Agenda - Executive Policy Committee - April 21, 2004

REPORTS

Item No. 1 2004 Education Support Levies and Mill Rates
File FL-3

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 2004.

ADMINISTRATIVE REPORT

RE: 2004 EDUCATION SUPPORT LEVIES AND MILL RATES

FOR SUBMISSION TO: EXECUTIVE POLICY COMMITTEE

ORIGINAL REPORT SIGNED BY: CHIEF FINANCIAL OFFICER

REPORT DATE: April 19, 2004

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 2004.

REPORT SUMMARY:

Key Issue(s):

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.

Under *The Public Schools Act*, the Province of Manitoba is required to set its requirements for the Education Support Levy on, or before, April 15th.

On March 24, 2004, Council passed a by-law to fix and impose taxes necessary to raise the amounts required for the 2004 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 2004 total $107,006,559, a decrease of $5,621,313 or 5.0% from the 2003 requirement. The levy on Residential property is $37,412,672, representing a decrease of $5,441,956 or 12.7% from the 2003 levy. The levy on Other property is $69,593,887, representing a decrease of $179,357 or 0.3% from the 2003 levy.

For 2004, the combined levies for education purposes in Winnipeg will total $439,061,835, which is $14,008,758 or 3.3% higher than in 2003.

School taxes now represent 53.8% of all property taxes collected in Winnipeg,

compared to 53.1% in 2003 and 52.8% in 2002.

The dollar value change in the 2004 combined school tax for a home assessed at $100,000 ranges from an increase of $8.01 in the Seine River School Division to an increase of $53.95 in the River East Transcona School Division.

The actual 2004 combined school tax impact for a home assessed at $100,000 ranges from $1,167.12 in the St.James-Assiniboia School Division to $1,552.59 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 "C" 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.

Under *The Public Schools Act*, the Province of Manitoba is required to set its requirements for the Education Support Levy on, or before, April 15th.

On March 24, 2004, Council passed a by-law to fix and impose taxes necessary to raise the amounts required for the 2004 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 $107,006,559, a decrease of $5,621,313 or 5.0% from 2003 (see Schedule “A”).

The Provincial levy on Residential property is $37,412,672, representing a decrease of $5,441,956 or 12.7% from 2003. This decreased requirement corresponds to a mill rate of 4.549 for Residential property which is 13.7% lower than the 2003 mill rate (see Schedule “A”).

The Provincial levy on Other (non-residential) property is $69,593,887, representing a decrease of $179,357 or 0.3% from 2003. This decreased requirement corresponds to a mill rate of 16.607 for Other property which is 0.2% higher than the 2003 mill rate (see Schedule “A”).

School Division Special Levy (Approved by Council on March 24, 2004)

The City's eight school divisions' 2004 Special Levy requirements total $332,055,276, an increase of $19,630,071 or 6.3% over the 2003 requirement. This increase in Special Levy requirements ranges from a 4.0% increase in the Seine River School Division to an 8.1% increase in the River East Transcona 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 the Special Levy, resulted in mill rate increases ranging from a 3.8% increase in the Seine River School Division to an 8.0% increase in the River East Transcona School Division (see Schedule “A”).

Impact of Combined Mill Rate for Education Purposes

For 2004, the combined levies for education purposes in Winnipeg will total $439,061,835, which is $14,008,758 or 3.3% higher than in 2003 (see Schedule “A”).

School taxes now represent 53.8% of all property taxes collected in Winnipeg, compared to 53.1% in 2003 and 52.8% in 2002.

For Residential properties, the change in the combined mill rate for education purposes range from an increase of 0.6% in the Seine River School Division to an increase of 4.1% in the River East Transcona School Division (see Schedule “B”).

For Other properties, the change in the combined mill rate for education purposes range from an increase of 2.3% in the Seine River School Division to an increase of 4.8% in the River East Transcona School Division (see Schedule “B”).

The dollar value change in the 2004 combined school tax for a home assessed at $100,000 ranges from an increase of $8.01 in the Seine River School Division to an increase of $53.95 in the River East Transcona School Division (see Schedule “C”).

The actual 2004 combined school tax impact for a home assessed at $100,000 ranges from $1,167.12 in the St. James-Assiniboia School Division to $1,552.59 in the Winnipeg School Division (see Schedule “C”).

