consultation and an understanding of the relationship of Manitoba Teachers' Society and the government. It relates to Bill 16 because there seems to be a number of concerns expressed by MTS about Bill 16 and also from other school divisions and organizations.

My question is: Does The Manitoba Teachers' Society feel that they have an understanding or a grasp of the education reform that this government is embarking on? That really is my question.

Mr. Chalperson: Ms. Gray, just to illustrate that it is the Chair that runs this committee, not the minister, I will rule that question out of order. If you wish to direct a question directly concerned with Bill 16, please do so.

Ms. Gray: My question is: In Bill 16 and in this presentation, there is discussion and there are comments on consultation and the importance of equity and the importance of education, and I would ask, in relation to Bill 16, can the president of The Manitoba Teachers' Society tell the committee today as to how they have been briefed or how they have been told that Bill 16 fits into the education reform that this government is embarking on?

Mr. Turner: The society views Bill 16 as something of an aberration in terms of education reform. It sees it as a freezing of the principles of student equity. It sees Bill 16 very much in the realm of the Minister of Finance rather than the Minister of Education. For that reason, it is perhaps appropriate that the Minister of Finance (Mr. Manness) has joined this committee.

Mr. Brian Pallster (Portage la Prairie): Thank you, Mr. Turner, for your presentation. You mentioned, and we are aware, although certainly members opposite choose not to recognize the truth of what you said earlier in terms of the growth in Manitoba as projected by the Conference Board of Canada. Your implication is clear, and I think it is generally accepted that that growth projection is due to the fiscal policies of this government.

I will ask just a couple of quick questions, and you may choose to answer them in detail if you wish or you may just choose to say yes or no.

Do you see this fact as a positive reality for this province and for education as a result?

Mr. Turner: I just want to go back to the beginning of your question. Did you say did I say this act?

Mr. Pallster: No, the fact, the fact that the projected growth projected by the Conference Board of Canada, as you alluded to in your presentation, do you see that as a positive thing for Manitoba and, therefore, for Manitoba education?

Mr. Turner: In response to the question, when I was alluding to the figures in an earlier response, and I think I was quoting the relative size of the '92-93 deficits in Canada, it was a provincial comparison, and I made the point that Manitoba's deficit was second only to B.C.'s. The point that I was making at that juncture in our deliberations was that the deficit bogey was somewhat overrated perhaps in this province.

Mr. Pallster: Are you then aware that in this province we, this year, will spend over \$500 million in interest only paying past debt—[interjection]

Mr. Chalperson: Order, please. Mr. Turner, do you wish to respond to that?

Mr. Turner: No, I do not think I can respond to that question.

Mr. Pallster: Is it the position of The Manitoba Teachers' Society that Manitoba would be wise to accumulate a higher debt and to expend more money on an annual basis to accumulate higher deficits? Does your organization see this as a benefit to Manitoba students?

Mr. Turner: In response to the question, when I was listing the items of the \$300-million aggregate tax, for want of a better word, giveaways, each of those items—there were many items, I must have itemized over 15 of them—were results of policy decisions.

Now, I think it would be clearly irresponsible to expect any government of Manitoba to suddenly bring into the educational budget \$270 million, that I was referring to before, just like that. It would have to be phased in. It would have to be a gradual policy decision, and that is what I was getting at at that particular point. The items that we referred to, many of the items I referred to, were gradual increases in the payroll exemption.

Now the payroll exemption used to be called the Health and Education tax, and it is clear that that money, which is hardly there at all now, has been

moved from health and education to provide, I guess, exemptions for the employers of the province. Now those were policy decisions, and I was simply itemizing a series of policy decisions that the government has made. At the same time, one of the policy decisions seems to have been to rely more and more on the local taxpayer to support the education system.

Mr. Pallster: Mr. Turner, thank you for that clarification then. Given your use of the word—and you said for lack of a better word, so I will agree with you that there probably is a better word than giveaway—this \$300-million giveaway you refer to of reduced personal and corporate tax, given your use of the phrase, a loss to describe lower tax—

* (1040)

Mr. Turner: —a loss to the total revenue.

Mr. Pallster: Loss to total revenue of lower tax, would it follow then that your organization suggests higher taxes would be an alternative, and would it follow then that you would refer to higher taxes as a gain?

Mr. Turner: In response to the question, one aspect of educational reform that the society would be very much in favour of would be a consideration of existing boundaries as they exist. I am going to repeat myself here, but you see where I am going with this, that I think certain financial efficiencies could be enacted as a result of boundary redistribution. Fifty-five, 56, 57 different school division boundaries in a province with the population of Manitoba seems to be, well, an anachronism. I believe the last time it was seriously looked at was 20-25 years ago.

Mr. Pallster: I appreciate your moving to a suggestion, a positive suggestion. Thank you for that. So you see that as a more viable alternative than the reintroduction of higher tax levels?

Mr. Turner: I do not want to get caught up in urging higher tax levels. I too am a taxpayer and I represent taxpayers clearly here. What I am saying is that the government, for its own reasons, has in fact—and I apologize for the word, I cannot think of a more technical word—given away a total of \$300 million over its term of office. Now perhaps if it had not given away quite so much, we would not be in the tight problem that we are in at the moment in public school funding in this province, and obviously Bill 16 is a reflection of that, as was

Bill 22 and all the others, which we regard as detrimental to the whole system.

Mrs. Vodrey: I would just like to thank the presenter. David, I know you are new in this position. You have just recently assumed it, so I would like to welcome you formally at this point and thank you for your presentation. I also appreciate your acknowledgement of the numbers of consultations and meetings that we have had together. I know you were a member, as were the other people with you, except perhaps the new member who is with you today, on the meeting which we had which specifically focused on education reform and the follow-ups that we have had where we did have a very useful session. I would also say in those consultations and in our regular meetings issues were raised on both sides, and I have appreciated that.

In the area of special needs which you have spoken about, I know you will recognize the very dramatic increase in the amount of money in the area of special needs which now flows through the new funding formula. I do not have the figures with me. I believe it is over \$30 million more which is flowing, and also I appreciated you mentioning the education finance advisory committee. I know Manitoba Teachers' Society does have a representative on that committee. Then, I would also like to say, in the funding area, that that has been an area where we have had some fairly long discussion regarding funding which comes only from the consolidated revenue and funding which also comes from the consolidated revenue and the ESL.

With that, Mr. Chair, those are simply my remarks in response to the presentation. I do not have any formal questions. I know that we will meet again. I know that we will talk again. Thank you, very much.

Mr. Chalrperson: Mr. Turner, did you wish to make a comment?

Mr. Turner: No, thank you.

Mr. Chalrperson: Thanks very much for your presentation, Mr. Turner.

Gail Watson, Manitoba Association of School Trustees. You may proceed when you are ready. Welcome.

Ms. Gail Watson (Manitoba Association of School Trustees): Thank you, Mr. Chair, and good morning. The Manitoba Association of

School Trustees is pleased to have this opportunity to share its views on Bill 16 and to urge members of the Legislative Assembly to deny passage of this legislation. MAST exists to assist school boards in ensuring that the public voice in education is heard and respected. That public voice in education is expressed through locally elected trustees who are elected to represent the community's interest in public school education and to respond to expressed local needs.

(Mr. Ben Sveinson, Acting Chairperson, in the Chair)

Manitoba has a long history of locally controlled education, based on the conviction that parents and communities have a profound interest in ensuring that their children receive the best possible education. This confidence in community-based decision making, often referred to as "local autonomy," has characterized the governance of public school education for decades.

To ensure that schools meet community expectations, this province requires that schools be governed by locally elected school boards. The province has delegated to school boards the duties associated with the management of education and the powers necessary to fulfill those duties. To ensure that school boards have access to the financial resources necessary to fulfill their duties, the province has given elected school boards the power to levy a tax on property. The mandate of current school boards to govern education was reaffirmed only last fall as a result of the October '92 elections.

The Manitoba Association of School Trustees believes that Bill 16 is a legislative action which will undermine the quality of education in the province of Manitoba. Bill 16 removes from parents and communities their traditional right to decide how much they are prepared to pay in support of their children's schooling. Bill 16 is also now unnecessary because all school boards have already complied with the province's directive to limit increases in property taxation for 1993. Bill 16 will contribute to the increasingly inequitable system of education in our province, denying children equal access to educational opportunity.

As the people elected by communities to govern the school system in accordance with the expectations of our ratepayers, we must

emphasize that what we are objecting to in this presentation is the removal by the province of the rights of local communities to exercise control over decision making in the schools in which their children attend.

The province's actions are an intrusion by one level of government into the rightful domain of another level of government. Just as the provincial government would rightly oppose the intrusion of the federal government into provincial affairs, school boards are opposed to this attempt to override their legitimate authority. If communities are to retain control over the schools which educate their children, it is essential that they maintain the right to levy a tax to support education.

