

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON PRIVILEGES AND ELECTIONS
Thursday, 21 May, 1981

Time — 10:00 a.m.

CHAIRMAN — Mr. Jim Galbraith (Dauphin).

MR. CLERK, Jack Reeves: May I have your attention please gentlemen. The former Chairman of this Committee was Mr. Brown who has been removed and I will therefore be open for nominations for Chairman. Are there any nominations?

MR. HENRY J. EINARSON (Rock Lake): Mr. Chairman, I nominate Jim Galbraith.

MR. CLERK: Jim Galbraith. Mr. Galbraith — are there any further nominations? I ask Mr. Galbraith to take the Chair.

MR. CHAIRMAN: Okay we have a quorum. We'll bring the Committee to order. We're here this morning dealing with two bills. Bill No. 39, The Ecological Reserves Act and Bill No. 56, An Act to amend The Education Administration Act in the Public Schools Act.

At the present time we have some delegations down here. Transcona-Springfield School Board, Todd Baraniuk, (OK) Secretary-Treasurer is here. It's okay I'll call on you right away. Mr. George Marshall and the Manitoba Teachers' Society, Mr. John Wiens. Have we any further delegations here this morning? Okay.

We'll start dealing with Bill No. 56 since we have delegations here and we'll start with Mr. Todd Baraniuk, Secretary-Treasurer of the Transcona-Springfield School Board.

MR. TODD BARANIUK: Mr. Chairman, as Secretary-Treasurer I just made the book. The Chairman of the Board's here. He'll be making the presentation okay.

MR. JIM ILCHYSHYN: Mr. Jim Ilchyshyn is my name.

MR. CHAIRMAN: Okay.

MR. ILCHYSHYN: Mr. Chairman, members of the Legislature.

In our presentation today since it is a rather lengthy one I have asked other members of the Board to deal with certain sections in this particular brief that you are presently receiving. After myself will be the Vice-Chairman, Father Michael Buyachok, then Trustee, Linda Hughes and Trustee, Mary Andree and I will be summarizing.

I would request from this Committee that if at all possible questions could be held until the brief has been completed so that the Committee has had every opportunity to hear it in its complete form and hopefully get questions answered at the time that they appear in the brief and in the correct context.

On Page 2 we thank the members of the Privileges and Elections Committee for hearing Transcona-

Springfield School Division No. 12's position and concerns regarding the government's new Education Support Program.

We appear before the Committee because we know, as representatives of Her Majesty and as representatives of the people of this province you will not permit to go unheeded, or without some correcting positive action the wrongs that will be done under the name of the new Education Support Program.

Our primary concern stems from the blatant disregard for commitments made with all the people of the City of Winnipeg and their municipalities during the forming of Unicity in 1971.

The key question is: Does Winnipeg belong to all the citizens of Winnipeg or is the City of Winnipeg to be divided into ten unequal islands of assets for education purposes? Citizens of Winnipeg clearly know what their obligations, what obligations they have as citizens of Winnipeg — but what of their rights to actively participate in what is theirs for educational special levy purposes?

By what rationale did this government and its Minister of Education decide that disenfranchisement of the citizens of Winnipeg is a legitimate base on which to build an Education Support Program?

The Division urges the government to reconsider its position with request to sharing City of Winnipeg assessment amongst the ten sister divisions in the City of Winnipeg.

A second and related concern is that the Education Support Program with its elimination of sharing among the ten urban school divisions of the City of Winnipeg guarantees the loss of local autonomy with school divisions falling by the wayside because it will be beyond their control to participate financially in what rightfully belongs to all the citizens of Winnipeg regardless in what school division they may live.

A third concern that this presentation will deal with is the basically unsound approach in the proposed Education Support Program used to allocate dollars to divisions across the province — an approach that not only condones inequality of treatment of children in this province but guarantees that this discrimination of children will continue over a three year period.

A fourth concern stems from the distorted presentation of information in the House by the government's Minister of Education. Instead of dealing with the issue of the arbitrary removal of City of Winnipeg sharing for education purposes as presented by Transcona-Springfield School Division No. 12, the Minister incorrectly suggested that differences in the special levy impact on urban divisions and in particular Transcona, relate to solely the 1981 proposed expenditures.

A broken Unicity promise, City of Winnipeg urban inequality, impoverishment of some divisions and inequality of treatment of children in this province is what this new Education Support Program is all about. It is these main issues that this presentation to the Privileges and Elections

Committee will address itself with the hope that this Committee and the government will correct the unsound discriminatory and unjust terms of the Education Support Program.

MR. CHAIRMAN: Could you state your name?

MR. MICHAEL BUYACHOK: My name is Michael Buyachok. I'm the vice-chairman of the Transcona-Springfield School Division and I will deal with the broken promise of the 1971 Unicity. That's on Page 3.

The concept of sharing assessment amongst the 10 urban school divisions for education special levy purposes was originally introduced in 1971 in the government's proposal for urban reorganization in the Greater Winnipeg area. We quote the pertinent section from that document: "The government proposed that partial equalization of the education component of the mill rate must be brought about as follows: (1) The Provincial Foundation Plan Levy would remain in existence. (2) The present special levy would be subdivided into two portions, new Greater Winnipeg Education Levy standard across the whole urban area and a residual special levy as it is needed in each school division.

The new Greater Winnipeg Education Levy would be fixed as a predetermined mill rate related to per-student costs found in the urban area school divisions. This rate would be levied in all areas by the new urban council. The money would then be allocated to each school division on a per-student basis.

Thus the Greater Winnipeg Education Levy would operate within the metropolitan area in much the same manner as the Provincial Foundation Plan does in the province as a whole. The cost of education would thus be spread more fairly across the entire urban area. It is on this basis of sharing for education purposes that Unicity was built and on which Unicity legislation was written. The underlying fact then is that if every citizen of the City of Winnipeg has an obligation to retire the debt of pay for municipal services then every citizen of Winnipeg including Transcona has the right to share in assessment for school purposes.

It is imperative that the sharing concept be retained for the 10 school divisions that are all part of the City of Winnipeg.

Unicity — the amalgamation of the municipalities of St. James-Assiniboia, St. Boniface, St. Vital, Charleswood, Tuxedo, West Kildonan, East Kildonan, North Kildonan and Fort Garry, and the former City of Winnipeg — was built on trust and mutual commitment in 1971 and for the future, a trust which persuaded those municipalities to give up their autonomy to a central body. A clear recognition and commitment was that in such a corporation there would have to be partial sharing for education purposes ensuring that "The cost of education be spread more fairly across the entire urban area."

To argue as the Minister of Education has done that sharing amongst the 10 urban school divisions of the City of Winnipeg has been extended to benefit the whole province is a red herring approach that deflects the real issue. The Division has not argument with increased sharing across the province of up to 80 percent. The argument is with how the remaining 20 percent is to be raised from special levy by school divisions in the City of Winnipeg.

Provincial equalization of up to 80 percent does not eliminate either the need or the commitment for partial sharing of assessment amongst the 10 urban school divisions in the City of Winnipeg for the remaining 20 percent of divisions' budgets.

The City of Winnipeg is a single municipality with a common municipal mill rate drawn from all the citizens of that corporation. While the City of Winnipeg is a homogeneous unit for municipal purposes it is not a homogeneous unit for educational purposes. The City of Winnipeg is divided into 10 school divisions for the purpose of delivering educational services.

As long as we have 10 school divisions that form part of the same municipality of the City of Winnipeg, sharing is essential. Nonsharing in the urban area as proposed by the new Education Support Program is a breach of trust and commitment and will have the effect of dissolving City of Winnipeg as a corporation for education purposes, and in effect will create 10 islands of assets for education special levy purposes.

This relationship of the ten divisions as part of the family of Unicity is unique in the province; as such, they cannot be treated as ten separate entities as are the other thirty-seven school divisions. The 10 urban school divisions pay the bills of the City of Winnipeg; the 37 school divisions do not.

The 10 urban school divisions are children of Unicity in every sense of the word; the 37 school divisions are separate autonomous entities. The 10 urban school divisions are dependent on the City of Winnipeg fathers to determine what assessment base they will have, what residential developments will be approved, and how many students each division will have. They cannot operate independently of the City of Winnipeg.

In no way can it be assumed that the relationship of these 10 urban divisions of the City of Winnipeg is like any other in the province. The Unicity Government was directed to place industry within the boundaries of the new municipality wherever it was best suited regardless of school division or other boundaries. We agreed with this principle. However, how can 10 school divisions co-exist if by the accident of geography they inherit assessment that falls within their school divisions? It is not the business of school divisions to attract industry into their own divisions nor was this the intent of Unicity. It is quite evident and historically factual that bedroom divisions cannot compete educationally in the urban community. The school divisions provide the human resources that staff business and industry elsewhere but cannot support their educational requirements on the residential tax base within the confines of their own school divisions.

Unicity legislation recognized this problem and made sharing for education special levy purposes an integral part of that legislation. The quality of service available to the students in the 10 school divisions in the same municipality should not be determined by or be dependent on the ability of the individual divisions to collect assessment dollars. Should partial sharing in the City of Winnipeg be abolished, the losers are the students. Regardless of which school division administers the needs of students, all citizens of Winnipeg pay towards the costs of retiring the debt, of providing the services of the City of Winnipeg including the proposed \$60 million

downtown storm sewer, the Trizec investment projects and the arena addition. Thank you, Mr. Chairman.

MRS. LINDA HUGHES: My name is Linda Hughes. I am a trustee on the Transcona-Springfield School Board. The part of the brief that I am to present today contains a number of tables that are there for your reference. It is entitled "Inequities created by no sharing among the City of Winnipeg Divisions". The concept of sharing unique to the 10 urban school divisions in the City of Winnipeg is based on the reality that all residents in those 10 divisions are City of Winnipeg citizens who are obligated to pay towards the debts and costs of the City of Winnipeg and who are thus also entitled to share the assets of their city for special levy education purposes. The City of Winnipeg assessment, 1980, by school divisions and proportion of student services serviced Table 1 clearly demonstrates why the founders of Unicity in 1971 recognized the need for all the citizens of Winnipeg to participate in their city fully for educational purposes. Hence the participating formula in The Public Schools Act, Section 189 (3) and (4). From Table 1 we see that approximately half of the assessment for the entire City of Winnipeg for 1980, a total of \$889 million of balanced assessment or 49 percent lies in two school divisions, Winnipeg No. 1 and Fort Garry No. 5. In addition for 1980, Winnipeg and Fort Garry have two-thirds of the commercial-industrial assessment of \$411,128,815 of the total of \$626,451,285. All other divisions together have only \$215,322,470. The assessment situation is no different for 1981.

The inequity created by no sharing amongst the urban school divisions is clearly demonstrated by the fact that two-thirds of the commercial assessment or revenue dollars fall by geography within the boundaries of School Division No. 1, Winnipeg and School Division No. 5, Fort Garry. These two divisions together have responsibility for only one-third of the students of Winnipeg. The other two-thirds of the students within the City of Winnipeg are the responsibility of the other eight divisions, Assiniboia South, St. James, St. Boniface, St. Vital, Norwood, River East, Seven Oaks and Transcona-Springfield, yet these divisions in total have access only to one-third of the commercial assessment or revenue dollars.

