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| Saskatchewan | 27e | 1e | Discours sur l’éducation | 2 avril 2012 | Donna Harpauer | Minister of Education | Saskatchewan Party |

Thank you, Mr. Chair, and good evening to everyone. Thank you for coming. I’m pleased to be here tonight with the ministry officials to speak to the Ministry of Education’s 2012-13 budget.

With me today to help answer questions that the committee members may have, to my left is Cheryl Senecal, the deputy minister; to my right is Greg Miller, the assistant deputy minister. Behind me I have Dawn Court, the director of finance and corporate services; Clint Repski, the executive director of education funding; Tim Caleval, the executive director of student achievement and support; Rosanne Glass, the executive director of strategic policy; Kathy Abernethy, the acting executive director for early years; Brett Waytuck, the executive director for Provincial Library and the literacy office; Doug Volk, the executive director of teachers’ superannuation commission; Kevin Gabel, the director of independent schools; Mike Back, the director of infrastructure; Daryl Richter, the manager of capital projects; Lori Mann, the executive director of corporate services; Lynn Allan, the executive director of early years; and Brent Young, the executive director for HR [human resource] services.

Before we discuss the 2012-13 budget, I would like to take a minute to tell you about a few of the significant accomplishments we’ve made over the past few years. These accomplishments help maintain the Saskatchewan advantage.

When we formed government in 2007, there was an inequity in funding between school divisions that was ignored for years. We inherited a $1.2 billion deficit in K to 12 [kindergarten to grade 12] capital, and for 16 consecutive years we were the last in the country for child care spaces. The creation of early learning programs was stagnant and the achievement gap between Aboriginal and non-Aboriginal learners continued to grow. I’m proud to say that in four and a half years we’ve come a long way, but our government knows that there is still a lot more work that needs to be done.

Education is a priority for our government. A strong education system is critical to sustaining growth and opportunity in Saskatchewan and key to maintaining the Saskatchewan advantage.

To demonstrate our commitment to education since we formed government in 2007, we have increased the total operating funding available to school divisions by approximately 21 per cent on top of replacing our education property tax reduction of 165.7 million. To help school divisions meet the needs of their students this year, our budget includes 1.74 billion in operating funding for school divisions. This includes an increase of 59 million or 5 per cent in operating funding in 2012-13 based on the government fiscal year. In terms of the school divisions’ fiscal year, funding increased by 91.1 million or 5.5 per cent.

With this budget, since forming government we will now have committed to funding for 41 major school capital projects and 750 additional smaller school capital projects across the province. This year 116 million will be provided for capital projects which includes: 50.1 million for 21 major capital projects currently under way; 38.6 million through the new provincial shared ownership model for six major school capital projects for their next phase of construction; 4 million for three new projects to receive approval in principle so that they can move to detailed design; 15.9 million for block projects; 2.8 million for non-school capital projects; 4 million for school-based child care capital; and 1 million for pre-kindergarten capital. This brings the investment in the province’s pre-K to 12 [pre-kindergarten to grade 12] education infrastructure to approximately $500 million. More than 50 per cent of all our schools across the province will now have received capital funding.

We have also made record investments in early learning and child care. With this budget we will see a 42 per cent increase in child care spaces and an 85 per cent increase in the number of pre-kindergarten programs since 2007. This budget provides the funding for 500 more child care spaces, keeping us on track of our election promise, and will bring the total number of licensed child care spaces operational or in development by the end of 2012-13 fiscal year to approximately 13,240 spaces. This budget also provides funding for the development of 15 more pre-kindergarten programs for three- and four-year-olds. Once developed, the total number of pre-kindergarten programs in our province will be 286, which will provide supports for 4,576 children. Closing the achievement gap between First Nations and non-First Nation students remains a high priority for this government. We will continue our commitment of 4.3 million in funding for program-specific for First Nations and Métis students. This funding again will be dedicated to the First Nations and Métis Education Achievement Fund and the individual achievement accounts.

Also committed in this budget is 500,000 to summer literacy camps. Education is partnering with six school divisions and the Pahkisimon Nuye?áh Library and Frontier College to work at reducing summer reading loss by investing in summer literacy camps. We also value the role and the tremendous programs and services of our many community-based organizations connected with the ministry and they will receive 1.6 per cent funding increase in this budget. As well, we remain committed to high literate citizens with equal access to information, so libraries will also receive an increase in funding of 1.6 per cent in 2012-13.

Now, Mr. Chair, I would be very remiss if I didn’t take a few minutes talking about the biggest change in the distribution of funding for education that we have seen in this province in nearly 40 years. This budget is the launch of the new funding distribution model which provides a long-anticipated fairer balance in funding for school divisions across Saskatchewan. It also provides 10 million in transition funding for the implementation of the new funding distribution model.

Prior to the introduction of the province-wide property tax rates, each school division set an annual mill rate. There was substantial variation in school division mill rates and the value of the assessment base on which the mill rates were applied. In 2008, for example, mill rates ranged from a low of 12.81 to a high of 24.8 mills, and the amount of the funds generated by 1 mill ranged from 163,000 to over 3 million.

