
SUMA supports 100% funding of education by the Province. The complete removal of the education portion of property tax must be done incrementally. SUMA will work with partners in the Education Tax Coalition to lobby the Province for continued, incremental increases in the Provincial share of the K-12 education budget.

Municipalities have an interest in schools because they are an important component of quality of life and contribute to the sustainability of a community. Municipalities also have an interest in the level of funding provided to K-12 education by the provincial government. Under the current system, any portion of education not funded by the Province falls to municipal property tax owners.

The education portion of property tax varies greatly by municipality because the education mill rates are set at the discretion of the school division. This mill rate affects the total amount of taxes paid by property owners in a municipality and property taxes can effect a person's decision to move their residence or business to a community. In some instances, the education portion of property tax can account for more than 75% of the total tax bill.

Financing the public education system in Saskatchewan is a shared responsibility between the provincial government and school boards:

- The government provides funding from general revenues on an equalizing basis that is distributed through the K-12 operating grant formula, and
- School boards have autonomy to deliver education services in their school division within the parameters of *The Education Act, 1995*, and to raise the remaining education funding requirements from the property tax base.

Provincial legislation specifies that the funds for schools are to be collected by municipalities. All property owners - whether they have children attending school or not - are required by provincial law to pay school tax. While municipalities bill and collect school taxes, the municipality has no jurisdiction or control over School Board budgets or operations.

BACKGROUND

In order to work towards 100% funding from the Province, SUMA is working with partners. SUMA is a participant in the Education Tax Coalition, a coalition of organizations representing Saskatchewan local government leaders, taxpayers and businesses. With no jurisdiction over the issue, each organization in the coalition has agreed to a unified position. This group, collectively representing all taxpayers in the Province, provides an influential and unified voice. In 2008 the Coalition urged the Province to continue to take a larger share of the education costs to 75% in 2011 (5% per year from 2008-2011). Although the position of the Coalition involves a compromise from all parties, it with help SUMA incrementally work towards achieving its end goal of complete removal of the education portion of property tax.

Recent budget announcements will see the Province funding 63% of education in 2009 and 66% in 2010, decreasing the property tax burden by a total of almost 21% (from 2008). The Province also committed, in consultation with school divisions, to developing a revised funding system by 2011-12 to determine allocation of education funds among school divisions.