Table 2 balanced assessment per pupil for 10 City of Winnipeg School Divisions, 1980 and 1981, shows clearly the discrepancies amongst the 10 sister school divisions with respect to raising dollars for education purposes.

Looking at Table 2, the balanced assessment in 1980 for Winnipeg No. 1 is \$23,619, while that in Transcona-Springfield is \$11,516, clearly a ratio of \$2 for every \$1 in Transcona. This is also true for 1981 as indicated in the table.

Fort Garry and Winnipeg No. 1 have a balanced assessment per pupil over \$24,000 while Transcona-Springfield is \$12,195, again clearly a ratio of \$2 for every \$1 in Transcona. Fort Garry No. 5 and Winnipeg No. 1 that have, by the accident of geography, the highest assessment potential of all the urban school divisions are the highest spending divisions in Metro Winnipeg. These two divisions with the proposed abolition of sharing now will be in a position of being able to collect approximately two

assessment dollars for each pupil compared for example, to Transcona-Springfield that has the potential of collecting only one dollar per pupil, and St. Boniface and River East that have the potential of collecting only slightly more than one assessment dollar per pupil.

We ask how can it possibly be justified that two divisions that have one-third of the children in the City of Winnipeg are to be given, by virtue of the new Education Support Program approximately two-thirds of the assessment of the City of Winnipeg?

Further, we also ask how can it be justified that the other eight urban divisions that have two-thirds of the children in the City of Winnipeg will have to exist on only one-third of the assessment in the City of Winnipeg?

Another inequity becomes obvious when one examines the spending pattern of the 10 individual school divisions as seen in Table 3, Calculation of 1981 Operating Budgets for Ten City of Winnipeg School Divisions, and Table 4, Operating Costs per Pupil for Ten City of Winnipeg School Divisions, 1980 and 1981.

Table 4 clearly shows differences in per-pupil spending, ranging in 1980 from 1,903 in Transcona-Springfield School Division to 2,333 in Fort Garry School Division and 2,612 in Winnipeg School Division No. 1. For 1981 Transcona-Springfield School Division still has the lowest operating cost per student at 2,326 with Winnipeg School Division No. 1 still being the highest at 3,058.

The abolition of sharing City of Winnipeg assessments for special levy purposes as proposed in the Minister of Education Support Program places Transcona and River East taxpayers in the position of paying the highest locally assessed education taxes in the City of Winnipeg despite Transcona being the lowest operating cost per pupil urban division, and River East being the fourth lowest.

The four school divisions, River East No. 9, Transcona-Springfield No. 12, St. Boniface No. 4 and St. Vital No. 6 have approximately 3,000 more students than Winnipeg No. 1. They run four complete bus systems from the rural municipality of St. Clements to the Brokenhead River 20 miles east of Anola, to the southern parishes of St. Vital, and they will operate their divisions in 1981 for approximately \$6 million less than Winnipeg School Division No. 1. These four divisions will be in financial trouble without sharing of urban assessment because they have, including all of their rural properties, only 440 millions of assessment compared to Winnipeg No. 1 which has 736 millions. Fort Garry No. 5 has almost twice the urban assessment that River East No. 9 has but River East has twice as many students as Fort Garry.

Winnipeg No. 1 has 40 percent of the assessment and requires only 34 percent of the special levy. Not only is there a denial of access for special levy purposes to the downtown complex for citizens of Winnipeg living outside Division No. 1 but there is actually a 6 percent overcompensation that penalizes the shopkeepers, wage-earners, working mothers and pensioners living outside Winnipeg School Division No. 1.

As an example, the small businessman on St. Anne's Road, St. Mary's Road, Marion, Provencher, Regent and Henderson Highway will be

overburdened by having to pay 75 mills towards the Education Support Program, his own division's special levy, additional special levy because he is not eligible to participate in downtown assessment plus the full municipal rate which includes retiring the debt of the City of Winnipeg including downtown storm sewers and the Winnipeg Square investment.

With 70 millions added by the Provincial Government general revenues, the assessment-rich division of Winnipeg No. 1 is able to lower its special levy by 29 million dollars and the assessment poor divisions River East No. 9, Transcona-Springfield No. 12, St. Boniface No. 4 and St. Vital No. 6 must increase their special levies by several millions.

If we look at the poor peoples spending for 1980, Table 4 and "Mill Rate If No Sharing" Table 5 an inverse relationship becomes evident where the higher per pupil spending divisions of Fort Garry No. 5, Norwood No. 8 and Winnipeg No. 1 have the lowest mill rates and the lowest spending division Transcona-Springfield No. 12 has the highest mill rate.

Table 6 shows the "1981 Budgets and Mill Rates for the City of Winnipeg School Divisions and Estimated Special Levy Costs Per Student". Again 1981 figures with 20 percent of budgets falling on City of Winnipeg School Division special levy show serious disparities if there is no sharing.

From Table 7 "Special Levy Per Pupil Spending in Metro Divisions and Corresponding Mill Rate for 1981" we can clearly see that the spending patterns of divisions for special levy purposes are for the most part maintained as in the past. Winnipeg No. 1 and Fort Garry No. 5 have the highest special levy cost per pupil at \$743 and \$697 respectively while Transcona-Springfield School Division No. 12 and St. Boniface School Division No. 4 have the lowest special levy cost per pupil at \$504 and \$500 respectively. Winnipeg No. 1 and Fort Garry No. 5 show higher special levy costs because they are spending more money per student than are either St. Boniface No. 4 or Transcona-Springfield No. 12.

In terms of ability to collect dollars from assessment, the inverse relationship again occurs with Winnipeg No. 1 and Fort Garry No. 5 needing only to collect 30.8 mills and 29.0 mills from taxpayers respectively, but Transcona-Springfield School Division No. 12 and St. Boniface No. 4 needing to collect 41 mills and 36.6 mills respectively. To collect \$743 per student in Winnipeg No. 1 the mills needed to raise those dollars is 30.8; by comparison in Transcona, to raise only \$504 per student, Transcona taxpayers are faced with a 41 mill rate increase over 1980]

Is this equal treatment for the same taxpayers who are all citizens of the City of Winnipeg? We cannot accept that such a discrepancy built into the Education Support Program will be supported by this government without change.

Winnipeg School Division No. 1 and Fort Garry School Division No. 5 can continue to spend from special levy, up to approximately 50 percent more dollars per student than St. Boniface No. 4, River East No. 9 or Transcona-Springfield School Division No. 12 and still have a mill rate of up to 12 mills less than the lowest spending divisions. How is this possible?

It is possible because the new Education Support Program is based on a false premise that those

assets of the City of Winnipeg that happen by the accident of geography to fall in Winnipeg School Division No. 1 or Fort Garry School Division No. 5 belong only to those divisions. These assets belong to all of the citizens of the City of Winnipeg.

How long can such inequities continue?

In the document of January 1981, Manitoba Education Support Program, the Minister of Education states "this new program will result in improved educational opportunities for the youth of this province". We believe that the Minister intended this in all sincerity to apply to all the children of Manitoba. We cannot believe that the Minister's intent was to promote this objective to the detriment of children in some divisions, in particular to the 34,000 children in four of the urban divisions.

That the Minister of Education recognized there would be disparities created amongst the urban divisions of the City of Winnipeg is seen in his statement: "For those parts of the City of Winnipeg which were assisted through the Greater Winnipeg Education Levy in 1980 the government will ensure that the tax rate for 1981 for the education support levy plus a special levy related to the eligible expenditures of the division will not increase by more than 5 mills on the taxable assessment of that part of the division situated in the City of Winnipeg."

Is this not recognition that disparity would be created by the removal of the Greater Winnipeg Education Levy and further is this not a commitment that the Minister would ensure that significant disparities would not occur. A disparity of 28.2 mills amongst the 10 urban divisions surely suggests some action must be taken to create a "much fairer and more equitable system"]

The Manitoba Education Support Program paper states that during the three years there would be a review and evaluation to determine a) the effectiveness of the program in reaching its objectives; and b) changes in amendments considered necessary in the light of changing conditions.

We suggest to this Committee and to the government that the evidence outlined in this presentation with respect to treatment of the 10 urban divisions with the proposed abolition of any sharing of the 20 percent of division's cost will indicate that the Minister's main objective is not being realized in the City of Winnipeg school divisions commencing in the first year of the program. It is further a matter of great urgency that the government be open to making immediate adjustments to correct the glaring inequities.

Winnipeg School Division No. 1 special spending problem was and is not a tax problem. We cannot accept that the only solution to the Winnipeg School Division No. 1 problem is to eliminate the unicity concept of sharing assessment for education special levy purposes among the 10 urban school divisions. There are four divisions that are immediate losers as soon as the program is in place and others will follow in succeeding years.

Transcona-Springfield School Division in all its briefs has agreed that Winnipeg School Division No. 1 needed some direct assistance from the government for those characteristics that were unique to that division. Removing the unicity sharing concept as proposed in the Education Support

Program, quite apart from its being improper and unfair in principle, solves Winnipeg's dollar problem but is creating survival problems for other divisions, urban divisions. Some falling by the wayside sooner than others and ultimately leading to the dissolution of the 10 locally autonomous school divisions.

Overcorrection has taken place. Fort Garry No. 5 — the third highest spending division for example which did not have the problems of Winnipeg No. 1, will experience a windfall.

A second example shows 41 percent of the balanced assessment in the City of Winnipeg lies in Winnipeg School Division No. 1 while 59 percent lies in the other nine school divisions. Because Winnipeg School Division No. 1 needs are covered by 34 percent of special levy, an overcompensation becomes evident. The suburbs have 59 percent of the balanced assessment to raise 66 percent of the special levy. The shopkeeper, wage-earner, working mothers and pensioner of the suburbs are subsidizing the downtown complex.

As well it is important to note, that of the four divisions that will be affected the most, Transcona-Springfield No. 12, St. Boniface No. 4, River East No. 9 and St. Vital No. 6, three of these divisions have a lower balanced assessment per pupil than the \$13,080 average of all the rural divisions excluding the City of Winnipeg.

An overview of Table 8 "1981 Budget and Impact for the 10 urban school divisions in the City of Winnipeg clearly shows the discrepancies amongst the divisions created by the proposed abolition of sharing.

The impact of the new Education Program without sharing has the following inequities created for neighbouring school divisions:

Example No. 1 - Fort Garry No. 5 with a decrease in 1981 of 10.1 mills over 1980

Compared to:	Shows Discrepancy of:
St. Vital	11.4 mills
St. Boniface	15.9 mills or 13.9 when they apply surplus to their budget
Transcona-Springfield	20.8 mills or 17.8 when we apply surplus to our budget
River East	21 mills

Example No. 2 — Winnipeg No. 1 with a decrease in 1981 of 17.5 mills over 1980

Compared to:	Shows Discrepancy of:
St. Vital	18.8 mills
St. Boniface	23.2 mills or 21.2
Transcona-Springfield	28.2 mills or 25.2
River East	28.6 mills

Add to these discrepancies the fact that River East, St. Boniface and Transcona-Springfield must raise two assessment dollars per pupil for every one assessment dollar per pupil raised in Fort Garry No. 5 and Winnipeg No. 1, the only conclusion that can be reached is that a severely unfair and inequitable situation exists which requires correction and amendment.

