Agenda - Executive Policy Committee - April 23, 2003

REPORTS

Item No. 4. 2003 Education Support Levies and Mill Rates File FL-3 (Vol. 11)

ADMINISTRATIVE RECOMMENDATION:

That in compliance with the mandatory provisions of The Public Schools Act, Council adopt a by-law required to fix and impose taxes sufficient to meet that portion of the cost of education required to be raised through the Education Support Levy on assessable property within the City of Winnipeg in 2003.

ADMINISTRATIVE REPORT

RE: 2003 EDUCATION SUPPORT LEVIES AND MILL RATES

FOR SUBMISSION TO: EXECUTIVE POLICY COMMITTEE

ORIGINAL REPORT SIGNED BY: CHIEF FINANCIAL OFFICER

REPORT DATE: April 16, 2003

RECOMMENDATION(S):

That in compliance with the mandatory provisions of *The Public Schools Act*, Council adopt a by-law required to fix and impose taxes sufficient to meet that portion of the cost of education required to be raised through the Education Support Levy on assessable property within the City of Winnipeg in 2003.

REPORT SUMMARY:

Key Issue(s):

Prior to 2003, the amounts required to be raised by Council for the City's share of the cost of education was accomplished by adopting a by-law setting the mill rates for the Education Support Levy and the Special Levy by mid to late March. This timeframe coincided with the requirement for the Province and the school divisions to submit their respective budgets to the City on or before March 15th of each year in order for the mill rates to be calculated.

Amendments to *The Public Schools Act* gave the Province up to April 15th (one month later than in previous years) to set its requirements for the Education Support Levy. This revised timeline will be in place for each year ending before January 1, 2006.

On March 26, 2003, Council passed a by-law to fix and impose taxes necessary to raise the amounts required for the 2003 Special Levy.

This report addresses the Provincial requirements for the Education Support Levy and completes the analysis of the combined Education Support levy and Special Levy for education purposes for the City of Winnipeg.

The Provincial Education Support Levy requirements for 2003 total $112,627,872, a decrease of $12,117,022 or 9.7% from the 2002 requirement. The levy on Residential property is $42,854,628, representing a decrease of $10,296,011 or 19.4% from the 2002 levy. The levy on Other property is $69,773,244, representing a decrease of $1,821,011 or 2.5% from the 2002 levy.

The 2003 requirement for the combined school levies in Winnipeg will total $425,053,077, which is $10,913,130 or 2.6% higher than in 2002.

School taxes now represent 53.1% of all property taxes collected in Winnipeg, compared to 52.8% in 2002 and 51.4% in 2001.

The dollar value change in the 2003 combined school tax for a home assessed at $100,000 range from a decrease of $30.87 in the Interlake School Division to an increase of $69.84 in the former Transcona-Springfield School Division.

The actual 2003 combined school tax impact for a home assessed at $100,000 range from $1,130.27 in the St.James-Assiniboia School Division to $1,528.34 in the Winnipeg School Division.

Implications of the Recommendation(s):

General Implications

	None
	For the organization overall and/or for other departments
X	**For the community and/or organizations external to the City**
	Involves a multi-year contract

Comment(s): Property owners in the City of Winnipeg are affected by increases or decreases in Provincial requirements for education purposes.

Policy Implications

X	**No**
	Yes

Comment(s):

Environmental Implications:

X	**No**
	Yes

Comment(s):

Human Resources Implications:

X	**No**
	Yes

Comment(s):

Financial implications

X	**Within approved current and/or capital budget**
	Current and/or capital budget adjustment required

Comment(s): There is no financial impact as the establishing of the Education Support Levy mill rates is revenue neutral to the City of Winnipeg.

REASON FOR THE REPORT:

Section 184 of *The Public Schools Act* requires Council of the City of Winnipeg to fix and impose an Education Support Levy.

HISTORY:

The attached Schedules "A" to "D" are pertinent to the subject by-law and include information in comparison with that for prior years.

DISCUSSION:

The **Education Support Levy** represents an amount the Province of Manitoba collects for educational purposes province-wide. The **Special Levy** represents the various school divisions' additional requirements or portions of their costs that do not qualify for provincial assistance under the province-wide Education Support Levy. In accordance with legislation, Council is required to annually collect and remit the City's share of these two levies to the Province and the school divisions respectively.