The province's limitation on the taxing rights of school boards in fact denies parents and community members the right to decide how much they are prepared to pay to ensure that their children receive the best possible education services. This legislation limits the abilities of school trustees to respond to the needs of their communities.

As is the provincial Legislature, school boards are made up of elected politicians who are sensitive to the public mood. School boards set their rates in open meetings in a process that involves ratepayers often in discussions about what programs and services are essential and should be preserved. School boards agree that most ratepayers have reached the limit of their ability to pay increases in property taxes. Last year, meaning a year ago, a number of boards did not raise school taxes at all; some were even able to reduce school taxes. Paradoxically, however, the same boards that took this course of action are the ones most negatively affected by this restriction on their authority to raise revenue.

Unfortunately, the provincial government has been paying a decreasing share of the cost of education. Despite the promise by the provincial government to pay 80 percent of the cost of education, its level of annual contribution has steadily declined for the past decade. The provincial government now pays less than 67 percent of the cost of education on a provincial basis. A number of boards receive less provincial funding than that.

(Mr. Chairperson in the Chair)

The provincial government now pays less than half of the cost of public school education from its general revenues. The majority of the cost of education is in fact paid by local property taxpayers either through the Education Support Levy, which as you know is levied by the province, or through the special levy levied by the school division or district.

Faced with rising costs and declining provincial revenues, school boards often have no choice but to raise additional revenue through higher property taxes. The provincial government, having been unable to live up to its promises to adequately fund education, now seeks to limit school boards' access to their only other significant source of revenue, the local tax on property.

* (1050)

Bill 16 is unnecessary. Its intent has already been accomplished, even though the bill has not been passed into law. In threatening to enact legislation to limit boards' taxation powers, the provincial government has achieved its objectives. School boards, without exception, levied increases respectful of the province's 2 percent cap on special requirements. These amounts cannot be increased for 1993-94. Legislation mandating a cap on this year's taxation increases is not required.

Bill 16 is also unfair because it arbitrarily singles out school boards. Municipalities, for example, were not affected by this legislation, even though many municipal governments have significantly increased mill rates in recent years. Why should communities be denied the right to maintain and improve their schools through taxes while retaining the right to pay taxes for sewers, snow removal and other municipal services? Is not the education of our children as important as the physical infrastructure of our communities?

Fiscally, school boards have been the most responsible level of government, limiting their expenditures to their annual revenues. They are unique among levels of government in having maintained a balanced budget and in some cases having established budgetary surpluses in contrast to debt-ridden provincial and federal governments.

The school boards most unfairly affected by Bill 16 will be those who have demonstrated restraint in recent years by keeping their mill rates to a bare minimum. By suddenly denying these boards the

power to raise money in their communities, the provincial government will have effectively punished school boards who in the past have exercised the greatest degree of financial restraint.

Bill 16 is also sure to undermine the ability of Manitobans to obtain equal access to quality educational services. Bill 16 will very quickly create inequities in the level of educational services which communities can provide.

Some boards can raise far more money from property taxes than others. School divisions with a low property tax base are presently able to raise very little additional revenue in their communities, and these same boards are further constrained by a 2 percent cap on increases in their special levy. These are also the school divisions hardest hit by cuts in provincial support. Boards which rely less heavily on provincial funding will also generate the most new revenue from a 2 percent increase in their special levy.

Finance minister Clayton Manness has indicated that educational funding reduced 2 percent this year will be cut further in 1994. Over these two years a large gap will become evident between the have and the have-not school divisions.

For decades Manitobans have worked to ensure that educational opportunities are available to all of our young people regardless of the wealth of the community in which they are raised. In a few short years the combined effects of Bill 16 and cuts to provincial funding will entrench inequities in our school system.

Increasingly the educational opportunities available to our young people will be determined by the wealth of the communities. Communities with a large property tax base will be able to afford better schools. Communities with a low property tax base will have less adequate schools. Once entrenched, this inequity in educational opportunity will become extremely difficult to correct. Bill 16 will undermine the efforts that this province has made to provide equal access to educational services regardless of the wealth of the communities in which students live.

In March, by requesting that the provincial government freeze the salaries of division employees, trustees have confirmed their commitment to slowing down the continual increase in salaries. Trustees are concerned about escalating salary costs which now make up

85 percent of the total cost of education. School boards are willing to co-operate in whatever way possible to control costs in this area. The ability of school boards to control employee cost is limited by the arbitration process, which must be used in Manitoba to settle disputes. Even when school boards have held firm against rising costs, employee groups who have taken their cases to arbitration boards won substantial awards. The cumulative effect of these arbitrated decisions has been to remove from school boards the power to limit the growth in employee costs.

The predicament which school boards faced was compounded by the lateness of the province's funding announcement. Contracts with employees were already in place. It is extremely difficult to demonstrate creativity and innovation in fiscal management when the financial environment is changed on short notice. It will be impossible for school boards to maintain programs as a result of the cap and reduced provincial funding. Retaining the ability to tax is vital in order for boards to continue to offer the kinds and quality of programs and services which our citizens and our province will require to become competitive throughout the decade and into the new century.

Trustees must strive to balance a community's ability to pay with that same community's needs and expectations of the schools that serve their community. As the people elected to govern the school system in accordance with those fiscal realities, needs and expectations, we much emphasize that we are objecting to the removal by the province of the rights of local communities to exercise control over decision making in the schools which their children attend.

On behalf of the students, parents and communities of our province, the Manitoba Association of School Trustees urges the members of this legislative committee to support the right of our communities to decide for themselves the ways in which they will choose to support education. Do not deprive them of this right by passing Bill 16.

Thank you for your consideration.

Mr. Chairperson: Thank you very much, Ms. Watson. Are you prepared to enter into dialogue with questions?

Ms. Watson: I am.

Mr. Plohman: Thank you, Ms. Watson, for your presentation.

I wanted to ask first about consultation. We have asked that of the other presenters as well frequently here this morning. Was MAST consulted in any way as to alternatives to Bill 16, or advised that this was coming, through any process, prior to its being introduced in the Legislature?

Ms. Watson: While the minister consults with us regularly as part of our ongoing dialogues, MAST was not consulted, to my knowledge, in regard to Bill 16.

Mr. Plohman: Is it the principle of Bill 16 that MAST is most vehemently objecting to here?

Ms. Watson: It certainly is. It is the restriction on locally elected trustees to make the decisions that we believe we were elected to make.

Mr. Plohman: You mention that the bill is not necessary. You would, I guess, agree that that is true with regard to '93-94 year, but you do not mention the distinction as it applies for the coming year. Would you believe that it is not necessary if the government's objective is to cap the ability of school boards to raise money in the '94-95 year that this bill would be necessary in their eyes?

Ms. Watson: School boards have embarked on longer-range planning in my mind from what they have in the past. It seems to me that most boards across this province are looking at other alternatives. The discussion with the ratepayers has certainly increased in the last two to three years in regard to meetings, trying to determine with the people in the community what the essential educational services are that everyone wishes to preserve.

So it seems to me that it is not necessary, because trustees are as cognizant of the fact that ratepayers really do not wish to pay additional taxes. There are some exceptions, however, and it seems to me that, where those exceptions exist, communities should have the right to make those decisions, if that is a mutually accepted decision between the ratepayers of the community and the local trustees. Because of some areas where longer-range planning is taking effect, where taxes have been held or even reduced in some situations in one year, then the community is quite willing to accept an increase in the next year, because they are usually quite aware of that.

* (1100)

So, in my mind, I do not believe that this legislation is necessary for the following year,

because trustees across this province are very cognizant of the fact that taxes are pretty much high enough.

Mr. Plohman: So this heavy-handed approach really would not be necessary, you believe, if the government were to withdraw this bill, having had its impact or desired effect from the government's point of view for the current year, that there would be a general co-operative atmosphere that would exist; and, if the government undertook a major consultation with school boards throughout the province with MAST and other partners in education problems could be worked through without this legislation.

Ms. Watson: That would be my belief. As I said before, trustees are very aware of the financial situation within the province. Trustees, as I indicated, are willing to co-operate in whatever way they can in order to preserve a quality of education in Manitoba that we can all be proud of. Yes, with consultation and a process in which trustees are involved, I believe the same can be accomplished.

Mr. Plohman: Do you agree with the MTS position, or is MAST taking a position with regard to provincial funding? You mention 80 percent as a commitment that was made that has not been followed through. Should the province fund 100 percent of the funding of public education?

Ms. Watson: The Manitoba Association of School Trustees does not have a position to fully fund education, because we do believe that a portion of the educational expenditure should be a decision that is made at the local level. MAST, however, is very supportive of a greater portion of educational expenditures coming from general revenue. We feel that the amount that is now on the local taxpayer is becoming excessive and too large a proportion.