MRS. MARY ANDREE: My name is Mary Andree, I'm a Trustee on the Transcona-Springfield School Division Board and I was Chairman of the Board when The Unicity Act was incorporated.

My section of the brief to be read is the loss of local autonomy for the City of Winnipeg school divisions.

The Education Support Program has eliminated the Greater Winnipeg Education Levy and nothing has been proposed to reflect the concept of 10 school divisions sharing a common assessment base as citizens of the City of Winnipeg.

Students and their school division communities should not be penalized because the choice to administer education through 10 school division administrative units rather than one. If all the City of Winnipeg children were to become part of one school division, then the assessment and support dollars without question would be equalized totally. Do these same children not have the right to the assessment and support dollars of the City of Winnipeg as part of the 10 school divisions? Either way these children and their parents are still citizens of Winnipeg entitled to share fully in the assets of their city.

Further, the government if it approves this program with its serious economic disparities, will force urban divisions to give up their local autonomy so that they may participate in the assets that are rightly theirs and thus achieve dollar equity with their neighbouring school divisions. The 10 school divisions and their communities don't want one large school division but without some form of equalization the only other alternative is amalgamation.

The government's stated position is that it wants to preserve local autonomy. What the Education Support Program will do is mitigate against this goal.

It is not the division's intent to promote a return to the Greater Winnipeg Education Levy as it was but rather to have this Committee and the government recognize that the concept of sharing continues to be not only valid but also vital to the continued existence of 10 locally autonomous school divisions within the City of Winnipeg.

Transcona is not the only school division that shares concerns relative to the proposed abolition of sharing assessment in the City of Winnipeg and its implications for the future. Transcona-Springfield's position on the new Education Support Program is shared and supported fully by St. Boniface School Division No. 4, St. Vital School Division No. 6 and the River East School Division No. 9 — four of the 10 urban school divisions representing 34 percent or 34,704 children of Winnipeg. Letters of support from these school divisions follow and I will read them so they will be in the record, Mr. Chairman.

This one is to the Honourable Keith Cosens, Minister of Education, Department of Education, and it's Dear Mr. Cosens: St. Vital School Division No. 6 asks that the Educational Support Program be modified to provide greater equalization of educational taxation across Winnipeg. The loss of the Greater Winnipeg Equalization means that Winnipeg divisions with low assessment relative to the student enrolment will have a higher special levy to provide the same level of services as richer neighbouring divisions. This condition can only worsen with time.

School divisions are now finalizing their 1981 budgets and a comparison of mill rates across the city will soon be available. We believe it will show dramatic differences between divisions. Most of the inequities will be a result of the design of the Educational Support Program and its application and the loss of the Greater Winnipeg Equalization rather than major differences in the levels of service being provided.

The St. Vital School Division is, by a decision of the Provincial Government, locked into a form of civic government which prevents it from independently improving its tax base by the addition of industry and business. As a result of this year's changes, we no longer receive a fair share of the revenue these institutions provide in concentrated areas of Metro Winnipeg.

In 1981, St. Vital School Division must increase its special levy by a modest amount while more favoured divisions can decrease theirs. In future years, without even the promise of the illusive 5-mill maximum increase, our financial future is worrisome.

We acknowledge: improvements in the generally increased level of funding, the respect shown for local autonomy and improved categorical grants in certain areas.

The concerns we have expressed are shared by a number of Winnipeg divisions. We ask that your department work with us to remove the dangerous inequities of the Education Support Program so that it may achieve the worthy objectives implicit in its design." That is signed by Roger Collet, Chairman of the Board of Trustees.

The next letter is from the River East School Division No. 9. It was written to Todd Baraniuk and it says: "Dear Mr. Baraniuk, The Board of Trustees, at their meeting held on March 11th, 1981, received the report on the meeting which was held at your school board offices on March 9th and as a result passed the following motion: That this Board go on record as supporting the government's Education Support Program which provides a broader base for up to 80 percent of provincial financing for education; and support the position of the Transcona-Springfield School Division to retain the concept of sharing amongst the 10 Metro school divisions for special levy purposes." The document is signed E.F. Solomchuk, Secretary-Treasurer.

The next letter from St. Boniface School Division was written to the Board of Trustees, Transcona-Springfield School Board. "Dear Sir: The Board of Trustees, at a meeting held last night, unanimously adopted the following motion: That we strongly endorse the concept of sharing amongst divisions the assessment for education levy purposes and that we fully support the Transcona-Springfield School Division No. 12 in its efforts to bring about the concrete realization of equality in education financing. Our Board wishes to commend you for your initiative and well orchestrated and documented approach in seeking redress to this inequity." And it's signed by Jim Garwood, Chairman of the Board of Trustees, St. Boniface.

The Education Support Program guarantees inequality of children. The Education Support Program does not recognize that children are children wherever they may live and this program guarantees from Day One is unequal application of dollars to students.

The Minister of Education has stated that it is the divisions' responsibility if they wish to spend more or less on their students, but that he is equalizing dollars over the province.

How can this program be said to equalize and share dollars across the province when the premise on which the program is based is discriminatory? Are members of the Committee aware that what the

Education Support Program in essence is saying is that in terms of allocating dollars a student in Fort Garry is worth far more than a student in Transcona or in Duck Mountain and, further, that this program ensures these disparities will widen?

1980 was the "magical" year according to the Education Support Program formula and arbitrarily it is on this one year of spending that the next three years of the funding program was built. Nothing has been said by the Minister of Education and his government to refute the fact that the high spending divisions in 1980 will receive the most money per student from the program and the low spending divisions will receive far less per student. Because of the 1980 base does not change, this inequality of dollars for students will continue over the three years.

The government's Education Support Program in its first year and for the three-year program bonuses higher spending divisions while penalizing the lower spending divisions.

Government funding over the next three years is based not on a common dollar base that recognizes students are students regardless of the division they are in, but rather on each division's 1980 operating expenditures. Such an inequitable approach ensures that the 1980 (?) high spending divisions of Fort Garry, Winnipeg and Norwood will continue over the next three years to be bonused and the lower spending divisions of St. Boniface, River East, Transcona-Springfield continue to be penalized and depressed.

This funding approach, as well, does not recognize some divisions may be in varying stages of programs or building development.

Our information is that there are a number of rural divisions as well being penalized by this approach. Those divisions who have been holding the line with reasonable budgets, not a new concept incidentally, are being penalized. Those divisions who have been high spenders will receive moneys to enable them to continue to be high spenders. The low-spending divisions are being penalized twice: firstly, because their grant is lower by virtue of their 1980 operating budget and, secondly, because they have to cut already meagre programming to stay within a reasonable local special levy tax base.

To summarize, those who already have, are recognized as needing much more; those who don't have, get much less. So much for a "much fairer and more equitable system". A quote by the Minister of Education, 1981.

Further, the government's Support Program Bonuses Divisions which have declined and will decline significantly in student enrolment while penalizing those divisions in various stages of program or student growth.

Divisions who have lost students will continue to receive fully, funding from them, as if the students were still there. As an example, St. James, which projects it will lose approximately 1,000 students in each year of the Support Program will receive full operating grants for these students as if they were in attendance at school. On the other hand, divisions which have embarked on a new student program and hired teachers to staff the programs may not be recognized for funding for up to 13 months.

As an example, the four vocational programs begun in Transcona-Springfield in September, 1980,

and February of 1981 which will increase in staff and student numbers over the next two years are not fully recognized financially for varying periods of four to 13 months in 1981, 1982 and 1983 budgets. The special levy impact on Transcona, a direct result of arbitrary removal of the Winnipeg sharing for educational purposes, not a reflection of Transcona-Springfield School Division No. 12 spending. Table 9 clearly illustrates the 1981 mill rate increase or decrease over the 1980 budget for 10 of the City of Winnipeg School Divisions and I think you'll find them very interesting.

To suggest that 16.2 percent increase in Transcona-Springfield's budget is the reason why the division is encountering a high special levy position of 10.8 mills or 7.8 with \$300,000 surplus dollars added, is unfounded. The examples below show clearly the Seven Oaks budget is increasing by 18.3 percent. Their special levy is being reduced by 3.2 mills. St. Vital budget is increasing by 13.6; their special levy is increasing by only 1.3 mills. Assiniboia South's budget is increasing by 11.7 percent; their special levy is being reduced by 8.3 mills.

The discrepancies among the 10 urban divisions' special levies clearly are a direct result of the lack of sharing formula to distribute the City of Winnipeg assessment dollars equitably.

Three divisions in Table 9 now show approximately the same percentage budget increase: Winnipeg No. 1 at 10.8 percent, St. Boniface No. 4, 10.5 percent and Fort Garry No. 5 at 10.6 percent. Yet the effects on the taxpayers of those divisions who are all citizens of the same city will be drastically different. Winnipeg No. 1 is able to drop its mill rate by 17.5 mills, Fort Garry No. 5 by 10.1 mills and St. Vital No. 6 increases by 1.3 mills.

Another example from Table 9 is seen with Norwood No. 8 and River East No. 9 by showing exactly the same increase in budget, i.e. 13.1 percent. Yet Norwood is able to decrease its mill rate in 1981 by 6.1 percent and River East must increase by 11.2 mills, a difference for taxpayers in the same City of Winnipeg of 17.3 mills.

The difference in treatment of taxpayers in the above divisions is directly attributable to the divisions' ability to collect dollars from the assessment base that happens to fall within its school division's boundaries. The Education Support Program formula does not give funds against a division's gross budget. Government funding relates to operating budgets only and excludes capital out of revenue and debt servicing.

Gross budget expenditures which the Minister chose to use in the House to show Transcona a big spender are totally inappropriate to use as a per-pupil operating expenditure comparison.

Debt servicing in Transcona-Springfield School Division No. 12 for 1981 represents \$1,978,178 of the gross budget of \$21,571,475. The \$1,978,178 is amortized over 20 years and is assumed by the government and thus has absolutely no bearing on a per-pupil cost comparison or special levy. For the Minister of Education to ignore this fact in his attempt to defend his Education Support Program against Transcona-Springfield School Division is reprehensible.

The only legitimate comparison of per-pupil cost is to use the operating costs of a division, Table 4, as

in fact the Minister of Education has done in his own Education Support Program.

Further, it is totally unrealistic to focus on Transcona-Springfield's 16.2 percent increase in budget and compare it to other divisions' percent increase in spending in this year or to say that the division could have maintained that magical 10.7 percent C.P.I. increase.

How can our division be criticized for an increase of 16.2 percent when it has still the highest per-pupil ratio of all the urban divisions; when its teaching and clerical staff were before 1980, the lowest paid of all the urban divisions; when the cost of four new vocational programs and five new Industrial Arts-Home Economics Programs are approved by the Department of Education is included fully for the first time in the 1981 budget; when the budget is reflecting the fact of three new major school additions and finally, when Transcona-Springfield will still in 1981 be the lowest in operating costs per pupil of all urban divisions, Table 4, and lower than the provincial composite?

The Transcona-Springfield School Division and its Winnipeg citizens are not asking for a hand-out. They are prepared to pay their legitimate share of educational dollars just as they are presently paying equally for all the other Winnipeg citizens for the expenses incurred by the City of Winnipeg.