Prior to 2003, the amounts required to be raised by Council for the City's share of the Education Support Levy and the Special Levy was accomplished by adopting a by-law setting the mill rates for these two levies by mid to late March. This timeframe coincided with the requirement for the Province and the school divisions to submit their respective budgets to the City on or before March 15th in order for the mill rates to be calculated.

Recent amendments to *The Public Schools Act* gave the Province up to April 15th (one month later than in previous years) to set its requirements for the Education Support Levy. This revised timeline will be in place for each year ending before January 1, 2006.

As noted above, the school divisions were required to submit their respective budgets to the City of Winnipeg on or before March 15th, 2003. On March 26, 2003, Council passed a by-law to fix and impose taxes necessary to raise the amounts required for the 2003 Special Levy. At that time, it was noted a separate report addressing the Education Support Levy would follow pending receipt of the requirements from the Province.

This report addresses the Provincial requirements for the Education Support Levy and completes the analysis of the combined Education Support levy and Special Levy for education purposes for the City of Winnipeg.

Provincial Education Support Levy

The Provincial Education Support Levy requirements total $112,627,872, a decrease of $12,117,022 or 9.7% from 2002 (see Schedule “A”).

The Provincial levy on Residential property is $42,854,628, representing a decrease of $10,296,011 or 19.4% from 2002. This decreased requirement corresponds to a mill rate of 5.270 for Residential property which is 21.0% lower than the 2002 mill rate (see Schedule “A”).

The Provincial levy on Other (non-residential) property is $69,773,244, representing a decrease of $1,821,011 or 2.5% from 2002. This decreased requirement corresponds to a mill rate of 16.575 for Other property which is 2.7% lower than the 2002 mill rate (see Schedule “A”).

School Division Special Levy (Approved by Council on March 26, 2003)

The City's eight school divisions' 2003 Special Levy requirements total $312,425,205, an increase of $23,030,152 or 8.0% over the 2002 requirement. This increase in Special Levy requirements range from a 3.6% increase in the Interlake School Division to a 13.9% increase in the St. James-Assiniboia School Division (see Schedule “A”).

The change in the school divisions’ Special Levy requirement, coupled with the change in their respective portioned assessment subject to this levy, has resulted in mill rate increases from 2.7% in the Seven Oaks School Division to 12.5% in the St. James Assiniboia School Division (see Schedule “A”).

Giving consideration to the taxpayers affected by the new amalgamated school divisions, Assiniboine South had a Special Levy mill rate increase of 6.2%, Fort Garry 4.9%, St Boniface 7.7%, St Vital 7.7%, River East 5.2% and Transcona Springfield 14.0%.

Impact of Combined Mill Rate for Education Purposes

The 2003 combined school levies in Winnipeg will total $425,053,077, which is $10,913,130 or 2.6% higher than in 2002 (see Schedule “A”).

School taxes now represent 53.1% of all property taxes collected in Winnipeg, compared to 52.8% in 2002 and 51.4% in 2001.

For Residential properties, the change in the combined mill rate for education purposes range from a decrease of 2.6% in the Interlake School Division to an increase of 5.6% in the former Transcona-Springfield School Division (see Schedule “C”).

For Other properties, the change in the combined mill rate for education purposes range from an increase of 0.6% in the Seven Oaks School Division to an increase of 6.5% in the former Transcona-Springfield School Division (see Schedule “C”).

The dollar value change in the 2003 combined school tax for a home assessed at $100,000 range from a decrease of $30.87 in the Interlake School Division to an

increase of $69.84 in the former Transcona-Springfield School Division (see Schedule “D”).

The actual 2003 combined school tax impact for a home assessed at $100,000 range from $1,130.27 in the St. James-Assiniboia School Division to $1,528.34 in the Winnipeg School Division (see Schedule “D”).

SCHEDULES

"A"	Total amounts to be raised for school purposes for 2003 and comparisons with the year 2002.
"B"	Calculation of the Education Support Levy mill rates for 2003 in comparison with the year 2002.
"C"	Combined mill rate change for all school divisions for 2003 and comparison with the year 2002.
“D”	Combined school tax impact on a home assessed at $100,000 for 2003 and comparisons with 2002.