Mr. Plohman: Then how do you see dealing with the inequities, because of the ability to pay, or the ability of school divisions to raise money varying so much across the province? How do you see those being addressed, through special measures?

Ms. Watson: It is my understanding that when the new funding formula came into place, the total amount of dollars that used to be utilized for equalization across the province has been reduced. While some equalization methods have, in fact, been incorporated into other parts of that

funding formula, the total dollars that are now utilized for equalization are, in fact, smaller.

It would seem to me, in order to maintain equality across the province, the funding formula needs to address the ability to pay. Divisions that have a significant property tax base, without question, have much different range of opportunities available to them than do school divisions in Manitoba that because of their geographic sparseness, because of fewer students, whatever the reasons—and usually, that is almost always connected with a lower property tax base—equality of education is starting to become an issue that we are becoming quite concerned about.

Mr. Plohman: Would you say the scarcity provisions, for example, which was an effort to provide some equalization, is just really scratching the surface, it is not doing enough to even have a major impact on equality of educational opportunities in the province?

Ms. Watson: We were pleased to see that the funding formula did recognize that this year. We compliment the department for recognizing that. However, I would hope that the Advisory Committee on Education Finance would, in fact, look at that again because there are several areas that certainly still need to be addressed in that regard.

Mr. Plohman: Mr. Chairperson, just a final question. Would you agree that the government has violated its own guiding principles of student equity and taxpayer equity in introducing Bill 16?

Ms. Watson: The inequities that exist previous to Bill 16 are certainly going to be amplified because, in almost all cases, the inequities deal with the property tax base that differs across this province. So you are correct that as these inequities now become frozen at a certain state, 2 percent in one district is not 2 percent in another; again, based on the ability of the property tax bases which differ widely throughout Manitoba.

Ms. Gray: Mr. Chairperson, I do not have any questions. Certainly, I would thank MAST and thank Gail for her presentation. It was a very well-written and well-presented brief. I think it very well says really the essence of what a number of individuals, teachers, parents, trustees in this province, their concerns about Bill 16. So thank you.

Mr. Sveinson: Ms. Watson, you mention the capping of the special requirement was such that the announcement was late for a number of the arbitration awards that did happen. In other words, the arbitrators did not know of the capping, if you will. Am I not right on that?

Ms. Watson: There were many salary settlements already in place when the funding announcement was made. So a salary trend had already been firmly established throughout the province. Since then, the few arbitrations that have taken place have continued to follow the salary trend that was in place previous to the funding announcement. In other words, the local ability to pay and the cap has not been taken into consideration by the arbitration settlements that have taken place following the funding announcement.

Mr. Sveinson: Do you know of any boards appealing that type of decision possibly to the minister or through the minister?

Ms. Watson: I believe the minister is quite aware of MAST's position in regard to arbitration. We have a lot of concerns about it at this point, because no consideration is taken in regard to the local ability to pay.

MAST has asked for several years that arbitration settlements be restricted to salary only. We have had cases in Manitoba where arbitration boards have provided settlements that have provided benefits that have never existed previous to an arbitration board decision. Because of that, most boards across Manitoba are very reluctant to go to arbitration because some item that no one provides in this province could very easily be awarded during the settlement.

Mr. Sveinson: But to your knowledge there have been no requests of appeals by school boards within the province that would ask them to take into consideration, or to make sure that it was taken into consideration, that your funding indeed was capped on both ends, if you will, both the special requirement and indeed the province? There were no requests of that nature?

Ms. Watson: I believe it has been an ongoing request to the government that alternatives be examined. Now whether a specific board has in fact asked the minister to appeal it, I am not aware of such a case.

Mrs. Vodrey: I would like to thank you, Gail, for your presentation on behalf of MAST this morning,

and also for your acknowledgement of the process of consultation and discussion that has gone on around a number of issues over the past year. I know also that you have assumed your position within the last few months, but in your previous position you were also a part of those discussions and that we will have more. I am aware of MAST's concerns around the issue of arbitration. It has been an issue that you have raised with me.

* (1110)

In the area of the special requirement and the limit and how it affects the special levy, I know that you are aware—some of the questioning may not have pointed out that the special requirement which speaks to a school year affects a special levy which deals with a calendar year and, therefore, affects two years. So that is what we see put forward in this bill.

Then, also in relation to the funding formula, I know that MAST has representation on the Ed. Finance Advisory Committee, that there was representation from the beginning by MAST and that you have continued representation on that committee, and that the issues that you have raised today, I am sure, will be raised in fact with that committee.

With that, I have no further questions. I just thank you for your comments, and I know that we will talk again also.

Mr. Chalperson: Thank you very much, Ms. Watson, for your presentation this morning.

Wendell Sparks, St. Vital School Division. Joan Sellar and Paul Moist, CUPE Manitoba.

Ms. Joan Sellar (Canadian Union of Public Employees - Manitoba): I do not have Paul Moist with me today. He is out of town. I have with me, though, to assist with the questions, June Ross. She will be assisting with any of the questions, if need be. You have got copies of the submission.

The Canadian Union of Public Employees, CUPE, Manitoba, is pleased to have the opportunity to present our views on Bill 16, The Public Schools Amendment Act. CUPE represents over 2,700 employees of school divisions throughout Manitoba, and as an aside, those are 2,700 employees who consider themselves very much to be partners in the education system, albeit forgotten partners.

Our members work as audio-visual technicians, bus drivers, clerks, secretaries, custodians, cleaners, food service workers, maintenance and tradesworkers, educational assistants and library workers. In short, CUPE members provide many valuable, but often underrated, services which are integral to the provision of quality education.

CUPE members are uniquely placed within schools to see a side of the delivery of education that few others see. They have first-hand knowledge how schools operate in all their functions, in the classrooms, in the offices and in the overall physical plant. Their work is essential to the provision of the best possible administrative and physical environments, environments which are critical to the delivery of quality education.

This means, of course, that CUPE members are also uniquely placed to observe and feel the consequences when inadequate provincial funding threatens the quality of education in our province. Bill 16, however, is not just about inadequate levels of provincial funding for our education system. It is also about this government's unprecedented move to curtail the taxing authority of school divisions, thereby intruding on an autonomous level of government, democratically elected and responsible and accountable to the public.

Bill 16 represents the most extreme intervention by a provincial government into the affairs and authority of a junior level of government in the province's history. Not only is this government not prepared to adequately fund the education system, it also does not want to allow school divisions, in consultation with their respective electorates, to make up the shortfall through the imposition of tax increases in excess of the predetermined level of 2 percent.

In this submission, CUPE will examine the record of this government in the area of funding along with the resulting cutbacks which have resulted from years of underfunding. As well, we will examine the recent provincial budget which added further pressure on municipal and school property taxes through the tax increases passed along through the alteration of various provincial property tax credit programs.

In short, we believe it is essential to review the government's total record in the area of education in order to put Bill 16 into its proper context. Bill 16 cannot be looked at in isolation. It is, in reality, just

one more attack on Manitoba's public education system.

On a national level, CUPE is Canada's largest union representing just over 400,000 public sector workers, including education support staff in every province. Our long-standing policy on education funding was formulated at our biennial convention held in 1971 and reads as follows: Request that the federal and provincial governments bear the full cost of education.

While some progress has been made in some areas of the country, Manitoba is moving in the opposite direction with more and more of the financial burden of funding the education system falling on sources other than the province itself.

The system, as we will discuss later in the brief, is suffering under the constant stream of cutbacks that have been imposed in the past few years. Not surprisingly, the quality of education is suffering at a time when we ought to be redoubling our efforts to produce quality graduates capable of assuming jobs in an increasingly competitive world.

We urge all MLAs to consider carefully the comments contained herein and to recognize that Bill 16 is in no party's interests and ought to be defeated.

Service cutbacks within the system. As mentioned, we believe that Bill 16 should not be looked at in isolation. Our members, along with children as the primary users of the system, have been faced with a steady stream of cutbacks over the last few years.

In this section, we document some specific service cutbacks in four separate school divisions. The comparative reference points are 1990 and 1993. Please note that the service cuts do not include days off without pay, pursuant to Bill 22.

One of the most important concerns parents have about the schools their children attend is whether they are clean and well maintained. The physical condition of the schools is perhaps the first thing that parents and the general public notice when they visit.

Some of the standards to be maintained in our buildings include heating regulations, procedures to deal with break-ins and vandalism, responsibility for the safety of children, fire regulations, safety and security of property, standards of cleanliness, monitoring of electrical and plumbing systems, painting and minor repairs, handling of solvents

and chemicals, grounds maintenance and a wide range of other concerns.