MR. JIM ILCHYSHYN: Jim Ilchyshyn, Mr. Chairman. I should like to summarize our presentation. In summary, we restate our key points. (1) Unicity in 1971 was built on a commitment that there would be partial sharing amongst the 10 school divisions of the City of Winnipeg for education special levy purposes. (2) Non-sharing in the urban area as proposed by the new Education Support Program is a breach of trust and commitment and will have the effect of dissolving the City of Winnipeg for education purposes. (3) The division has no argument with increased sharing across the province of up to 80 percent. The issue is how the remaining 20 percent is to be raised from special levy by the 10 sister school divisions that form the family of the City of Winnipeg. (4) All citizens of Winnipeg, regardless of which school division administers the needs of its students pay the bills of the City of Winnipeg. They are thus entitled to participate for educational purposes in its assets. (5) It is clear that 10 school divisions cannot co-exist within a single municipal corporation if by the accident of geography they inherit disproportionate assessments relative to the number of students they serve. (6) A disparity of 28.2 mills amongst the 10 urban school divisions in the first year of the Education Support Program indicates a severely unfair, inequitable and urgent situation which needs amendment and correction by this government. (7) Transcona-Springfield's position in the new Education Support Program is shared and supported fully by River East No. 9, St. Vital No. 6 and St. Boniface No. 4, four of the 10 urban school divisions representing 34 percent or 34,704 children and 165,000 people.

No. 8, the Education Support Program does not recognize our children wherever they may be. What this program guarantees from Day 1 is inequality application of dollars to students.

9 - the government's Education Support Program in its first year and for the three-year program

bonuses higher spending divisions while penalizing the lower spending divisions.

10 - the government's Education Support Program bonuses divisions which have declined and will decline significantly in student enrolment while penalizing those divisions in various stages of program or student growth.

11 - the difference in treatment of taxpayers in the 10 urban divisions is directly attributable to each division's ability to collect dollars from the assessment base that happens to fall within his school division boundaries.

In conclusion, Mr. Chairman, the Transcona-Springfield School Division respectfully requests that the Privileges and Election's Committee to recommend that a royal commission on local government finance be established similar to the Mitchener Commission established by the Roblin government in the early 60s.

We feel there is a need to establish and independent commission because of the severe dislocations stemming from the Education Support Program legislation. Further, there is a need for broader terms of reference that will embrace the whole question of local government finance and, Mr. Chairman, I would like to thank the Committee for taking the time to hear us and I would like to state that it is not our intention to attempt to embarrass the government or any one person. We are simply, feel fighting for our lives and we want that the facts be known. Thank you.

MR. CHAIRMAN: Thank you, Mr. Ilchyshyn. Will you receive any questions from members?

MR. ILCHYSHYN: Yes, I will or I will redirect them.

MR. CHAIRMAN: The Member from Elmwood.

MR. RUSSELL DOERN: Mr. Chairman, I want to congratulate the members of Transcona-Springfield for spending a great deal of time and energy and demonstrating a considerable ability and intelligence in regard to this whole key question. I think this is an excellent example of democracy in action and also some valuable feedback to the Minister and of course once we're finished hearing submissions then we will put some of these questions to the Minister to see what his response is. I wanted to ask several questions that have arisen out of the brief. I mean it's a fairly scathing condemnation of the new Educational Support Program.

I guess the first question I want to ask of Transcona-Springfield concerns the suggestion, I suppose, that the government will wait a period of three years during which time they will review and evaluate or as they are inclined to say monitor the situation. My first question is: Is Transcona-Springfield uneasy about the prospect of waiting three years to allow this program to take hold or to gel or develop? Is your position that the changes must be made immediately? Some must be made immediately while others can wait. Is that your position?

MR. ILCHYSHYN: Yes, I think that we are uneasy about waiting in that we happen to be a division that was given permission to build and as you know that when you build programs there is an expense

involved. Now, we can't stop building because we are in the process of it. The programs have been implemented and in other instances we require the space so that we have to have dollars. Now, what it means is that we have to reallocate dollars in order to cover costs which would perhaps be covered by the province if the dollars had been reallocated differently. If we had received a higher share of the budget.

MR. DOERN: Supposing the present system is implemented as is and three years go by. What will the effect be on your division? Will it be burden some taxes, layoffs, cut-backs, I mean, where will you be in 1984 if this position is frozen and three years pass?

MR. ILCHYSHYN: I think what will happen is that our mill rate will escalate to the point where people will complain very bitterly and in many cases will not afford to meet their tax commitments. We can't layoff because we're not in a true declining enrolment situation. We are relatively speaking holding the line. So, we are not one of the divisions that's rapidly declining but we have programs which have been started and these programs either have to be shut down, which of course is a waste in terms of dollars and in terms of human resources so that I think what would happen is we would probably try to collect enough dollars and I think the response from the public would be very unfavourable and in many cases disastrous.

MR. DOERN: You say in one part of your brief, you talk I guess about amalgamation, at least in a couple of spots that I noted and you say on Page 5 in the middle that the effect of the new program will be to create 10 islands of assets for Education Special Levy purposes and then you say later on, on Page 24, that unless there is some form of equalization the alternative is amalgamation and I assume that you look with some concern on either extreme the present whereby you don't have sufficient funding and the drastic alternative to the present system which is total amalgamation. I assume that you want something that's sort of right up the middle.

MR. ILCHYSHYN: Yes, I think this clause is often misinterpreted as saying that we are suggesting amalgamation. Well, that could not be further from the truth. What we are saying is that if the process continues that one by one divisions will probably be put out of business and what will happen is that amalgamation will take place because these divisions cannot function individually. So we certainly are not proposing it and we certainly hope that it does not happen. I guess one of the other concerns is that if amalgamation is to happen, I certainly hope that it is by design of the government and not by accident.

MR. DOERN: So that although the Minister apparently talked about autonomy and that perhaps the new program would in fact result in autonomy, you're saying that the new program will result in the exact opposite, the loss of autonomy and that the logic of this program will ultimately lead to total amalgamation.

MR. ILCHYSHYN: That's how we see it, sir, yes.

MR. DOERN: That's the last thing that you want.

MR. ILCHYSHYN: That's correct.

MR. DOERN: You don't just want money, you want independence and you want autonomy as well as adequate funding.

MR. ILCHYSHYN: I think in a day and age where we have recognized the individual as being a human being and schools have gone upon a path of individualization, trying to deal with the individual problems of students, that has to be done at the local level. That cannot be done by amalgamation.

MR. DOERN: So it's nice to have that sort of suggestion that you do have autonomy. The problem is you don't have the dollars.

MR. ILCHYSHYN: That's correct.

MR. DOERN: And again, a central part of your brief is the fact that you're not talking about the 80 percent, you're talking about the 20 percent of divisions' budgets, and that's the part that you think should be fairly shared within the boundaries of the City of Winnipeg.

MR. ILCHYSHYN: Yes, we are very happy with the 80 percent. We would be very happy if it went higher. But we are concerned with the 20 percent that has to be made up, because that 20 percent represents a fair number of dollars.

MR. DOERN: Again on Page 18 towards the bottom, you indicate that in my words it seems to me you are arguing that what is happening — you say this several times in your brief — that the homeowner or the property owner and I guess indirectly the apartment dweller under this program is in effect, what? — subsidizing the downtown or subsidizing the commercial industrial portions of the City of Winnipeg?

MR. ILCHYSHYN: Yes, that's exactly what we're saying. According to the unicity concept it was a two-way sharing. One, all of the people of Winnipeg paid for development of the city and in return for that there was a sharing for educational purposes. Now that the sharing has been eliminated, it's a one-way street in that we are paying, but we are not sharing.

MR. DOERN: Given the kind of thinking that has gone into this brief and the support that you have from other divisions — you call for example the Education Support Program in different places, on Page 21 you say that it's improper and unfair, it'll create survival problems. At the beginning on Pages 1 and 2 you talk about loss of local autonomy, you talk about an unsound approach, broken promises, impoverishment of divisions and so on, inequality of treatment — I mean it's a pretty scathing indictment. Are you saying that the present system is preferable in fact to this newly proposed system? Or are there any parts in it that you think may be fair? But it strikes me that Transcona's position may be that you'd rather not have this implemented at all if it's going to be done as outlined by the Minister.

MR. ILCHYSHYN: We certainly were better off than we are now. But I think that it would be totally ridiculous of me or of Transcona to make a proposal of what should be. The question is a large question and if I had any criticism at all, I guess it would be that there probably were not enough people involved in the processing of the entire question, and I think that's why we would like to see a commission. As far as it being scathing, you must remember that we spotted this concept coming back in 1977; we've been here since 1977; so that we are obviously making our last stand. I think it's only fair that if we're fighting for our life for the last time that we tell it as it is. As I pointed out earlier, the intention is not to embarrass either the government or any person, but to simply put the facts on the table so that all of you see them as they are.

MR. DOERN: Thank you very much.

MR. CHAIRMAN: The Member for Rossmere.

MR. VIC SCHROEDER: Thank you, Mr. Chairman. Mr. Ilchyshyn, as the Member for Elmwood has indicated, we have been quite impressed with the amount of preparation and time that has gone into your brief and we've heard frequently from Transcona in the past several months.

I'm just wondering, although there's a sharp increase in education taxes in Transcona for 1981, whether you could tell us what the increase would have been had there been no new program, had this 70 million extra not been in and had the new program not come in, had you operated under the old Greater Winnipeg Education Levy with a regular type of increase, an inflation type of increase from the provincial government?

MR. ILCHYSHYN: I know it would have been down, sir, but the figures I don't have.

MR. SCHROEDER: I was told by the River East people that for instance in River East, where the mill rate went up by some 11 approximately, it would have only gone up by half as much had the old unimproved system been in effect. So that taxpayers in Transcona, or at least in River East, wind up paying proportionately for the 70 million extra which the province has put in because it comes from taxpayers in other ways. On top of that, their increase in taxes for 1981 was doubled over what it would have been had the new system not been in effect. That seems to me not to be a very satisfactory position.

I'm also wondering what you perceive as happening, assuming no change in legislation after the three-year period. That is, for three years there will be a certain amount of payback to Transcona under Section 185 of the Act. What do you perceive as happening in the year 1984?

MR. ILCHYSHYN: Of course, legislation can be changed at that time, but let's say that we continue along the path that we are now. There in all likelihood will be increasing disparities in other divisions. You see, it took some divisions a long time to realize what we've known for some time now, and some of them were surprised at the very last minute when they did the calculation. Our guesses were

better than some of their final calculations. What will happen, I think that each year you will have more divisions on the bandwagon, because it has to affect everybody except those who have an excess of dollars.

MR. SCHROEDER: Have you done a calculation as to how much Transcona-Springfield has saved as a result of the sharing provision for the year 1981? That is, there's that three-year sharing provision, what would your taxes have been under the new system had you not received a certain amount of revenue sharing under Section 185?

MR. ILCHYSHYN: Could you restate the question? I'm a little unclear on the sharing.

MR. SCHROEDER: Yes, under the new system you receive something like a little better than 10 percent — I'm sorry, I'll start that over again. Under the new system, certain Winnipeg school divisions do receive an extra support. It's a special grant; it's referred to as a special grant under Section 190.