Financial Impact Statement Date: April 16, 2003

COMMENTS: No Financial Impact. Revenue Neutral to the City of Winnipeg

"Original signed by Carrie Erickson"

Manager of Finance & Administration

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

THIS REPORT SUBMITTED BY:

Department:	Corporate Finance Department
Division:	Taxation & Revenue Division
Prepared by:	Mel Chambers, Coordinator of Customer Services
File No.	2003 Education Support Levy Report.doc

Amounts to be Raised for School Purposes

PAYABLE TO SCHOOL DIVISIONS	Requirements 2002	Requirements 2003	Change Amount	Change %	MILL RATE CREATION Portioned Assessments	Mill Rates 2002	Mill Rates 2003	Mill Rates Change
Provincial Levy on Residential Property	53,150,639	42,854,628	(10,296,011)	-19.4%	8,131,423,701	06.669	05.270	-21.0%
Provincial Levy on Other Property	71,594,255	69,773,244	(1,821,011)	-2.5%	4,209,599,915	17.031	16.575	-2.7%
	124,744,894	112,627,872	(12,117,022)	-9.7%	12,341,023,616			
1 - Winnipeg	107,748,572	112,948,434	5,199,862	4.8%	3,936,506,441	27.211	28.693	5.4%
2 - St. James-Assiniboia	25,930,063	29,531,592	3,601,529	13.9%	1,487,941,062	17.641	19.847	12.5%
7 - Pembina Trails*	49,502,408	53,824,698	4,322,290	8.7%	2,221,447,013	22.967	24.230	5.5%
10 - Seven Oaks	21,544,542	22,469,494	924,952	4.3%	799,280,785	27.379	28.112	2.7%
14 - Seine River	2,212,252	2,340,683	128,431	5.8%	98,414,719	22.563	23.784	5.4%
21- Interlake	9,399	9,735	336	3.6%	468,452	20.068	20.781	3.6%
51 - Louis Riel*	44,995,320	50,158,505	5,163,185	11.5%	2,106,227,947	22.110	23.814	7.7%
72 - River East Transcona*	37,452,497	41,142,064	3,689,567	9.9%	1,710,732,904	22.198	24.049	8.3%
	289,395,053	312,425,205	23,030,152	8.0%	12,361,019,323			
Total to be Raised for School Purposes	414,139,947	425,053,077	10,913,130	2.6%				

*'These school divisions did not exist in an amalgamated form in 2002. Therefore, in order to compare their 2003 budget against their 2002 budget, the 2002 budgets for the amalgamated divisions have been adjusted by combining the budgets of merging school divisions.

2003 EDUCATION SUPPORT MILL RATE

		RESIDENTIAL				OTHER							
					Total	----Statutory----		Institutional				Total	
		Residential 1	Residential 2	Residential 3	Residential	Pipeline	Railways	Other	Higher Education	Recreational	Other	Other	Total
(1)	2003 Assessment	15,271,615,049	1,806,954,519	991,249,250	18,069,818,818	12,068,000	86,267,550	96,566,760	314,720,550	35,206,550	6,143,028,830	6,687,858,240	24,757,677,058
(2)	Percentage Share	84.51%	10.00%	5.49%	100.00%	0.18%	1.29%	1.44%	4.71%	0.53%	91.85%	100.00%	
(3)	Portions	45.0	45.0	45.0		50.0	25.0	65.0	39.0	10.0	65.0		
(4)	Portioned Assessment	6,872,229,539	813,129,873	446,064,289	8,131,423,701	6,034,000	21,566,890	62,768,402	122,741,015	3,520,655	3,992,968,953	4,209,599,915	12,341,023,616
	Rate / Levy / % share based on 2003 Budget												
(5)	Education Support Mill Rate	5.270	5.270	5.270		16.575	16.575	16.575	16.575	16.575	16.575		
(6)	Education Support Levy	36,218,675	4,285,194	2,350,759	42,854,628	100,014	357,471	1,040,386	2,034,432	58,355	66,182,586	69,773,244	112,627,872
(7)	Percentage Share	84.52%	10.00%	5.49%	100.01%	0.14%	0.51%	1.49%	2.92%	0.08%	94.86%	100.00%	
(8)	2002 Assessment	14,960,204,059	1,811,813,819	939,882,850	17,711,900,728	12,068,000	87,806,450	95,964,010	314,720,550	36,731,550	6,070,866,890	6,618,157,450	24,330,058,178
(9)	Percentage Share	84.46%	10.23%	5.31%	100.00%	0.18%	1.33%	1.45%	4.76%	0.56%	91.72%	100.00%	
(10)	Portions	45.0	45.0	45.0		50.0	25.0	65.0	52	10.0	65.0		
(11)	Portioned Assessment	6,732,094,615	815,316,584	422,949,258	7,970,360,457	6,034,000	21,951,615	62,376,612	163,654,686	3,673,155	3,946,063,719	4,203,753,787	12,174,114,244
	Rate / Levy / % share based on 2002 Budget												
(12)	Education Support Mill Rate	6.669	6.669	6.669		17.031	17.031	17.031	17.031	17.031	17.031		
(13)	Education Support Levy	44,892,644	5,437,346	2,820,649	53,150,639	102,765	373,858	1,062,336	2,787,203	62,558	67,205,535	71,594,255	124,744,894
(14)	Percentage Share	84.46%	10.23%	5.31%	100.00%	0.14%	0.52%	1.48%	3.89%	0.09%	93.88%	100.00%	