Schools are complex physical plants representing the investment of millions of dollars in public funds. They require a staff skilled in the maintenance and repair of complex electrical, heating, air conditioning and security systems, shop and sports equipment, grounds and communication systems and the control of large inventories of supplies, parts, equipment and materials. Modern methods of maintenance also require the use and control of toxic chemicals. Safety and hygiene are paramount considerations and efficiency and cost-effectiveness are high priorities.

Our members have appropriate certifications and are responsible for the knowledge and implementation of statutory requirements and regulations including Workers Compensation requirements, fire regulations, building codes and equipment safety standards. It should be quite clear that cutbacks in this area will be both expensive and dangerous.

Custodial duties do not only involve the washing and waxing of floors and the vacuuming of rugs. The duties involve much more including wall and desk scrubbing, cleaning and sanitizing washrooms, washing windows and a multitude of minor maintenance duties. All of these duties protect the taxpayers' investment in the buildings and provide a clean, safe environment for our children.

Custodial staff are the first line of maintenance. It is the routine spotting of problems, doing basic maintenance and making minor repairs that prevent costly breakdowns and extensive and expensive repairs in the future. Even a simple thing like tightening a screw on a desk or the right kind of wax on tile floors can prevent damage. Basic cleaning and maintenance, particularly during bad weather, prevents the results of wear and tear, particularly in older buildings.

The point to be made here is that the work to be done remains the same regardless of class size or pupil-teacher ratio, and when it is not done, the long-term cost, all of which is again borne by the taxpayer, will more than offset any temporary savings.

* (1120)

Our research indicates that the expectations and rationale for employing custodial staff is extremely varied from division to division. However, we have found, in general, staffing appears to be done on an assumption that anywhere between 1,600 and 2,200 square feet can be maintained in one hour. This translates to 12,800 to 17,600 square feet per eight-hour shift.

The overall decrease in custodial services hours in the St. Boniface School Division, as the figures show, has been 51 hours or a 14 percent reduction. In addition, this division has served notice of its intention to impose three unpaid days off on all caretaking staff, pursuant to Bill 22. This represents an additional service cut.

In the Agassiz School Division, while expectations vary amongst school divisions, management in the Agassiz School Division has advised CUPE of their expectation that custodial staff maintain between 1,600 and 1,800 square feet per hour. Budget cutbacks have resulted in the following situations. In the Edward Schreyer School, there is a total represented decrease of approximately three hours per day or 15 hours per week or 780 hours per year. Based on the average production of 1,700 square feet per hour or 13,600 square feet per eight-hour shift, this school should have 51.2 hours of custodial service versus the 43.5 it now has. The school is therefore short 7.7 hours per day, 38.5 hours per week, or 2,002 hours per year.

In Powerview School, again based on the division's average productivity requirement of 1,700 square feet per hour, 13,600 per eight-hour shift, Powerview School should have 37.6 versus the 30 hours that it has. This school is short 7.6 hours per day.

In addition to the foregoing cutbacks, the school board has imposed an eight-day leave without pay, pursuant to Bill 22. This adds a further 1,468 hours of service cuts in custodial services.

In Transcona-Springfield School Division, the maintenance department services 23 worksites throughout the division. Cuts have also occurred in custodial services, library services and paraprofessional services. In addition, the board has passed a resolution, pursuant to Bill 22, to impose six days off without pay on all support staff.

In Evergreen School Division, over a three-year period, the total loss per person hours was 136 or

16 percent decrease in custodial and maintenance services. Some specific examples of these cuts include the following: in Gimli High School there is a reduction of 22.5 hours per week of custodial service; Winnipeg Beach School, a reduction of 20 hours per week of custodial services. In addition to the aforementioned cuts, pursuant to Bill 22, is ordering eight days off without pay for the support staff.

The question needs to be asked here, how do all of these cuts protect the taxpayers' investments in the facilities? I just want to re-emphasize the statement that we made on page 5 that says that the work to be done remains the same regardless of class size or pupil-teacher ratio, and when it is not done, the long-term cost is going to be much greater to the taxpayers.

Provincial Funding. Since 1981, the portion of the province's share of direct funding of the public school system has declined steadily. We have provided a graph that shows the decline of provincial funding.

Another measure of declining real support from the province can be found when accumulative change in provincial funding percentage increase plotted against inflation are measured, as is done in the graph provided on page 10. The years of restraint funding have caused many cuts in service, as has been previously demonstrated. In addition, it has caused school divisions to have to pass on increases to the public through the imposition of school property tax increases.

Since the current government assumed power, the gross special levy has assumed a steadily increasing portion of total public school funding, and there is a graph provided on page 11. This trend is but one example of the current government's contribution to property tax increases throughout the province, despite their self-proclaimed policy of holding the line on taxes. Each and every year, school trustees are having to wrestle with decisions on whether to cut services or raise taxes or both.

In short, school trustees are being placed in the uncomfortable position of having to choose between quality education and a false fiscal responsibility forced upon them by provincial government irresponsibility.

The public school system is an essential component of our democracy. Public education,

which provides an opportunity for children from all class, ethnic and religious backgrounds to mix and learn together, promotes tolerance, understanding and a respect for human rights.

The determination of the Filmon government to encourage private schools with major increases in public tax dollars is an indication of their antidemocratic leanings. Private schools, which exist in order to provide a special quality of education for the wealthy and the privileged, should not be subsidized with public dollars. The Manitoba government will allocate \$20.3 million to private and parochial schools in '92-93. This represents an increase of some 11.8 percent over the funding level of the previous year.

The current increase in funding to private schools is merely another feature of the long-standing Tory tradition of underfunding public education. An examination of funding increases to both the public and private systems indicates that this government has a clear bias in favour of serving and enhancing the private school system, thereby undermining considerably the public education system. The graph on page 14 shows the pattern of Manitoba government support to private schools over the period from 1985 to 1992-93 as compared to the financial support given to the Manitoba public school system.

In addition to the decision to reduce funding to public schools by 2 percent announced earlier this year, the provincial budget impacted negatively on the public school system. The Pensioners School Tax Assistance Program, which previously provided benefits of up to \$175 for pensioners, was previously income tested for only those pensioners between the ages of 55 and 64. The new provincial budget applies that income test to all pensioners, and those with a family income of \$23,800 or greater will receive no benefit.

This decision along with the reduction of \$75 of the general property tax credit will all serve to place pressure on both municipal and school board property taxes. These are but two more examples of tax increases that many Manitobans will experience from their provincial government, which continues to profess its opposition to raising taxes.

Bill 16 represents an unprecedented attack by the province on all school divisions and school boards that were democratically elected and are accountable to their respective electorates. In

addition to cutting funding to the public school system, the province now wishes to entrench legislatively its own fiscal conservatism on each and every public school division.

Bill 16 represents an about-turn for this government, as even they recognized the autonomy of school boards among others two years ago through the introduction of Bill 70, The Public Sector Compensation Management Act, and I quote: This bill does not affect the following groups: teachers, school employees and municipal employees, because school boards and local councils are elected and must justify their spending and taxation to the ratepayers. End quote.

In 1991, school divisions were elected bodies responsible to their ratepayers. By 1993, in the eyes of the province, these elected bodies, while still responsible to their ratepayers, must follow a predetermined fiscal agenda set by the province. The recent announcement that a comprehensive review of the education system will be undertaken begs the question whether the system itself has not been damaged to the extent that the review is not much more than a shallow political gesture.

Throughout this submission, we have stressed the need for a high quality education system that is equally accessible to all Manitobans regardless of their place of residence, their background. We believe that education should have as its primary goal the development of active citizenship, which we believe to be the cornerstone of a true democracy. We believe that the province's public education system should guarantee universal accessibility to quality education programs.

* (1130)

This guarantee would require among other things changes in education finance to ensure adequate levels of provincial support to school divisions; the expansion of programs and services to accommodate the increasingly diverse composition of our communities as well as learners with special needs; prohibitions against the commercialization and privatization of education services changes in the curriculum to ensure the development of citizenship skills including the introduction of labour studies.

Regrettably, the record of the province in the area of support for our public education system is poor when the following factors are considered:

Declining provincial funding for the public system coupled with increased funding to private schools; regressive budget decisions such as reduced funding to public schools; the expansion of income testing to the Pensioners School Tax Assistance Program; reduced numbers of student loans and student social allowances; ACCESS programs in Manitoba are receiving \$1.2-million cuts or 14 percent on average; some programs such as the Winnipeg Education Centre education program are being cut 20 percent; the introduction of Bill 16 to curtail the taxing authority of school boards to the province's predetermined level.

The above outlined actions of the province, among others, are being met with widespread opposition throughout Manitoba. Students, parent councils, trustees, and the general public are all voicing concerns with and opposition to the steady stream of provincial cuts.