MR. ILCHYSHYN: I think that has been eliminated, sir.

MR. SCHROEDER: Yes?

MR. ILCHYSHYN: I say, I think that has been eliminated.

MR. SCHROEDER: The proposed new Bill 56, Section 190, deals with special information for the city and refers to Transcona-Springfield as being one of eight school divisions which are eligible school divisions for a certain mill rate reduction for a three-year period of time. There's a formula in it under which there will be a mill rate reduction for the years 1981-82-83. I'm just wondering how much that mill rate reduction actually was for the year 1981.

MR. ILCHYSHYN: I think I understand what you're talking about now. That formula, because of the way it was based on the year 1980, if I'm not mistaken I think only one division — (Interjection)— no one was eligible for that reduction.

MR. SCHROEDER: Nobody got a reduction under this formula?

MR. ILCHYSHYN: Seine River.

MR. SCHROEDER: Seine River, I see. It was a very well-done formula. There's a reference to a 6 percent on I believe Page 21 of the brief and on Page 15 and 16 — at the bottom of Page 15 — but there is actually a 6 percent overcompensation that penalizes the shopkeepers, wage earners, working mothers and pensioners living outside Winnipeg School Division No. 1. What are you talking about? What is this 6 percent? You again refer to it in a slightly different fashion on Page . . .

MR. ILCHYSHYN: It simply has to do with the number of dollars that Winnipeg and Fort Garry can raise, which puts us in a position of having to raise additional dollars because we have not, first of all, received from equalization and, secondly, because of

the large amount of money they can raise from their industry.

MR. SCHROEDER: In view of the fact that the formula proposed in Bill 56 refers to eligible expenditures as being based on 1980 expenditures, how do you perceive the possibility of your school division initiating new programs under this formula?

MR. ILCHYSHYN: We certainly are penalized by choosing one year. Personally, I can't understand how you can pick a single year in the education business when it takes you up to six years to build a school. The concept of choosing a year in itself I think is economically unsound in that you could simply — you know, why wasn't it '76, why wasn't it '56, why wasn't it '79? In other words, one year does not determine a trend and when you look at a school division, a school division gets locked into a series of events which take place because they have been allowed to do something. If you've been allowed to build a school, you're looking not only at the building, you're looking at staffing and we're facing continually more and more items that are not covered under capital which we have to pay for from local levy. So I think you have to look at more than one year. We certainly are penalized.

MR. SCHROEDER: Has this new formula in any way made any difference to your Board in considering new programs, for instance, language immersion programs or industrial arts programs or that type of thing in relation to the formula which refers to the base of eligible expenditures as being those which were expended in the year 1980?

MR. ILCHYSHYN: They certainly now have to be minimal and some of course that are started, they have to be continued but at a much lesser level. I think that what really happens is that most programs have to continue, but the funding of course comes from local levy. You can't afford to leave half-a-million dollars worth of space sitting there. You know, there's an economics in space too and students.

MR. SCHROEDER: I notice from your table, sir, that Fort Garry and Winnipeg No. 1 are two divisions which have among the lowest rates of increases in expenditures for the year 1981, although they are obviously the divisions which have the least difficulty in raising the funds. Do you have any comments about why it is that those divisions which have been, you might say, granted a bonus are the very divisions which are increasing their expenditures by the least amount?

MR. ILCHYSHYN: I think that flows naturally for two reasons: one, both of them have well-established programs, programs that have been around for a while so that they're not building. We're caught in the process of building. The other, they have declining enrolment. Some of them are receiving money for at least 1,000 or more students which they don't have, so they have been given dollars and they have to spend it on. If you look at it from that aspect, of course, you don't have to increase your mill rate. I guess one of the comments that I heard was, let's kick in a million dollars for extras, and

when Winnipeg's budget was struck, it was actually \$4 million higher. I don't know why, but they had the liberty to do that because their mill rate went down considerably.

MR. SCHROEDER: Thank you.

MR. CHAIRMAN: The Member for Inkster.

MR. SIDNEY GREEN: Earlier in your remarks you said that you're quite satisfied with the 80 percent, that you would be happier if it was higher. How high would you like to see it go?

MR. ILCHYSHYN: Of course, I guess if there was 100-percent funding that would be ideal, but I really am not prepared to make that comment. I think that it takes much more intelligence than we can pool together or information to come up with a formula or a number on something like that. I think the question is very broad and I think that's the reason we chose the route of the commission.

MR. GREEN: But you did say that 100 percent would be ideal.

MR. ILCHYSHYN: Certainly.

MR. GREEN: So 100 percent — if I took all of your arguments to what I think would be a logical conclusion, not merely with respect to the City of Winnipeg School Division No. 1 and the suburbs, the other school divisions located within the geographical area, but if I took every one of those arguments about how a school division or a student shouldn't be penalized by the existence of industrial revenue, etc., it seems to me that if I follow that logically that 100 percent would provide the same type of thing provincially as you are saying should be provided within Greater Winnipeg.

MR. ILCHYSHYN: Yes, I guess when I say 100 percent, I say that in a sense with tongue-in-cheek in that I think that school divisions still have to have accountability. If you could fund 100 percent and retain accountability somehow, fine, but I'm not sure that you could, so that perhaps there has to be a percentage retained which provides accountability. I think accountability is very important.

MR. GREEN: Do you think accountability could be measured in terms of the quality of the program that is offered and that I would be voting or not voting for my trustee, not because of what happened to a mill rate, but because the trustees didn't provide quality education for the money that they were spending? Isn't that accountability?

MR. ILCHYSHYN: It is, and I wish that were the case, but we know that there are still too many acclamations to . . .

MR. GREEN: So then accountability isn't seriously enough considered at the present time, even though you're raising and lowering taxes.

MR. ILCHYSHYN: I guess not.

MR. GREEN: So, if we had another measure of accountability, mainly whether our school division —

let's assume that I'm part of yours for the moment and I'm saying ours — wasn't able to provide, let us say, quality musical instruction, whereas next door with the same amount of money per student, they are able to do that. Don't you think that would generate more interest in whether my trustees are doing a good job or not and whether I should get rid of them or not?

MR. ILCHYSHYN: I guess after you reach a certain point that does happen, but unfortunately people have to be pushed it seems fairly far before they will respond.

MR. GREEN: But I am asking you, because I followed your brief, I must say that I agree with the major part of it, but I'm now looking beyond this particular problem because what you say is true of Winnipeg, it would also be true of other areas in the Province of Manitoba. You said that 100 percent would be ideal and you're worried about accountability. I'm asking, suppose there was a system of funding which provincially could provide to each school division the amount of money that school division is going to spend, and it was 100 percent of the cost of operating a school division and dealt with all the non-controllables which would be different in different areas, depending on transportation and other things, but nevertheless that could be calculated — you know, the computers can figure those things out these days — and that the school board wasn't talking then about how much they were going to spend but how they were going to best spend it. The autonomy question would be there in terms of how that money was spent, and the accountability would be there because people would be able to see that trustees in another area apparently have been able to do it, whereas our trustees have not been able to and they would have much more interest in seeing that there wasn't acclamation.

MR. ILCHYSHYN: Well, I guess what you're talking about is the true democratic process and somehow I think, being people, we fall short of that. Perhaps that would be the limitation on such a program.

MR. GREEN: So the only objection that you're making to what I have to say is that we can't reach perfection.

MR. ILCHYSHYN: I guess so, sir.

MR. GREEN: But despite the fact that we cannot reach perfection — and I'm totally in agreement with you that we can't — should we try to be as good as we can?

MR. ILCHYSHYN: I think we can do better than what we're doing right now. I certainly would be happy to settle for somewhere in between in the meantime.

MR. GREEN: But what you do agree with, sir, and because you have had it brought starkly to your attention by what has been a new program, what you do agree is that people should not be penalized insofar as their children's educations are concerned by the accident of industrial revenue, by the accident

of assessment, by the accident of geography, and that all of those potential penalties are there at the present time because of that part of the school division budget which has to be financed at the local level.

MR. ILCHYSHYN: I think accident is perhaps the wrong choice of words because it's not an accident, it's the concept of Unicity. I guess that's why we keep harping on this Unicity and people wonder, why don't we leave this thing alone. What we call the accident of geography has really been put there by design of Unicity because they recognize that certain areas are better suited for industry than others. We have no quarrel with that.

MR. GREEN: When I say accident, I really don't mean that it happened by a freak of nature. But a child may live by complete accident — circumstances — in the dormitory constituency — it's not even that dormitory; if Transcona I suppose, could get industrial taxation from the CNR, that would maybe have Winnipeg screaming, we want to share part of that. But the fact is that a person should not be penalized — and that goes for residents of the City of Winnipeg, by the way, because a person resident in the City of Winnipeg, the chances are if he has children or grandchildren, they're likely going to grow up in Transcona or St. Vital or St. Boniface. We don't know where they're going to grow up and what you're saying is that their educational opportunities shouldn't be handicapped by virtue of that residence.

MR. ILCHYSHYN: Okay, I accept that definition of accident, yes.

MR. CHAIRMAN: The Member for Transcona.

MR. WILSON PARASIUK: Mr. Ilchyshyn, the brief that you've presented today has presented today has impressed many members of this Committee. It wasn't a surprise to me. The Transcona School Division has been presenting very substantive, detailed briefs over the last four years, especially over the last two years when The Public Schools Act changes were introduced. Indeed, you presented a detailed brief to the Minister, I believe, in I think it was March of this year, two months ago. Have you received a detailed, point-by-point response from the Minister on your brief which you presented two months ago to him, which indeed contained many of the points you have in this document presented to us today?

MR. ILCHYSHYN: No response, sir.

MR. PARASIUK: No response at all. Okay. Now, as I say, you've made your concerns known over the last four years and over the last two years I know the Minister introduced changes to The Public Schools Act, proposed changes. You presented a brief. The Minister was going to hold this off to an intersessional committee. Again, Transcona-Springfield School Division came in and presented detailed briefs raising many of the concerns you have raised today, raising many of the concerns you raised in your March brief to the Minister.

Did you ever receive detailed, point-by-point acknowledgement and responses to those very

detailed and substantive briefs which you have presented through the democratic process to this Legislative Committee, or other Legislative Committees dealing with proposed changes to The Public Schools Act, dealing with possible changes to education financing, pointing out possible damaging impacts that might be felt by Transcona and other school divisions if certain courses of action were followed? Did you ever receive detailed, point-by-point acknowledgements and responses from the Minister in that respect?

MR. ILCHYSHYN: No, we haven't.

MR. PARASIUK: I raise this because in the Legislature, Mr. Ilchyshyn — I think you've been receiving copies of Hansard and you probably are aware of it, but I'd like to bring it up — the Minister has said there has been an ongoing process of consultation with school divisions, leaving the impression that somehow the school divisions shouldn't have anything to complain about because they've been involved in the process. Now, this Education Funding Program that we're talking about was really developed between last September and last December, 1980; then it was announced in January, 1981. So we're really talking about September, October, November, and December. From the history of your experiences to date, you've been probably in the forefront of school divisions within Manitoba in terms of expressing concern, in terms of coming forward before the Legislative Committee, in terms of submitting briefs to Ministers.