SCHEDULES

"A" Total amounts to be raised for school purposes for 2004 and comparisons with the year 2003.

"B" Combined mill rate for Education purposes for 2004 and comparison with the year 2003.

"C" Combined school tax impact on a home assessed at $100,000 for 2004 and comparisons with 2003.

Financial Impact Statement Date: April 19, 2004

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

"Original signed by Carrie Erickson"
Carrie Erickson
Manager of Finance & Administration

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

THIS REPORT SUBMITTED BY:

Corporate Finance Department, Taxation & Revenue Division
Prepared by: Robert Weselowski, Manager, Taxation and Revenue
File No.: 2004 Education Support Levy Report.doc

SCHEDULE "A"

Amounts to be Raised for School Purposes

PAYABLE TO SCHOOL DIVISIONS	Requirements 2003	Requirements 2004	Change Amount	Change %	Portioned Assessments	Mill Rates 2003	Mill Rates 2004	Mill Rates Change
Provincial Levy on Residential Property	42,854,628	37,412,672	(5,441,956)	-12.7%	8,225,071,300	05.270	04.549	-13.7%
Provincial Levy on Other Property	69,773,244	69,593,887	(179,357)	-0.3%	4,190,518,398	16.575	16.607	0.2%
	112,627,872	107,006,559	(5,621,313)	-5.0%	12,415,589,698			
Winnipeg	112,948,434	117,828,292	4,879,858	4.3%	3,933,738,668	28.693	29.953	4.4%
St. James-Assiniboia	29,531,592	31,710,342	2,178,750	7.4%	1,482,686,011	19.847	21.387	7.8%
Pembina Trails	53,824,698	57,877,263	4,052,565	7.5%	2,249,763,785	24.230	25.726	6.2%
Seven Oaks	22,469,494	23,696,020	1,226,526	5.5%	811,107,026	28.112	29.214	3.9%
Seine River	2,340,683	2,435,334	94,651	4.0%	98,664,644	23.784	24.683	3.8%
Interlake	9,735	10,159	424	4.4%	468,452	20.781	21.686	4.4%
Louis Riel	50,158,505	54,011,674	3,853,169	7.7%	2,121,278,504	23.814	25.462	6.9%
River East Transcona	41,142,064	44,486,192	3,344,128	8.1%	1,713,065,092	24.049	25.969	8.0%
	312,425,205	332,055,276	19,630,071	6.3%	12,410,772,182			
Total to be Raised for School Purposes	425,053,077	439,061,835	14,008,758	3.3%				

SCHEDULE "B"

Combined Mill Rate for Education Purposes
(Education Support Levy and Special Levy)

	2003	2004	Change
Provincial Levy on Residential Property	05.270	04.549	-13.7%
Provincial Levy on Other Property	16.575	16.607	0.2%

	Residential Properties			Other Properties		
School Divisions	2003	2004	Change	2003	2004	Change
Winnipeg	33.963	34.502	1.6%	45.268	46.560	2.9%
St. James-Assiniboia	25.117	25.936	3.3%	36.422	37.994	4.3%
Pembina Trails	29.500	30.275	2.6%	40.805	42.333	3.7%
Seven Oaks	33.382	33.763	1.1%	44.687	45.821	2.5%
Seine River	29.054	29.232	0.6%	40.359	41.290	2.3%
Interlake	26.051	26.235	0.7%	37.356	38.293	2.5%
Louis Riel	29.084	30.011	3.2%	40.389	42.069	4.2%
River East Transcona	29.319	30.518	4.1%	40.624	42.576	4.8%

SCHEDULE "C"

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

	Total School Taxes			
	2003	2004	Tax Increase $	% Change
Winnipeg	1,528.34	1,552.59	24.25	1.59%
St. James-Assiniboia	1,130.27	1,167.12	36.85	3.26%
Pembina Trails	1,327.50	1,362.38	34.88	2.63%
Seven Oaks	1,502.19	1,519.34	17.15	1.14%
Seine River	1,307.43	1,315.44	8.01	0.61%
Interlake	1,172.30	1,180.58	8.28	0.71%
Louis Riel	1,308.78	1,350.50	41.72	3.19%
River East Transcona	1,319.36	1,373.31	53.95	4.09%