We believe that the following mission statement from a rural citizen's group accurately reflects the degree of opposition which exists in all areas of the province. The mission statement is quoted from the Concerned Agassiz Citizens minutes of May 3, 1993 meeting, and I quote: Concerned Agassiz Citizens is a recently formed, grassroots, nonpartisan organization. It consists of concerned parents, citizens, business people, farmers, teachers and other organizations who share common concerns about a reduction in funding to education, the agencies and all other programs affecting the well-being of our children and communities at large. We believe the four-year deficit reduction plan announced in the recent Manitoba budget threatens the delivery and quality of services and education in our province. End quote.

As mentioned previously, Bill 16 must be considered in concert with the steady stream of funding cuts and restraint decisions which have eroded the public education system already. Bill 16 simply adds to the misery, along with removing legislative autonomy from all school divisions. Funding cuts have been justified by the government as a necessary fact of life, as the province focuses on debt reduction. It is a strange set of priorities indeed which regulates the education of our children and of those who desparately need special programs to a lesser position.

Surely, an investment in education is an investment in the future of our province and should be one of the last places to be cut. For the reasons outlined herein, CUPE calls upon the government to withdraw Bill 16 in favour of an approach of working the school divisions of leaving them with their autonomy and authority to set their own special levy increases in consultation with the electorate and the preservation and enhancement of the public education system. Thank you.

Mr. Chairperson: Thank you very much, Ms. Seller. Are you prepared to enter into dialogue or questions from the committee? Thank you.

Mrs. McIntosh: Thank you very much for your presentation. Just a comment, you have not been forgotten. We do value the work that is done in our schools by those who are nonteaching people in a wide variety of areas. We know it is not just the one component that makes up the school division.

A couple of questions really regarding some statements you have made that I find a little puzzling. You have mentioned years of underfunding for education, and I wonder, I am presuming you mean, because of the context in which this is written, government underfunding to education, and I wonder if you could clarify what you mean by years of underfunding. I know we have had a cut in funding this year, but you are talking about years historically.

Ms. Seller: I am going to ask sister Ross to assist with questions.

Ms. June Ross (Canadian Union of Public Employees): If you look at page 9 and you look at the decrease in funding that has occurred from the government all the way from 1981 through '92-93, it is that decrease in funding that has cut services in our area pretty well all the way through.

Mrs. McIntosh: So you are talking about a decrease in the size of the increase. So you are not really talking about an actual decrease, but the lessening of the size of the increase. I note, for example, between the years 1981 and 1988, which was the previous administration, there was 11 percent decrease in the increase, and between 1988 and 1993, which is our administration, 4 percent decrease in the size of the increase. But I think in terms of underfunding, if you look at what has happened in the last five years, you will see, for example, there was a 3.6 percent increase in funding in '88; 7 percent increase in '89; 10.8

percent increase in '90-91 compared to the CPI, which that year was 5 percent; 3.4 percent; 6.4 percent and then of course the zero.

Really, if you look at the CPI, you will see that we have been substantially well above it on the cumulative overall in the last five years which is hard to define in real terms as a cut.

Ms. Ross: We do not see it as a substantial increase at all.

Mrs. McIntosh: Okay, would you agree that there is a difference between a cut and an increase that is not as big as you would like it to be?

Ms. Ross: No.

Mrs. McIntosh: There is no difference.

Ms. Ross: I do not agree.

Mrs. McIntosh: I thank you for the clarification that a cut is really an increase that is not as big as you would like it to be. On page 10 in your presentation, you have a chart that shows compared to inflation. I am not sure if I am reading it correctly. I am presuming the zero line, anything above that would be a percentage increase above inflation, anything below that zero line would be a negative, like a decrease. So I see, for example, in '83 there was a large percentage increase in funding. Are you aware what the revenues to the province were that year?

Ms. Ross: No.

Mrs. McIntosh: Okay. Then I look and I see again increases in '89, '90, '91, et cetera, above the increase of inflation. Are you aware what the revenues to the province were at that—I wonder, Mr. Chairperson, if you could ask, particularly the member for Dauphin (Mr. Plohman) to stop initiating conversations when questions are being asked and all members to avoid answering them.

Mr. Chairperson: I would appreciate if all members of the committee would leave the floor to Madam Minister.

Mrs. McIntosh: Are you aware that percentage increases to the province in the early '80s were up in the area of 19 percent, and that in the current fiscal situation they have dropped down to close to a levelling out?

Ms. Seller: Neither Ms. Ross nor myself pretend to be economists. The point of our being here and representing our members is that using the economic situation, using cutting or decreasing the deficit and using the education system to try and

balance a budget is the wrong way to go. That is the point we are trying to make. You do nothing in the long term to improve an economic situation by hurting the education of the children now.

Mrs. McIntosh: Yes, I am not expecting you to be economic experts because there are very few people really who truly understand the depth of the problems that nations are facing these days. I am just referring to the charts that you presented and spoke on. So I presumed, since you presented and spoke on them, that you were familiar with the variables that affected that graph. I did not mean to put you on the spot.

* (1140)

I understand what you are saying that you should not affect education, you should not hit education, in quotations. It is certainly not something we want to do. Understand, with percentage increases like 10.8 percent back a couple of years ago, we brought funding up and education up to a higher level than most other provinces were doing at the time, but that is neither here nor there in terms of the real impact of decisions governments have to make these days.

You mentioned education to be one of the last places to be cut. I agree. It has been.

I would like to ask you—you have made a couple of statements here. You have the long-standing Tory tradition of underfunding public education, when your own charts show that the previous administration had similar difficulties funding according to their revenues compared to our revenues. We have done a far greater job than what was done when revenues were at 19 percent.

I want to ask a question which the member for Dauphin (Mr. Plohman) asked earlier of another presenter. I will just repeat the question almost in the same words that he used, but I want to make reference to a quote you have here in your presentation. You said private schools which exist in order to provide a special quality of education for the wealthy and the privileged should not be subsidized with public dollars.

I am wondering if by that you mean the poor parochial schools. Some of the smaller, impoverished parochial schools that exist for religious reasons are in a different category than the ones that provide education to wealthy people.

Ms. Seller: By private we mean all private schools, any school that restricts the access of the total population.

Mrs. McIntosh: Just for clarification then, you are not making a distinction. You have specified here that you do not want private schools that provide education for the wealthy to get tax dollars, but you also mean the poor parochial schools, the religious-based ones that are working out of church basements and so on also should not get funding?

Ms. Seller: Any private school, any school that restricts into its corridors as students any persons for any reasons and is getting money out of the public tax dollar, we feel is wrong.

Mrs. McIntosh: For clarification then, if you have a parochial school that does not restrict admittance, for example some of the poorer parochial schools in the heart of the city, in the north end and so on that are religious-based but do admit anybody who wishes to come, they would be exempt from this?

Ms. Seller: There again I could not separate out one "private" school from another. I do not have an entire listing of it. Our problem with private schools getting public funding is that they in effect discriminate against entire groups of the population by restricting their admittance. That is our basic problem with the system, and the fact that they get money from the public purse.

Mrs. McIntosh: I am still a little puzzled. I have one more question, but I am just still a little puzzled on this one. If they do not restrict admittance then it is all right, but if they do, it is not? Is that—

Ms. Seller: Would that be considered a private school?

Mrs. McIntosh: Well, there are some religious-based schools which have no restrictions on admittance or anything, but they will teach with—say they may be Catholic, for example, and they want to have that religious atmosphere and attitude permeate the schools which we are not allowed to do by law in public schools, they will let anybody come, but if they come, of course, they would be expected to be exposed to the Catholic attitude.

Just one last question of this presenter, Mr. Chairperson, and I appreciate the feeling here. I do. I honestly do. I guess from our vantage point looking at—one of the earlier presenters said, you know, you do not know what it is like when your

funding is suddenly cut. I mean, we do. That is why we are in a lot of this problem.

You know, our funding, this provincial government, in terms of certain things that have happened out there in terms of our income, is no longer what it was. We have made a pledge not to increase the burden on taxpayers. We have fulfilled election promises not to, if we possibly can, to help the economy by reducing the burden on taxpayers, not be adding to it or increasing it.

What would you suggest we cut in order to help maintain our international credit rating, which we need to keep our interest rates from escalating and therefore further increase our debt, and we have to keep the taxes down in order to attract investments, et cetera? What would you suggest we cut?

Ms. Seller: I cannot give you a list today of what CUPE would suggest you cut. We have, in a number of instances, through the house of labour, tried to give this government input as to some of the things we think could have been done such as a fair taxation system that would not exacerbate the problem but would help to alleviate some of the problem.