Were you consulted? Did you have any idea of how this program would impact upon you negatively in that critical four-month period between September and December of 1980 when this program was being developed by the department?

MR. ILCHYSHYN: Well, no. We of course were not consulted and we really didn't know until the end of January how it was going to affect our budget. Of course, we submit our budget before we break for the Christmas break, so that our budget was in well in advance before we got to know that information.

MR. PARASIUK: So despite having participated, putting forward substantive presentations for four years, especially over the last two years, trying to make the Minister aware of negative impacts of possible changes — because every once in a while people had been talking about possibly abolishing the Greater Winnipeg Education Levy, especially School Division No. 1. Winnipeg School Division every once in a while said the way in which their problems would be resolved would be by abolishing the Greater Winnipeg Education Levy — despite presenting very substantive, detailed briefs on this issue, you have never received any acknowledgements, you have never received any detailed responses to the points you put forward. So that at the end of January, 1981, when the Minister announced his program and you had a chance to look at how it might impact negatively, I guess you had two feelings: one, this is like a nightmare coming true, because you had raised this before; and secondly, you obviously were hit with a tremendous bombshell at that time.

Do you feel there's been a fair process of consultation to take into account special

circumstances and negative impact which you have predicted consistently, I believe, for the last four years?

MR. ILCHYSHYN: I don't know if we're entitled to the consultation, but there was none, so we have not had the opportunity to take part in it. That's why we always are the ones that take the initiative to present the brief.

MR. PARASIUK: I thank you for taking the initiative again. I think you've provided us with detailed, substantive material and I think it's important for you to realize that the Minister has indicated in the House to Members of the Legislature, and I think to the public, that in his estimation there was a process of consultation. I thank you for your answers which indicate that from your perspective, you have received no detailed, substantive communication from the Minister on the very detailed briefs that you've provided. Thank you.

MR. CHAIRMAN: The Minister of Education.

HON. KEITH A. COSENS (Gimli): Mr. Chairman, through you to Mr. Ilchyshyn. And of course I merely want to state at this time that we have met with Mr. Ilchyshyn and his Board and have had that type of consultation on several occasions and I've received briefs from his Board. I just wanted to emphasize, Mr. Ilchyshyn, that in fact under this new program, I believe it's correct that the increase in funding to your school division went from 10.1 million in 1980 to 16.9 million under the new plan, an increase of about 6.8 million.

MR. ILCHYSHYN: That's right.

MR. COSENS: Which is an increase of something in the neighbourhood of 67 percent.

MR. ILCHYSHYN: That's correct.

MR. COSENS: Which is, I think, in anyone's viewpoint rather significant. You also mentioned in the brief — and I don't have the page number in front of me — that you have the lowest operating costs per student of any division in the Metro area. Our figures do not confirm that.

MR. ILCHYSHYN: I think, Mr. Minister, that we, upon examining that, found that you were using the capital costs, I believe, and we were talking about operating costs. I think that's where the difference comes in.

MR. COSENS: I don't believe, Mr. Chairman, again to Mr. Ilchyshyn, that even under operating costs, that statement is still correct. However, I also wanted to react to a couple of other statements; the fact that if the old plan had remained in force, what would have been Transcona-Springfield's position? If that had remained in force and the grant increases had been the same as in 1980, if the former grant program and the Greater Winnipeg equalization had been retained, our figures illustrate that the mill rate would have been about 81.3 mills in Transcona on the particular budget that you submitted this year, which is more than the 77.5 mills that in fact were

struck for your division. So the statement that you would have been better under the old plan is debatable and certainly not supportable in the face of those figures.

MR. ILCHYSHYN: I guess, Mr. Minister, we're not arguing about the 80 percent, but rather with the 20 percent which has to be collected by local levy.

MR. COSENS: Again, Mr. Chairman, through you to Mr. Ilchyshyn. You mentioned the disparity that exists under the Educational Support Program between the highest and lowest mill rates in divisions in the urban area, and I think you correctly stated it was something like 28.2 mills, the disparity that exists. The disparity that existed in 1980 was some 40 mills. Would you not view this as some improvement?

MR. ILCHYSHYN: Yes, we certainly do. But what we've been saying right along is that Winnipeg had a special problem which should be dealt with.

MR. COSENS: Again, Mr. Chairman, to Mr. Ilchyshyn. I think you also must accept that we do have an equalization program in position that now covers the whole province. This commercial base that exists in other portions of the city is being shared by all portions under that provincial equalization.

MR. ILCHYSHYN: That's the 80 percent, sir, that you're talking about, which has always been in existence and which has been increased and we certainly have no argument with that. It's the 20 percent.

MR. COSENS: I was, I must say, Mr. Chairman, a bit surprised to hear Mr. Ilchyshyn would like 100 percent funding. This is not consistent with the position of the Manitoba Association of School Trustees, who have always maintained in any submissions or consultations that we've had with them that in order to retain local autonomy, it was desirable that school divisions retain a certain percentage responsibility in the funding of their educational costs.

MR. ILCHYSHYN: Yes, I think I qualified that.

MR. COSENS: Thank you, Mr. Chairman; thank you, Mr. Ilchyshyn.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUK: Yes, I just want to ask a couple of questions that came to mind just now.

You said you're not concerned about the 80 percent and the Minister has said the commercial assessment is the commercial basis of Winnipeg as being used for sharing purposes with respect to the 80 percent. I want to come back to the 20 percent. You've raised concerns about the 20 percent. With respect to the 20 percent local levy which has to be raised by local levy, that has to be raised by the local taxpayers. Do the people of Manitoba, outside the City of Winnipeg, contribute to the municipal services of the City of Winnipeg? With respect to the 80 percent, they share; they're sharing the

commercial base of the City of Winnipeg for the 80 percent; that's what the Minister is claiming. But to your knowledge, do they contribute any tax money to the City of Winnipeg for the provision of municipal services?

MR. ILCHYSHYN: Not that I'm aware of.

MR. PARASIUK: Like clearing snow at the corner of Portage and Main. Now we get down to the 20 percent. Is it your claim that since the taxpayers of the City of Winnipeg who live in Transcona-Springfield School Division are required to pay taxes for municipal services in the City of Winnipeg, in downtown Winnipeg, which adds to the assessment value of the commercial base there. You've got all the banks downtown; you've got large office buildings downtown. That's the commercial assessment that you would like to have access to. So in a nutshell, your position is that since you are paying municipal taxes as members of the City of Winnipeg, shouldn't you also have a right to have access to the commercial assessment of the City of Winnipeg for educational purposes, because what we are talking about is local taxation?

MR. ILCHYSHYN: That's the statement that we make, yes.

MR. PARASIUK: Thank you.

MR. CHAIRMAN: The Member for Roblin.

MR. J. WALLY MCKENZIE: Mr. Ilchyshyn, does MAST support the Transcona-Springfield position on retaining the sharing concept amongst the 10 Metro school divisions? Does MAST support that?

MR. ILCHYSHYN: I guess what we should look at is a resolution that was passed at MAST Convention a year ago — not this last convention, the one before that — and was put forth by the City of Winnipeg, which indicated that the concept of sharing should be modified. It was put forth by Winnipeg, it did not say eliminated, it said it should be modified.

MR. CHAIRMAN: Are there any other further questions gentlemen of Mr. Ilchyshyn. If not, thank you and I'll call on George Marshall, School Trustee.

MR. GEORGE MARSHALL: Mr. Chairman, Mr. Minister, members of committee of the House. I appear as a citizen of the community of Transcona and presently elected trustee. My background is some five years experience on Transcona Council and I've been a member of the school board since 1969.

I would like to broaden the question, if I may, from that perspective. I'm particularly concerned with the broken promise . . .

MR. CHAIRMAN: Mr. Marshall, do you have a brief?

MR. MARSHALL: No I will speak extemporaneously.

MR. CHAIRMAN: Okay, go ahead.

MR. MARSHALL: I refer specifically to the broken promise and the false premise. The broken promise

was the promise of 1971, when our community gave up its jurisdiction and were told, don't worry, you're going to be citizens of Winnipeg — you're not going to have any trouble with your school board, you're going to be citizens of Winnipeg.

My second concern is the false premise. The false premise is that all the assets that are down here belong to Winnipeg School Division No. 1. The only assets that belong to the school divisions are their own school properties. That's all, plain and simple. Ten years ago, Steve Juba pounded his fist on the table and he said, you're going to pay for downtown police, fire services — that's what he said. Now the people down here are saying, and the Manitoba government is saying, that everything down here belongs to them. We're saying, how can they have it both ways? This legislation is not anti-socialist; it's anti-capitalist. It denies us access to what belongs to us. We are first of all stripped of our jurisdiction relative to our own wherewithal in 1971. Now we are stripped of the jurisdiction to which we have been affixed. We're left floating out there by ourselves. What has been created in some areas is a privileged education system, in some areas of the city — a privileged public educational system.

It's been said that we have been subsidized. There has been a uniform mill rate across the whole of the city. How do you subsidize an owner? I don't understand it. How do you subsidize an owner? The communities are divided as they've never been before. Four out of 10 representing 165,000 people are saying they have concerns, grave concerns, with this legislation. Before — and I was there — before we had competition; now we have acrimony. When we meet together, someone saying this is mine and that's yours and I'm sharing and he's sharing and it's a mess. It can't go anywhere because of this legislation.

In some respects even the 80 percent is not an equalization, because dollars go to where dollars are. There's one mill rate across the whole of the province plus provincial revenues which are . . . But that 80 percent goes to pay roughly 80 percent of everybody's budget. So somebody in Duck Mountain gets 80 percent of his budget. And somebody with the big bucks gets 80 percent of his budget. It's not skewed to go to where the kids are, it's not skewed to go where the assessment isn't. So to some extent it in fact enhances disproportionality because of the way the dollars are delivered. That's why, in areas around the province and the rural community, there is still disproportionality. Because in fact there is really no equalization in terms of how they're delivered. You pay 80 percent of everybody's, roughly.

I'd like to talk about the concern for Manitoba. This is the province of the Red River Settlement. This is the province the Icelantic settlers came. They fished the lake, the eighth largest lake in Manitoba, in the world — the eighth largest lake in the world. The central Europeans came. They built this province. In the Minister's own constituency on the Gimli Road, the graves of these brave fishermen and hardy sobbusters are there to see. We're not against Manitoba, we're against legislation, poor legislation — legislation that needs change.

The Mayor of the City of Winnipeg, I understand, has sent a letter to the Premier saying, help

Transcona and E.K.; and the Winnipeg Free Press has said help, Transcona and help E.K. We don't want handouts; if we take a handout we'll be back next year. We've never taken a handout in my community.

The Minister has attacked our division in the House. We are not asking anybody else to be responsible for what we levy. We will be responsible for what we levy. I have a resident that lives on a 30-foot lot with a side by side; he pays \$870 taxes. I have a merchant downtown, a Jewish merchant, 90 years old, still working — came with the railway. He pays 75 mills which now is 71 because it's been worked out to 71, he pays 25 mills special levy, he pays 16 mills because he can't share in his own city — that's before Abe Yanofsky has levied a nickel. And now he's going to pay for downtown storm sewers. I don't understand that. This formula ignores the one thing that'll allow the school divisions in the city to survive. The one thing the municipalities didn't have was a common base and it's been thrown out the window. It's the only thing that will permit us or permit anyone to rationally develop something so there can be 10 school divisions, so there can be decentralization of educational services, so we don't have another great big bureaucracy. But we're going to fall one by one and at that point we'll find out whether we really have a privileged education system in certain areas or whether in fact we will recognize at last we will have to have one school division — not because of management, because of mismanagement.