SCHEDULE "C"

MILL RATE CHANGE FOR ALL SCHOOL DIVISIONS

COMBINED SCHOOL DIVISION & EDUCATION SUPPORT LEVY

	2002	2003	Change
Provincial Levy on Residential Property	06.669	05.270	-21.0%
Provincial Levy on Other Property	17.031	16.575	-2.7%

		Residential Properties			Other Properties		
Amalgamated Divisions	School Divisions	2002	2003	Change	2002	2003	Change
	1 - Winnipeg	33.88	33.963	0.2%	44.242	45.268	2.3%
	2 - St. James-Assiniboia	24.31	25.117	3.3%	34.672	36.422	5.0%
Pembina Trails		29.636	29.500	-0.5%	39.998	40.805	2.0%
	3 - Assiniboine South	29.478	29.500	0.1%	39.840	40.805	2.4%
	5 - Fort Garry	29.774	29.500	-0.9%	40.136	40.805	1.7%
	10 - Seven Oaks	34.048	33.382	-2.0%	44.410	44.687	0.6%
	14 - Seine River	29.232	29.054	-0.6%	39.594	40.359	1.9%
	21- Interlake	26.737	26.051	-2.6%	37.099	37.356	0.7%
Louis Riel		28.779	29.084	1.1%	39.141	40.389	3.2%
	4 - St. Boniface	28.779	29.084	1.1%	39.141	40.389	3.2%
	6 - St Vital	28.779	29.084	1.1%	39.141	40.389	3.2%
River East Transcona		28.867	29.319	1.6%	39.229	40.624	3.6%
	9 - River East	29.536	29.319	-0.7%	39.898	40.624	1.8%
	12 - Transcona - Springfield	27.767	29.319	5.6%	38.129	40.624	6.5%

Schedule "D"

Combined School Tax Impact on a Home Assessed at $100,000

Total School Taxes

	2002	2003	Tax Increase $	% Change
1 - Winnipeg	1,524.60	1,528.34	3.74	0.25%
2 - St. James_Assiniboia	1,093.95	1,130.27	36.32	3.32%
3 - Assiniboine South*	1,326.51	1,327.50	0.99	0.07%
4 - St. Boniface*	1,295.06	1,308.78	13.72	1.06%
5 - Fort Garry*	1,339.83	1,327.50	-12.33	-0.92%
6 - St Vital*	1,295.06	1,308.78	13.72	1.06%
9 - River East*	1,329.12	1,319.36	-9.76	-0.73%
10 - Seven Oaks	1,532.16	1,502.19	-29.97	-1.96%
12 - Transcona _ Springfield*	1,249.52	1,319.36	69.84	5.59%
14 - Seine River	1,315.44	1,307.43	-8.01	-0.61%
21- Interlake	1,203.17	1,172.30	-30.87	-2.57%

*Former School Divisions prior to amalgamation used for comparative purposes only