We are not hiding our heads and saying that there is not a problem. I cannot tell you today what to cut. What we are here to do is tell you that we do not think taking away the right of individual school divisions from going to their electorate and letting the electorate make these decisions, because if electorates are faced with a choice of declining education system and an increase in their taxes, then I think we should give the citizens of this province the credit that I think is due to them, and that many of them would choose education as being the primary factor.

Mr. Plohman: Mr. Chairperson, I just want to take a brief moment to make a statement that I think it is nonproductive for this committee and unfair to have certain members generalizing on revenues over a long period of time, in the early '80s, 10, 13 years ago.

It is ridiculous, especially when the member does not even specify what revenue she is talking about, whether it is transfer payments from the federal government or whether it is sales tax revenues or other sources, income tax revenue.

I think the member should remember, before I go to a question, that we were still in the midst in '81, '82, '83 of the Lyon-induced recession. It was not

invented by this government. The recession was deep in Manitoba at that time, and a lot of these revenues were falling. So the member should bring her detailed facts to the table before she presents them as factual.

I would like to ask the presenter from CUPE to perhaps give us some idea of the cost impact in the long term of the underfunding and provision of custodial services. Do you have any analysis of this?

You talk about on page 7 of 43.5 hours being available instead of 51.2 of custodial service in the Edward Schreyer School, I believe. Then in the Powerview School you note that as a result of Bill 22, the shortfall is almost doubled from 1,976 hours per year to an additional 1,468 hours of service. So there is a lot of underfunding of custodial services, and it has a cumulative impact. I wonder if you have done any analysis of that?

Ms. Seller: No, we have not done any formal analysis. The accumulation of the hours and the impact of the hours and the lessened attention our schools are getting, that is the kind of research we have been doing. It is a very simplistic point we are trying to make here.

If I own a car, and I never ever have it serviced, the car is going to fall apart on me eventually. My last car was a 1980 Mustang. I sold that this spring, and "sold" is the key word here, because there is somebody else using it. I took care of that car. It was regular maintenance. I took care of the car; the car still is in great working condition.

The point is, if you do not take care of something, and that includes our schools, our physical schools—if you do not take care of them, then you have to end up replacing schools. You cannot make repairs to an infrastructure that has been totally destroyed. It is not a big, complicated point we are making here. In my reasoning, it makes so much sense that it boggles my mind that everybody is not picking up on this.

* (1150)

Mr. Plohman: So you are really making a point that preventative maintenance is cost-effective.

Ms. Seller: Definitely.

Mr. Plohman: Mr. Chairperson, that is obviously widely accepted in many areas, the personal lives of people as well as in business and in government.

It is a very important point here, and I thank you for raising it.

You talked about the Bill 16 as an unprecedented attack on local autonomy. Do you know of any other—and I should have asked this of MAST as well perhaps, and others in MTS—whether there is any other measure by government that would even come close to this kind of massive intrusion into local decision making?

Ms. Seller: The total opposite. I was here a number of weeks ago, a couple of weeks ago, making a presentation on Bill 23, in which this government, the same government, presented the totally opposing arguments for presenting that bill that they are to presenting this one.

We are all the same province; we are all the same citizens in this province. How can you present two different bills with two totally opposing sets of reasoning behind it? One talking about giving the total autonomy of the electorate in the municipalities, and another bill talking about totally removing that from the electorate in the school divisions.

Mr. Plohman: I note as well your reference to the surprise abandonment of the principle that is stated on page 16, that the government stated when they were dealing with the introduction of Bill 70, the principle that teachers, school employees, and municipal employees would not be affected by this, because they are subject to local councils and school trustees who are elected to make decisions in that regard.

I note you say that this bill at this time is biased against public education because it has not applied to the municipalities and their ability to raise money for snowplowing and everything else. You are making, I think, a rather impacting statement when you say, well, how is it that education cannot be deemed to be as important as maintaining the infrastructure in the municipalities?

I take it, though, that you are not advocating that the government, in fact, try to limit the powers of the municipalities in that area. You are simply pointing out the contradiction in the way they have operated—the dichotomy there.

Ms. Seller: Yes, that was the point. It was to, as you say, point out the contradiction in governing.

Mr. Plohman: Mr. Chairperson, from the questions that were made by a previous member about funding of private schools, I take it there you

are raising the principle of funding private schools, putting public money into private schools versus funding the public education system, which should be universally available to everyone on an equitable basis.

Ms. Seller: Yes, universality is what we are talking about.

Mr. Plohman: Mr. Chairperson, would you also be, I guess, supporting the contention of other groups who have said that they would like to see the government withdraw the bill at this time because it has, from the government's point of view, its desired impact for the current fiscal year? Instead of putting it in place, perhaps even in more dramatic terms in terms of its impact on school divisions and on your members, on the work that they do, they should simply undertake a consultation with all of the partners, including CUPE members, to determine whether there is another course of action that could be more acceptable to everyone.

Ms. Seller: I was hoping actually you would ask me whether we had been consulted, as you did other speakers, because I could have given you the short answer to that. The short answer to that is no, never. Obviously, we believe that a consultative process would be far and above anything we have been given the opportunity to take part in so far, and we do believe the bill should be withdrawn totally.

Mr. Plohman: Mr. Chairperson, I just have a final question.

Would you say that the impact in the second year of Bill 16 could be much worse than even the first year? Is that the position that you would take?

Ms. Seller: Definitely. We have to then go back and try and catch up to everything that we lost in the first year, and I think the reality is, and we all know it, that there is no such thing as catch-up.

Ms. Gray: Mr. Chairperson, I do not have any questions, but I just wanted to thank the presenter for her presentation. Certainly, some of my questions were answered in the discussion. I appreciate you taking the time out, you and your colleague, to present here this morning. Thank you.

Mrs. Vodrey: Ms. Seller, I would also like to thank you for your presentation. I can tell you that we certainly appreciate the spirit of your presentation and the issues that you have raised on behalf of

your members as important contributors in the area of education.

I would like to tell you, in the area of consultation, that I certainly meet with the Manitoba Federation of Labour. I have met with them around the issues of education reform and other areas, and I look forward to that consultation continuing because we certainly have recognized the role of labour as an important part in the way that education is moving and in the issues that are affecting education. I can tell you that I look forward to talking with them again also.

Mr. Chairperson: Thank you very much for your presentation this morning, Ms. Seller.

Mary Ann Mihychuk, Winnipeg School Division No. 1. Good morning, whenever you are ready.

Ms. Mary Ann Mihychuk (Winnipeg School Division No. 1): Good morning, still. On behalf of the Board of Trustees of Winnipeg School Division No. 1, I would like to express our appreciation for the opportunity to appear before the Law Amendments committee in regard to Bill 16, The Public Schools Amendment Act.

In March 1993, the Minister of Education, the Honourable Rosemary Vodrey, announced Bill 16, which provides for a maximum 1993-94, 1994-95 special levy increase of 2 percent as adjusted by full-time equivalent pupils from one year to the next. This bill limits and is in direct contravention of the current authority of the school trustees under The Public Schools Act.

The Public Schools Act in Section 41 requires elected trustees of school boards to provide adequate accommodation for resident students, authorize disbursement of monies including salaries and set an annual budget. The act further provides the authority of school trustees under Section 186(2) as follows: After receiving notice under subsections (1) and (1.1), a school board shall estimate the amount of revenue that will be required to be raised by a special levy and shall apportion to each municipality within that school division an amount that bears the same relation to the total amount that is required to be raised by special levy as the total school assessment in respect of each municipality bears to the total school assessment in respect of the school division.

It is clear that the responsibilities of school trustees go far beyond the question of setting

special tax levies, and trustees in this division have made major advances involving parents and public in advisory roles in providing input to their children's education via parent school councils and parent community advisory committees, both by area and by program, for example, French Immersion and aboriginal education.

There has not been a review by the province as to whether the current resources allocated to education are adequate to meet the challenges of today. There has simply been a fiscal decision that special tax levies are to be capped for two years in order to reduce spending and restrain tax increases. This decision was made without any consultation with school boards or parents of children in the public school system or the taxpayers or community members.

In a letter to the board of trustees dated May 17, 1993, the Honourable Rosemary Vodrey stated: Setting a 2 percent limit on how much more the school divisions can raise through property taxation in a fiscal year for the next two years was not an easy decision, but the province is committed to doing what it can to restrain increases in taxation. Let me assure you, however, that this measure does not reflect a long-range plan to do away with local decision making.

* (1200)

While this statement "that this measure does not reflect a long-range plan to do away with local decision making" is welcomed by all trustees who believe in local autonomy, the very actions of this government in introducing Bill 16 show a disregard for the consultative approach which has been previously stated as an objective of the Minister of Education.