This legislation is not grassroots, it's country club as far as I'm concerned. It flies in the fact of history. Mary Andree and I, we pounded on doors — it took three referenda to build a school before Dr. Johnson brought in his formula and his program for the building of the school. We are told that there is going to be review. But those who provide the advice are the people who will provide the review, and they're already burdened with rules that commit them to the strategy. There has not been a searching out of alternative solutions and a selection of the best one overall. There has been adoption of one, the put forwarding one, and it's been forward for a number of years — it's not that new. There has been the put forwarding of one satisfying solution to a Minister who is committed to move and to a government that's committed to move. And so they moved.

This legislation should be laid over as The Public Schools Act was laid over. But it cannot be laid over without embarrassment because the tax bills are already in the mail. This is just an exercise. Five incorporated entities east of the river — three of them larger than Brandon, our second-largest city, and the other two larger than Thompson, our third-largest city, have been short-changed.

The junior Member for River Heights says that he has to send a police car, did have to send it five miles. We had six police cars in our own community before we became part of this one city. That was part of our contribution. What we have is 10 islands of assessment. What we have is 10 classes of citizens. That's what we have. The Minister has said, we are helping the majority, and he's right. But surely to goodness the quality of democracy demands that we be concerned about the minority,

and the smallest minority of all of course is the individual.

Ironically, this government is saying that Mr. Lyon and his successors in the name of the Queen should be the sole repository of our individual rights. Perhaps those of us who have been disenfranchised as citizens of Winnipeg can view that prospect with considerable trepidation.

Mr. Chairman, we're Canadians directly. We're Canadians because we were born in Canada or because we have met the necessary criteria to be a Canadian. We are not Canadians through the auspices of the province. This Canadian says, thank God for small mercies.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you, Mr. Marshall. Any questions?

The Member for Transcona.

MR. PARASIUK: Thank you. You've been involved with MAST and I understand that there have been some discussions and Mr. Ilchyshyn commented on this in response to Mr. McKenzie's question just before. But as far as I could tell it never MASTs intention that the Greater Winnipeg Education Levy be abolished. In fact, I wasn't at that Session but I tried to get some idea of what the vote was. The vote wasn't even that overwhelming even to just reach a stage of modifying the Greater Winnipeg Education Levy. Could you give us just a bit of background on that?

MR. MARSHALL: Well I spoke to that question and in my understanding the vote was 58 to 54 with about 200 abstentions because it wasn't really a real question. We just met with the Minister this week and we are studying the impact of the Education Program. It may well be that a majority of MAST at some point may come forward and endorse it, but hopefully we will look at it.

MR. PARASIUK: So it was just a very close vote to seek some modification of the Greater Winnipeg Education Levy and you've ended up with something that abolishes the Greater Winnipeg Equalization Levy.

Now, when you talk about disenfranchisement, some of the people — and I'll say this bluntly — some of the people within the Conservative caucus say that we shouldn't mix discussions of school taxes with discussions of discussions of municipal taxes, and yet the individual who receives his tax bill has a tax bill that says, you're a local taxpayer. You're a resident of the City of Winnipeg, you have a municipal tax that's X and you have a school tax that's Y and your local tax. Most people tend to colloquially call it a municipal tax. My municipal tax is so and so, or my local tax is so and so. But when they do that they are talking about a tax bill that has a bottom line total to it, that has two component parts. So in your estimation, is it proper to talk about both school taxes and municipal taxes if you are resident within the City of Winnipeg? Since you are part of a municipality which . . .

MR. MARSHALL: Well, the dollars that fall barely that we have to raise in the change of legislation has in fact increased from 1.8 million to 3.2 million.

That's part of our problem because the uniform levy is gone. The dollars we have to raise just on our property has in fact increased. But it seems to me that it's the two legislation taking together that gets us in trouble. If we had the jurisdiction, if we had the wherewithal to control, as I said to a bill on Friday, to control or develop; we have four quarter sections under potential development that we can't control — we have no control over. So, give us back our oars or let us in. You know, we're either in or we're out. But how can we survive in a situation where we get primarily — and it's proven over 20 years. Twenty years ago, before Dr. Johnson brought in this program, we were knocking on doors trying to build schools, because bedroom suburbs cannot support education. That's a historical fact. So if we're not going to turn the clock back, if we're not going to give back to our community its jurisdiction so it can look after itself, then we have to share in what we've been affixed to. Because otherwise, we have no jurisdiction whatever.

MR. PARASIUK: Mr. Marshall, the Transcona-Springfield School Division has said that you recognize the special problems of the City of Winnipeg. Could you just expand on what you think those special problems are and how they should be funded? Should they be funded by taxes on property or should they be funded by taxes on people? Are they something specific to the property owners of downtown Winnipeg, those special problems, or are they something that maybe the province should try and find a different way of trying to meet?

MR. MARSHALL: We have said in previous briefs that if the Government of Manitoba, Mr. Chairman, whatever the government — and we said it to both governments — if they would fund directly those things which are really senior government problems that are not problems of property, then the problem of equalization would have gone away if they'd have funded them directly — if they'd have funded them directly. But when the Minister compares last times program and this times program with \$70 million he's comparing oranges and apples. This program with the GWEL is closer in mill rates of the 10 divisions than this program without the GWEL, and that's never been stated before. We're not defending the GWEL, we're simply saying that we are part of this and there has to be sharing because we've lost our jurisdiction and those things, in our opinion, could have been served by dollars that recognize this as a provincial or even a federal problem that the Winnipeg people have. We have never said that Winnipeg didn't haven't have a problem and they carried that damn yoke of 10 or 12, they carried it for 10 years. And we looked at that and we said if Winnipeg's got a problem, Fort Garry should have a problem. But they don't have a problem. So clearly the problem is unique to Winnipeg.

And we said, all this immigration and everything else, immigration's fine, but you have to recognize that there is immigration and you have to recognize it in the way you fund and we're saying simply, what we were concerned about, Mr. Chairman, was that someone would come along and simply take the assets that belonged to all the citizens in Winnipeg and turn them over in the Winnipeg School Division and say the problem's solved. Well, the problem is

not solved. Four divisions are saying already, and there'll be more, are saying that is not solved, that we have no way to provide to these children the education they deserve in this environment. And we have never said that we should not share provincially. We have never said that. We have some concerns with the way it's happening, but we have never said that. As I've said before, some of the rural problems are because dollars are delivered to where dollars are, not to where kids are, and not to where assessment isn't.

MR. PARASIUK: Mr. Marshall, Transcona over the last three years has had its growth, I try to use as nonpartisan a term as possible, stabilized as has in fact the population growth in the entire province. But there are two large subdivisions, the one on the east side of Transcona and Lakeside Meadows, both which have potential for some pretty tremendous growth if the economy ever picks up again, if there is ever a turnaround in our economy. If that does take place, will there be very major demands placed upon the Transcona-Springfield School Division and will you be in a position to meet those demands because of the particular hold that you've been put into by this program?

MR. MARSHALL: Well, when I was on council there were certainly some pretty major developments taking place. I do believe that there is going to be an upswing in development, in residential development. I believe, too, that this is certainly going to impact on the school division and the people who move there. The people who move there will not benefit from anything except a residential housing that is put in place with respect to special levy. I can't understand how a program that addresses itself to equity in the urban community can come up with an answer that's 28 mills. That baffles me. It's going to create hardship.

MR. CHAIRMAN: The Member for Elmwood

MR. DOERN: Mr. Chairman, I'm wanted to ask Mr. Marshall a couple of questions. If the present system were to stay in effect for the next three years, which I believe is this government's plan, what effect would this have on the taxpayers of Transcona-Springfield?

MR. MARSHALL: Well, I think it will lead to, through public demand, a request from the community to fold up; to fold up because our projections are that the difference even this year is 8 to 10 mills and if you ask any resident, would you rather have your own school division or would you rather be part of the Winnipeg School Division and pay 8 or 10 additional mills, all the answers I got is we'd rather belong to Winnipeg. But I think that's well in advance of public opinion and that's certainly not the position of the school trustees and that's certainly not in the best interest of education, but I think that's the direction it's going.

MR. DOERN: What would be the effect of this program over the next three years on the quality of education in the division? For example, would you have to stop any construction? Would you have to cut programs? I mean, what would the effect be on students and teachers, etc.

MR. MARSHALL: In many respects the effect will be dictated by the various jurisdictions, the teachers' society in our area, and by the community itself and I can tell you the expectations of our teachers are that they shouldn't be treated any different than anyone else. So any attempt on our part — and we're already eighth or ninth out of ten in salaries — any attempt on our part to correct the problem by underfunding education I think will be met with very severe demands that we do otherwise. On the other hand, we'll be faced with taxpayers who are going to be saying that and demanding of us why we are so many mills in advance of anyone else. So we're going to be in a bind and the consensus of the board will have to determine what direction to take.

MR. DOERN: The taxpayers, it seems to me, are going to point their finger at you and they're going to say, you're responsible, it's the trustees who are at fault and you're going to point the finger at the Minister. Is that how the sequence will go?

MR. MARSHALL: We will put forward the facts.

MR. DOERN: And the facts are that that it is because of an unfair finance scheme that the people in Transcona-Springfield will bear an unfair burden.

MR. MARSHALL: The facts are that we predicted five years in advance to two governments precisely what would happen.

MR. DOERN: Well, why is it then that after making that prediction, which you say is fully accurate, that the Minister and his staff have brought in this program? Would you say they have turned a deaf ear to you? Are they obstinate? Do they not understand what you are saying? I mean, how do you understand that they have been forewarned and yet they have still persisted in this program?

MR. MARSHALL: I wouldn't presume to speak for the Minister, but I think he's received poor advice.

MR. DOERN: And you are saying that what is being said today in this booklet that you have produced, the division has produced, and the red one that we received a number of months ago and so on, you're saying all of this information and many of these concerns were in fact drawn to the attention of the government but were ignored in the development of this program?

MR. MARSHALL: I'm primarily here to highlight the concepts because it may well be that someone, by some different arithmetic gymnastic, may come up with a different number. Certainly the trends are there and those concepts are pretty clear and I've heard arguments defending the 20 percent, people argued about the 80 percent. It's indefensible in my judgment — these two pieces of legislation taken together that we have no right to share in the assets of our own city — it's not defensible.

MR. DOERN: Mr. Chairman, I have a couple more questions. Again, the division in its submission has argued that the changes must be made now. In fact, I quote from Page 20 at the bottom, they say "it is further a matter of great urgency that the

government be open to making immediate adjustments to correct the glaring inequities". I assume that you're supporting that position, that it's not good enough to wait three years to see how it works. You think you know now what's going to happen.

MR. MARSHALL: Well, it has happened. It has happened.

MR. DOERN: And the situation will simply deteriorate over the next three years.