These differences contributed to a substantial variation in fiscal capacity among our school divisions. The variations in fiscal capacity were partially addressed by the foundation operating grant, known as FOG. Through the use of an equalization factor, the equalization factor redistributed wealth among the school divisions, but only up to a mill factor determined by the provincial government. Any tax revenue that was generated above the equalization factor was not equalized and was retained by the school division that generated the revenue through their education property tax.

The amount on equalized tax revenue varied greatly among school divisions and was an indicator of the tax wealth of the school division. Some school divisions were zero grant board divisions, meaning that their tax wealth was so high that the school division was entirely funded by education property tax with no grant money from the General Revenue Fund of the provincial government. An example of such a school division was where my children went to school, Mr. Chair, which was the Lanigan School Division.

In addition, school division expenses were accelerating at a more rapid rate than the NDP [New Democratic Party] funding levels for equalization. As a result, the school divisions’ reliance on property tax base for funding increased each year. For a number of years, education property taxes were increasing by an average of 5 per cent per year. Saskatchewan became the province of the highest property taxes in Canada. The business community expressed concern that the high property taxes were making it difficult for small businesses to remain viable and was stifling potential investment in our province.

Agriculture producers were concerned that they were paying a disproportionate amount of education property tax and commodity prices were not keeping pace with the tax increases. A tax revolt ensued. The agriculture producers of more than 140 rural municipalities passed a motion to discontinue paying their educational property tax. To encourage agriculture producers to pay their education property taxes, the NDP introduced an ad hoc tax rebate program. Municipalities and school divisions were left with uncertainty of their funding because they didn’t know if the property owners would actually pay their taxes and they didn’t know what the NDP would do or would have as the tax rebate from one year to the next.

In addition, to address the issue of inequity in 2006, the NDP amalgamated the school divisions, reducing the number from 86 to 28. Although this effort watered down the inequities to a small degree, huge differences still remained.

The property tax issue became a prominent election issue in 2007. The government changed, and with the change of government in November of 2007, provincial-wide mill rates were set by the provincial government and school divisions no longer had the authority to set their own mill rate. The first education property tax reduction and the province-wide mill rate was implemented in 2009, and a second in 2010. The Saskatchewan Party government subsequently provided a historic 165.7 million education property tax relief to all property owners in the province of Saskatchewan.

With the introduction of province-wide education property taxes, the FOG formula no longer was working. The ministry adopted an interim funding model that was initially based on the 2008-09 budget, and then each subsequent year, in 2009-10 and ’10-11, there was adjustments made to that base. There was increases in total allocation to cover inflation and salary increases, increases for costs of LINC [local implementation and negotiation committee] settlements. There was changes for student enrolment changes, and there was debt servicing costs added each year.

An advisory committee was struck to design a new funding distribution model, and the committee consisted of members from the SSBA [Saskatchewan School Boards Association], LEADS [League of Educational Administrators, Directors and Superintendents], SASBO [Saskatchewan Association of School Business Officials], STF [Saskatchewan Teachers’ Federation], FSIN [Federation of Saskatchewan Indian Nations], and MNS [Métis Nation of Saskatchewan], and ministry support staff. The advisory committee met through 2009-2010 and proposed a new funding distribution model.

As I said previously, the new funding distribution model will be the biggest change in the distribution of funding for education in nearly 40 years in Saskatchewan. Because of the importance of the new model, I delayed the implementation for one additional year beyond what was originally intended. And this allowed for a smaller group of school division CFOs [chief financial officer] to examine how the new formula would apply to actual school division budgets and spending priorities. It allowed for a two-day technical briefing that was held in September of 2011 with all of the school divisions to explain the factors in the new funding model. And it allowed for additional briefings, which were held with individual school divisions in January and February of this year to review how the new model would affect each of the individual school division budgets.

In 2012-13 budget allocation funded to school divisions through the new funding distribution model with a $10 million mitigation fund to transition school divisions who will experience a shift in funding due to the historical inequities that have been unaddressed for decades. No school division will see a decrease in funding. This new funding distribution model is not about the size of the pie; it is about the distribution of the pie. The primary goal of the new model is equity in distributing the amount of funding available for education. School divisions with historical tax wealth will no longer have more funding available than school divisions with less tax wealth. Equity, however, does not necessarily mean equal funding. The model recognizes differences in costs related to areas such as geographic dispersion, student vulnerability, and additional costs for northern areas.

Funding components will be reviewed through the ongoing evaluation process to examine whether funding is reflective of the general cost pressures facing school divisions, with a commitment by this government to hold a debrief consultation process, probably in September of this year or shortly after, so that school divisions can review and consult on any cost factor calculations that they have identified that may need some adjustments.

Almost all funding to school divisions remains unconditional. School board trustees are elected, and through legislation they have the responsibility and the authority to allocate funding as they see best to meet their students’ needs. Conditional funding would include funding for such things as pre-K [pre-kindergarten] programs and capital financing costs, but almost all other funding decisions such as resources, staff, and transportation are entirely the decision of the elected school board members.

In conclusion, this budget shows that education, and specifically the success achieved by all students, remains a top priority for our government. The total ministry budget for 2012-13 is $1.6 billion, representing a $202.5 million or a 14 per cent increase over last year. I now, Mr. Chair, look forward to the questions.