The Minister of Education has indicated on several occasions that there must be consultation with major educational organizations, MAST, MTS, MASS and MASBO as well as with individual school districts and divisions. There was no consultation before the unilateral decision made by this government to put a 2 percent cap on the special requirement for the 1993 and 1994-95 school year.

Bill 16 proposes changes to The Public Schools Act that will, if passed, remove the authority vested in elected trustees to determine the annual tax requirement of the school division district and in accordance with subsection 186(2)(1) and

transfers this responsibility to the Minister of Education to determine the maximum taxation allowable.

When the trustees of this board were elected only in October of last year, they were given the mandate by their electorate to make decisions regarding the level of taxation required to supplement provincial funding and other sources of revenue in order to offer the level of programming to best meet the needs of our students and our community, I would add. This proposed amendment to The Public Schools Act totally disregards this mandate.

While the trustees of the division are aware of the financial problems facing the province as a result of current economic situations which all governments must deal with, the trustees do not support the course of action chosen by the government in the proposed Bill 16.

I would like to summarize by saying that indeed we are locally elected, accountable, and we go back to our voters every three years, and we were only there last October. One of our platform issues was the issue of taxation and the level of taxation that our people could stand. I would also like to say that I do not think there is anybody better than the trustees to know exactly what people are saying. Our board had a position before the government came in with their 2 percent for our level of taxation. In addition, this is an unprecedented move, the first, I believe, in Manitoba's history of this kind. I would think no government would want to have this emblazoned on their record.

I know that the government has a philosophy of hands-off management in terms of business. I would suggest that the operation of education in our division is a business and that perhaps the government would consider a more open approach to management when it comes to local divisions.

This bill is also unfair in the way it relates to divisions and how they can operate and provide services. In addition, it is unfair in that the government identified only school boards. Municipalities also are locally elected governments, and you chose to ignore them. I say that is unfair. I personally would not have touched either one, but you have missed an opportunity. I personally believe education is far more vital to the province.

I also want to say that I believe that there is a bit of talking out of both sides. We know that the government is concerned about federal interference into their affairs, and I am hopeful that the province understands the importance of this measure in terms of interfering with our ability to govern. Just as you would not want the federal government to interfere in your business, we would appreciate the ability to govern our own local governments and our own jurisdictions.

Finally, the ultimate goal of the government was tax constraints. We were, I hope, not set up, although it does seem that way. We were restricted. We were given a minus 2.1 in Winnipeg No. 1 School Division and with a 2 percent tax levy. Then when the budget came down, our taxpayers were hit with an increase. That was unfair as well.

The measures of the bill have been, I think, in terms of the goal for tax restraint, succeeded, achieved. The 2 percent cap has been met; taxes are low. We have negotiated with our employee groups reasonable settlements. Our nonteaching components have settled at zero. There has been good co-operation in our division. You have achieved the goal of tax restraint, so I would suggest that it is possible to maintain this and provide local governments their ability to tax and govern by rescinding this part of Bill 16.

Mr. Chairperson: Thank you very much, Ms. Mihychuk. As usual, we will ask you if you would respond to questions or comments.

Ms. Mihychuk: Sure.

Mr. Plohma: Mr. Chairperson, I thank the presenter, Ms. Mihychuk, for the presentation. Almost without exception today, presenters have stated that this is an unprecedented intrusion into local decision making. I think that is obviously so very evident that perhaps it is a reason why there are not more school boards here today.

I know you may not be able to answer this directly, but you may have discussed this issue with other of your colleagues in other school divisions, why is there not trustees from every school division in the province here today?

Ms. Mihychuk: I think there are. They are being represented by MAST. At our last convention, this was the first resolution to be debated, was by far a majority, virtually unanimous in the request for MAST to take a very strong position and come to these hearings and come and approach the

honourable Minister of Education as well as the Minister of Finance—sometimes I get the two confused—to approach the government on this issue. MAST has taken a very strong stand on this issue.

I also think that the timing of these committee hearings is not conducive to meaningful public input. Much of the education community is now busy taking a bit of a break. We have just completed the school year as you know. We had only three days off.

Mr. Plohman: I certainly was not meaning to underplay or downplay the role of MAST in representing all school divisions. They did an excellent job with their presentation in representing that viewpoint. However, there are certain school divisions such as Lakeshore and Winnipeg No. 1 who have appeared here. There were others, a couple of others, I guess the superintendent of the St. Vital School Division was to have been here and Transcona-Springfield, but it was something that I felt was worth asking in terms of whether there is a general feeling of futility here in terms of whether anything can be done to change it.

I guess from what you have said and other presenters said too, we have seen that the impact has already been felt. [Interjection]

I think the person who accuses others of interrupting is now making conversation.

Mr. Chairperson, I wanted to ask about the impact on the second year. Have you done any analysis in Winnipeg No. 1 about the impact on '94-95 of Bill 16 in terms of its impact? Others have said that the impact will be more devastating in the second year. What will happen there, if you could shed any light on that, in terms of Winnipeg No. 1, if this bill is passed as it is currently structured?

* (1210)

Ms. Mihychuk: On the first part of it—I just wanted to comment that the committee hearing structure is very difficult to respond to. I was on the list for Bill 22 and attended for two days and was never called. Then on the third day, when the division actually had the opportunity to hear, additional responsibilities called us away, so we were not able to come on that. In addition, the timing, the notice given to submit is very short. I do not know if that is appropriate to comment, but if there could be some—it is very difficult to come and participate in this structure.

The impact of Bill 16 is going to be dramatic next year. This year we have reduced our expenditures in Winnipeg No. 1 by \$4 million, and next year we estimate that combined with Bill 16, as well as, possible reductions in the level of funding, either at zero or less—hopefully not—we would be looking at reductions of over \$7 million. Those are major program changes. We will not be able to provide services as we are doing today.

This year we have deferred building projects. Hopefully, everyone has had an opportunity to visit our schools in Winnipeg No. 1, but I think that is a measure that you can appreciate we wanted to do as the last opportunity. The facilities that students go to school in are nowhere near the grand facilities that we have here in this committee Chamber. Many of our schools are in desperate need of renovation and maintenance. We deferred building projects. We reduced administration and cut in several areas of administration. We cut the Child Guidance Clinic. We reduced supports for retiring employees and the principals' conference, as well as using \$1.2 million from our surplus.

Next year will be very traumatic. We are looking at cutting major programs to try and meet the \$7 million that we are projecting as a loss.

Mr. Plohman: Mr. Chairperson, that \$7 million that they are projecting as a loss, is that based on zero percent from the province or a reduction in funding from the province?

Ms. Mihychuk: That is projected—we have calculated both in terms of zero and minus two. I am working at a zero. I just do not see the education community being able to take a minus two again next year.

Just two years ago, we received zero. Then we had a cost-of-living increase, now a minus two. If we get another minus two, education will not be the same.

Mr. Plohman: I guess, stating the obvious, others have stated it and I would just ask if you agree that there is nothing in Bill 16 that promotes student equity or taxpayer equity in this province. Those are guiding principles that the minister and the government have stated as guiding their policy decisions. Would you agree with that?

Ms. Mihychuk: In terms of Bill 16, I think it actually entrenches some of the inequities. I am not sure that that was the intent of the government. There have been attempts to equalize in terms of the

funding formula and some recognition of other special conditions for divisions, but overall Bill 16 will entrench inequities.

Ms. Gray: Again, I think this presentation was—I thank Ms. Mihychuk—very well done, and certainly expresses the views of the school trustees in one of the—well, probably the largest school division in the province of Manitoba. I certainly appreciate your comments, particularly about the intrusion into local decision making of the school trustees.

I thank you very much for your presentation, and taking the time out of a very busy schedule, I know, to be here today.

Mrs. Vodrey: I would like to thank you for your presentation also, and remark that we have had the opportunity—I am not sure if it was actually outlined in your presentation, I do not think it was—the amount of consultation that we have had, as well the opportunity to discuss the issues that are particularly relating to the issues of the Winnipeg School Division.

I would say—and this is really to the member for Dauphin (Mr. Plohman), though—the presenter was pulled into this, that it is unusual to speculate on why presenters may or may not be here today. Those presenters may have, in the case certainly of one, found some other resolution to their issues. I would say that as the chair of the Winnipeg School Division speaks about the reduction of programming—

Point of Order

Mr. Plohman: On a point of order.

The traditional operation of these committees over the last 12 years is that the minister, like everyone else of the members of the committee, ask questions of the presenter for clarification and additional information on their presentation, not to make statements.

This has been happening by the minister on every occasion, and it is inappropriate. The question is, what has been tradition by all members of the committee? I just want that on the record, because I have not stated—and I have been very patient, and I think others have been, with these statements by the minister, which are self-serving and political in nature, and not certainly—

Mr. Chalrperson: Order, please. The member does not have a point of order. I believe that all members of the committee should have the

opportunity to couch their comments as questions or as observations.