MR. MARSHALL: Well, there's no question. If you take 20 percent of additional dollars and you levy it on half the assessment that they have in Fort Garry, your mill rate goes up twice as fast — Grade 6 mathematics.

MR. DOERN: We call that schoolboy mathematics in the Legislature. Mr. Chairman, the other point is, I thought I heard that you were concerned that even a review of the Manitoba Education Support Program would probably be determined by the same people who set up the program. Is that your concern?

MR. MARSHALL: Unless I'm advised otherwise, I would expect the people who provided the advice will provide the review and they're already burdened with the strategy, and given the fact that I'm already concerned with the breadth of how it was developed I'm obviously concerned about how it's going to be reviewed.

MR. DOERN: I'm beginning to, I think, understand the point. At the end of the brief, the call was for a royal commission to study this problem and I assume that as you see it the problem goes along these lines. The Minister received advice and as a result of that advice he has now implemented a program, and if you ask the same Minister or the same people to review their own program which they've just produced, they probably will not be able to see the faults in the program. So therefore you really feel it's necessary to call in an outside group with a fresh approach to make recommendations as soon as possible, because otherwise the program will take hold over a period of three years, or it will be reviewed by the same people who provided the original advice. Your concern is to have somebody look at it in a more objective way who can see the flaws in the program and consider the objections. Your concern is that the same people who had developed this program are not the right people to make that review or make changes.

MR. MARSHALL: Well, quite frankly, I'm concerned about group think. The same ideas circulating; it could happen to any group. The same ideas circulating and circulating and circulating and circulating over a period of time produces a somewhat closed mentality, and that's a function of people working together. My concern is that it's simply that everyone that will review this program is committed to it. So in fact they're committed, many of them, not only to the strategy but to its implementation. So I obviously have a concern with the review.

MR. DOERN: One final question, Mr. Chairman. If this program is left in place, does this mean that the

first step will be, in effect, a bankruptcy of a number of school divisions and then finally amalgamation? Is that the logical outcome, bankruptcy and amalgamation as opposed to the original suggestion of the Minister that there would be more autonomy under his program?

MR. MARSHALL: In fairness to the Minister, I think he sincerely believes in local autonomy, but I think the effect of this program in my judgement will be for the divisions to fall away one at a time, not because a single Board has been managed, but because it's been mismanaged.

MR. DOERN: So you're predicting amalgamation will be the inevitable result.

MR. MARSHALL: I don't know. I don't know what the view of government is. The Legislature is the mother of Parliament; I don't know what their position is going to be.

MR. DOERN: Do you oppose amalgamation? Do you oppose a single division for . . .

MR. MARSHALL: Just speaking personally, as a community person, I think amalgamation is better than this program, but there's an opportunity there. There's a common base there that can be shared, and educators don't want it and committee people don't want it. They don't want it.

MR. DOERN: So you are saying that if a person wants local autonomy, he cannot support this program?

MR. MARSHALL: Well, I think if I lived in Fort Garry I could support it. If I thought my Legislature was going to retain my division irrespective of what happens to the other eight or nine divisions, I would certainly support it. But as a Manitoban, I don't think it's a good program. As a Winnipegger, I certainly don't think it's a good program, and I don't think it addresses the very thing we are trying to achieve. Because one of the problems that municipalities had, of course, was there was no continuity between them and we have thrown out the one thing that gives us continuity. We have thrown the common base out that belongs to all of us. We have thrown it out the window. It doesn't exist.

MR. CHAIRMAN: The Member for Rossmere.

MR. SCHROEDER: Thank you, Mr. Chairman. I know Mr. Marshall has worked very long and diligently on this issue. He has appeared before legislative committees and I know that he has been up in the galleries listening to the debates and we appreciate his concern. I recently received my tax bill in River East and share with Mr. Marshall the concern that those school divisions which have the lowest per pupil cost in the City of Winnipeg are now the school divisions which are paying the most in school taxes. And if you could ever devise a more unfair system, I don't really know how you would go about doing it.

We agree that the old system was unfair to Winnipeg No. 1 because of special circumstances, but to throw that out and bring in a system that puts

divisions such as River East and Transcona and other bedroom communities in a position where, although they are paying less in operating costs per pupil than other divisions, putting them in the position where they pay the most in taxation is incredibly cruel. It is unfair to those divisions and as a Manitoban it is simply unfair for the whole city. It's wrong, and I would hope that the Minister would bring in something to change this.

I am just wondering, Mr. Marshall, you came in on your own. Does that indicate that you are not supporting the brief presented by Transcona?

MR. MARSHALL: I support the brief put forward by Transcona, and in the question of equalization, the key is when the table turns over. That's the key. I am not going to get into the argument about who's first, who's second, and who's third, but there is no question that the ones at the bottom are all in the same boat as we are, with the exception of St. James. If you have no equalization you get an inversion in which the ones that are spending the most are at the top and the ones spending the least are at the bottom. When the table turns over, as it did in this legislation, with us going from the top to the bottom in one year, the table is an indicator of whether you have enough or you don't have enough, and when the table completely turns over so the people spending the lowest money have the highest mill rate, you have a problem. You can see it right on the wall. As soon as that table turns over you have a problem, and we've got a problem right now.

I don't want to get into the argument of whether we're eighth, or tenth, or seventh, or sixth, but I can tell you with the exception of St. James, that all the ones at the bottom are all the ones that are in trouble.

MR. SCHROEDER: There have been some indications, Mr. Marshall, that local districts are going to be competing with each other in some way in the future now for new businesses. Is that something you have thought about? That is, if you get a new industrial plant, then of course, as opposed to some other bedroom community getting it, it will increase your commercial base and cut down on your per taxpayer cost. And since 1971 you haven't been required to do that. Have you put any thought into whether you, in fact, would be doing anything to encourage businesses which would otherwise settle somewhere, hopefully in the best part of Winnipeg, rather to come to Transcona?

MR. MARSHALL: As one Winnipegger, I would hope that wouldn't happen. I would hope the Mayor would continue to place industry where it's best suited, and hopefully that we can solve the problem in educational finance. But we entered into an agreement with River East in which we assumed a large tract of residential land to develop for educational purposes, and it makes sense from an educational point of view. But from an economic point of view, it doesn't make any sense at all. It's just increasing our burden. So in fact it is affecting educational planning because of the disproportionality, and I would it would not — although it could I suppose — I hope it would not affect municipal planning.

MR. CHAIRMAN: The Honourable Member for Transcona.

MR. PARASIUKE: I had a couple of other questions, but I am just intrigued by the last point you raised. You entered into some arrangement with River East on a co-operative with respect to what? The land around . . .

MR. MARSHALL: In Mission Gardens — not Mission Gardens, Lakeside Meadows.

MR. PARASIUKE: Was that in River East before?

MR. MARSHALL: The property west of Plessis is in River East.

MR. PARASIUKE: Yes.

MR. MARSHALL: And the property east of Plessis is in Transcona-Springfield.

MR. PARASIUKE: So half of it is in Transcona, half of it's in River East.

MR. MARSHALL: So we are going to plan it for educational purposes and the boundary has actually been moved so that that can happen.

MR. PARASIUKE: You can be impacted even more now.

MR. MARSHALL: Well we will be, because we did it for educational reasons. We don't question it. It's going to cause us economic problems because we now have the whole of the development and no access to industry. So all of these Winnipeg children we will be responsible for educating on their own residential housing.

MR. PARASIUKE: There have been some school divisions that have said that they are supportive of the Minister's program. That's true, and I think that some of the people opposite are pleased, and I can appreciate that in this year we've had a \$70 million dollar injection of funds into the program. At the same time what I think you are talking about is not just this year's injection, but to try and get an overall impression of the program and its impacts generally, because next year there won't be an additional \$70 million injection, and the following year there won't be an additional \$70 million in a sense bonanza injection.

So what are your thoughts with respect to, say, most of the school divisions within the City of Winnipeg; and you tend to list the 10 main ones, or is it 12? There's 10 that are listed here, I think, generally. There are a couple of smaller ones, Seine River, that is in Winnipeg, and then a couple of smaller ones, but the ones that have been listed in the Transcona tables generally have been the major ones that are included within the boundaries of the City of Winnipeg.

What is your thought with respect to most of the school divisions within the City of Winnipeg as to how this program will impact upon them, say, next year when there isn't a \$70 million injection of additional moneys?

MR. MARSHALL: Part of the problem with the \$70 million, Mr. Chairman, and I am sure the \$70 million is welcomed by everyone, is that it tends to mask the

comparison. It covers all of the new dollars and some of the old dollars. So comparing this program and last program is really comparing two different things. But next year, when only 80 percent of the new dollars will be covered, obviously the condition that we see here will be aggravated. It will be aggravated because, all things being equal, and about seven of the suburban divisions have about the same sized budget, those that have twice or more of the assessment will deplete their requirements by twice; the same dollars, half the mill rate. So I would say that this is a progressive problem and it will be worse as the years go on because it will aggregate. Not only will it aggregate on the mathematics of today, but it will aggregate on the development of tomorrow, because industry will go where industry is and residential will go where residential is, and kids will go where kids are.

So we have two problems, the aggravating problem based on today's mathematics and the aggravated problem because the condition in terms of development will continue to aggravate. So in answer to the member's question, when you are covering only 80 percent and 20 percent of the new dollars will fall on local levy, then obviously the condition will aggravate.

MR. PARASIUKE: When Unicity was established it was a thought to equalize the tax base because what you have raised was happening prior to 1971, that is, industry was going where industry was, and kids were going elsewhere and you were running into a situation where there were certain parts that had very low taxes and other parts that had taxes that were going to escalate astronomically into the future. At least at that time the different municipalities had a few powers at their disposal to try and get some type of balanced industrial development within the city. Right now, we seem to have just raised that whole problem again that Unicity was trying to overcome by creating a situation where there will be certain areas of high assessment and possibly low education costs and other areas of low assessment but very high education costs. Transcona isn't alone in that situation though. Which of the other ones do you think are going to be impacted over the next two or three years.

MR. MARSHALL: All those divisions which are below the Metro name; certainly the four east of the river, and somewhere down the road I believe that Seven Oaks and Assiniboine South will also be affected. But that's coloured somewhat by the way the dollars are delivered, so that may not happen overnight. But it will happen because development will continue to take place in the manner, and it should take place in the manner in which it has.

The benefit of the \$70 million Dutch injection which they get now, which now shows them as having a declined mill rate, will in fact in future years show them falling relative to the mean; falling particularly relative to the divisions above them. But their condition is not as aggravated because they're in the order of something like \$15,000 per pupil and the ones east of the river are lower than that and the mean is \$17,900 or something. —(Interjection)— I can't speak for those other two now; you see, I am simply projecting what I consider to be what will happen.

MR. CHAIRMAN: Mr. Parasiuk, the hour being 12:30 or a little bit beyond, do you have many further questions or would we like to . . .

MR. PARASIUK: No, I just wanted to determine whether it would be a majority being negatively impacted . . .

MR. CHAIRMAN: Thank you, Mr. Marshall. To the members of the committee and to any other persons that have presentations to make to this committee, we are uncertain at the present time when the committee will be sitting, but any persons that are supposed to make further presentations here will be notified later this afternoon.

Committee rise.