

NOTES from the FRONTIER CENTRE FOR PUBLIC POLICY

February 28, 2005 (EM271)

Province Should Pay School Tab Let's eliminate the expensive middlemen, school boards.

In Brief:

- *Property-based school taxes are heading up, along with public school spending, despite falling enrolments.*
- *When benchmarked against average incomes, Manitoba's school tax bite is by far the highest in Canada.*
- *The Province should assume the whole cost; it could make up the revenue by cutting flab and raising power prices.*
- *To make public schools affordable and accountable, we should adopt school-based management and dump school boards.*

The annual school board ritual of dumping on property taxpayers is in full swing. Howls are as loud as ever, school division after division, as the bad news trickles through. The Province should restore transparency and accountability by assuming responsibility for all public school costs.

School trustees face few consequences for their feckless approach because they operate cost-plus monopolies. The school bill remains the same as last year, plus a bit more than inflation. We pay on the municipality's tax invoice, no mention of trustees' names, please. Every four years, less than a fifth of the electorate votes for folks most don't recognize. It's a sham that costs us dearly.



It offers the Province cover as well. Much of the perpetual upward motion in costs pays for mandates imposed on school divisions by the Minister of Education. Late in January, Peter Bjornson announced \$25 million in new money, the bulk into special education, aboriginal programs and other social workings. These well-intended bounties nonetheless stretch scarce resources for local implementation. To its credit, the government finally

offered farmers, especially hit by property-based taxes, some relief.

The new spending looks paltry to some – 2.8 percent for next year – but it reinforces a steady direction. Public school spending rose \$282 million from 1996 to 2003, an increase of nearly 28 percent. Over the same time span, the overall cost of living in Manitoba went up less than 13 percent. The growth vector for public schools is doubling the rate of inflation. The Province's stream of new funds is never enough. In fact, StatsCan figures show that when benchmarked against incomes Manitoba has the [most expensive public school system](#) in Canada.

Salaries and benefits compose 85 percent of costs and are out of whack. Between 1996 and 2003, the average remuneration for public school employees rose 17 percent, to a handsome \$61,000. Their numbers also grew, by a few percent, while the number of students in the system declined. Only an enterprise blind to consequences would escalate unit costs while its market is shrinking.

New Brunswick abolished local school divisions in 1996, and two other Maritime provinces followed suit. Enrolments declined there even more than ours, by nearly 10 percent. But in response the Province of New Brunswick reduced their numbers. It retired its surplus capacity, a rational response to falling school populations. Salaries paid to the remaining educators went up more than ours, but the total rise in costs was contained below inflation.

[New Zealand](#) abolished local school taxes and divisions in 1989, with similar results. Afterwards, the ratios of spending inside and outside the classroom flipped. Prior to implementing direct school-based management, two-thirds of spending disappeared before it ever reached a single student. After the fact, external overheads absorbed only one-third. And student test scores shot up.

That's the bottom line – that spending be effective. Minister Bjornson defends the academic performance of Manitoba's students by citing PISA, the Programme for International Student Assessment. But PISA shows we are below the Canadian average in reading and science and only at the average for mathematics. Canada's own Student Achievement Indicators Program shows the same, with Manitoba's numbers consistently under the average in reading, writing, math and, save a few categories, science.

Since we have been generous financially, why are we not at the top of the national class instead of Alberta, which leads the world in most subjects? Because Alberta has improved its school outputs with proven tools like expanded school choice, charter schools, external and internal competition and – what our NDP Ministers have, under teacher union pressure, refused to consider – rigorous standards testing.

How much would it cost the Province to assume the whole public school tab? About \$523 million. Where would we find the money? Manitoba's public spending has the most flab in western Canada. If we brought healthcare spending to the Canadian average, we would have \$400-450 million more to play with. Spending on schools at the Canadian average would yield \$43 million. To be even more creative, pricing electricity at market rates would see another \$900 million tumbling into the treasury, creating real incentives to conserve electricity and cut greenhouse gases. The electricity formerly wasted could be exported for further revenue.


Rationalizing the school system would also save money. If we abolished the bureaucratic megaplex of school boards and redirected funding into a per capita payment by the province sent directly to schools, costs would fall dramatically. Power and control, including employee bargaining, would land at the individual school level with principals as CEOs working with parent councils. They could wring a lot of fat out and force schools to spend money on effective teaching. Validated by testing and parental choice, best practices would emerge and poorer, surplus schools would have to close. Mandates for services with a heavy flavour of social engineering would migrate to schools that cater to these specialized needs.

Property tax funding is a sideshow that can be resolved with a transparent education model that rewards effectiveness. Dumping school boards is the first step in that direction.



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- [Eliminating School Property Taxes in Manitoba](#)
- [New Zealand school reforms . . .](#)
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FRONTIER CENTRE FOR PUBLIC POLICY - Suite 25 Lombard Concourse, One Lombard Place, Winnipeg, Manitoba Canada R3B 0X3, Tel: (204) 957-1567 Fax: (204) 957-1570, E-mail: newideas@fcpp.org