* * *

Mr. Chalrperson: The honourable minister, to continue her comments or observations or questions.

Mrs. Vodrey: Thank you very much, Mr. Chair.

Then in the area of program reductions, as the chair has mentioned, I notice also that this particular school division did not take advantage of any further opportunity, any opportunity at all, under Bill 22, which would have provided some additional revenue to that school division. So I point that out, and then I also point out the resolution which came forward from MAST regarding the freezing or rollback of wages, and that being a request from elected members.

With that, however, I would say to the presenter, thank you very much, and I look forward to our continued discussions over the next while, because I do recognize we have many issues in education that we will be dealing with.

Ms. Mihychuk: Thank you very much.

Mr. Chalrperson: Thank you very much for your presentation, Ms. Mihychuk.

George Marshall, second call. Not here.
Wendell Sparkes, St. Vital School Division, second and last call. Not here.

That completes then the public presentations on Bill 16. Is it the committee's wish to continue with the consideration of the bill this morning? That is agreed?

Mr. Plohman: No, it is not. Mr. Chairperson, in light of the presentations made this morning and with only some 10 minutes before the normal adjournment time, I wonder if there would be a willingness to call it 12:30, because we would like to at least look at the possibility of bringing in some amendments as a result of these presentations. I think that facilitates the democratic process and input from the public. We certainly think that is an important aspect.

Now, if we had more time and we had finished at 11:30 or something like that, my request would be perhaps viewed differently. It seems in this instance that the government would want to co-operate in this regard so that it would give added meaning and weight to the presentations that are made by the public here today.

* (1220)

Mr. Chairperson: Thank you. I have indication that some members would like to continue and some would not.

All those in favour of continuing with the consideration right now, please say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed, say nay.

An Honourable Member: Nay.

Mr. Chairperson: In my opinion, the Yeas have it. So we will continue with consideration of Bill 16.

Ms. Gray: Mr. Chairperson, I appreciate that you have asked for Yeas and Nays, but I just would like to put on the record, I think that the member for Dauphin has a very valid point in light of the committee having an opportunity to having reviewed and asked questions of the presenters this morning.

Although some of the information is what we have heard in the past, there was certainly some new information or information that had a bit of a different twist presented this morning. I think it is very valid information and certainly I, as a member of our caucus, would like the opportunity to review these presentations and look at potential amendments to this bill.

Again, as the member for Dauphin indicated, this committee normally would adjourn at 12:30, that being around nine minutes from now. I again just want to put on the record that I concur that we should adjourn and come back to look at potential amendments whenever it is convenient for the committee to reconvene.

Mr. Chairperson: Thank you, Ms. Gray. It has been pointed out to me that there is no specific time of adjournment for this committee.

So we will now move to consideration of the bill. Does anyone on the committee have an opening statement or any comments or questions on the bill before we move into clause-by-clause consideration?

Mr. Plohma: Mr. Chairperson, I appreciate the opportunity to make an opening statement at this time.

The refusal of the committee and the government members to consider giving an opportunity for some amendments that might be brought forward which the majority could certainly vote down if the

government was determined not to proceed with being responsive and reflective of the public mood and public presentations that are being made here today indicates to me that the minister has been conducting herself and the government has been conducting itself in a way that makes a mockery of consultation.

It is not reflective of consultation if presenters come forward with points of view and presentations as they have done today and then there is no consideration of those presentations that are made, even on Bill 22, which was very controversial, it was held over for clause by clause.

In this particular case, in every case when the minister has spoken, she has not asked a question of presenters. She has spoken and not asked questions. That is what is wrong, I would say, with consultation by this minister. That is the problem we have here.

People who have come forward are the designated partners in education that this minister and this government have identified, and yet one after another, as they have come forward here today, they have indicated they have not been consulted. Yet the minister says oh, yes, I am glad to see that everyone is pointing out that we do meet regularly.

I am wondering what is happening there. Where are the questions from the minister, which is the essence of consultation? Is it only statements, or is there some effort on the part of this minister to hear what others have to say, to listen and to reflect that in her actions?

I have seen bullying in this committee by the government in the past with their majority, but certainly we have always, traditionally, adjourned at 12:30 and at that time we have a half hour break before going into caucus meetings and Question Period at 1:30 in the House. I would hope that the Chairperson would reflect that in the adjournment time, so that we do not have to get into all kinds of procedures here that would delay further the actions of this committee and of the Legislature.

We do not want to leave the impression with the public that we are more interested in procedural wranglings. We want to leave an impression which is true, in our case at least, that we want to reflect some of the concerns that were raised by members of the public here today. I would think—

Mr. Chairperson: Order, please.

Point of Order

Mr. Sveinson: Mr. Chairperson, what is being put forward by the honourable member for Dauphin is not my understanding of what just happened here. My understanding was that, in fact, we would proceed on to 12:30 which is the usual time in my eyes. Now, what is being presented to the committee right now is what I would like to know.

Mr. Chairperson: The honourable member does not have a point of order.

The Chair stated that there is no set time for adjournment, which is the advice which was given to him by the Clerk of the Legislature. It is certainly totally up to the will of the committee at what time we adjourn.

We have now moved from that into opening statements on the bill, and Mr. Plohman has the floor.

* * *

Mr. Plohman: Mr. Chairperson, I appreciate your response. I would just point out that today we have heard from a number of presenters who have consistently made the statement and the case that Bill 16 has no value in terms of the government's agenda with education, particularly for this current fiscal year because in fact, its impact has already been felt.

In fact, all school divisions, without exception, have carried out actions that are consistent with the bill insofar as the raising of taxation of the local levy that has taken place this past year. So, in fact, the government has every reason to consider that aspect of testimony or of input that we had today in terms of whether they want to proceed with the passing of this bill as it applies to this particular year.

We have also heard that the government did not consult on this bill with any of the groups. I think that is something that we want to reflect on and consider as well. We have heard that the government has in fact violated its own principles that it stated—I cannot see how the public cannot help but be cynical about a minister in government who states that student equity and taxpayer equity are the guiding principles behind their actions, when in fact they undertake action contained in Bill 16, which does, at best, freeze the inequities and, at worst, makes them even greater in the province

of Manitoba among school divisions in this province.

We do not see any action by this government with regard to boundary review. They talk about it. There are statements made from time to time but no action in terms of any efficiencies that may result from any actions that they could announce there. The minister has indicated that an announcement will be made in this area imminently. This was about a month ago. We still have not heard in that area.

We find that the public have made presentations today that would show a bias against education in making this unprecedented move into the authority and jurisdiction of local school boards in this province. Again, we have determined that is unprecedented from everyone's point of view. They have, in fact, stepped on the toes, stepped on more than the toes, stepped on the very being of school boards in this province—one of their very reasons for existence.

They, at the same time, stated just a few short years ago that school boards were independent elected politicians and therefore they should not do it. It is a complete contradiction from in a short time of a year or two from Bill 70 to this particular bill and the bills that are introduced this year. Why the change of heart? Why the loss in respect for these groups who were elected just last fall to make decisions involving education? That has been made abundantly clear during the hearing process this morning and, I think, was very telling in terms of the regard that this minister has and this government have for the democratic process, for elected public officials at other levels.

What has also been pointed out is the contradiction in this government's treatment of municipal officials. While they are giving special treatment to trustees in terms of taking away their authority to make decisions, they are coming to the conclusion, Mr. Chairperson, that it is okay for municipalities to continue to make those decisions for municipal councillors.

We would submit that they were wrong, certainly, in stepping into the jurisdiction of school boards, and this point is made very clear when those who presented it showed that in fact they have not done the same with municipal councillors. We would certainly not advise doing it in any of those instances.

It is clear to us that elected officials at the local level have a responsibility by way of law. The government feels that they can just unilaterally change this law whenever they feel that it is to their advantage, and really they are not doing it on the basis of principle—even that. We could not excuse it under those circumstances but on the basis of principle that property taxes must be kept as low as possible.

If that was the principle, Mr. Chairperson, why then would they have increased the property taxes by \$75 for every homeowner in the province of Manitoba while they are bringing in this kind of bill that says they want to cap local taxation and property taxes.

Point of Order

Mrs. Louise Dacquay (Seine River): Mr. Chairperson, the hour being 12:30, I wonder if you would like to canvass the committee to see what the will of the committee is. I understood there was some willingness to have committee adjourn at 12:30. I wonder if you might canvass the committee to see what the intention and will of the committee is.

Mr. Chairperson: Is it the will of the committee to rise at 12:30? [agreed]

Committee rise.

COMMITTEE ROSE AT: 12:30 p.m.