

**HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE
MINUTES
FEBRUARY 29, 2000**

PRESENT: Deputy Mayor John Cunningham
Councillors: Stephen Streach
Gordon R. Snow
Keith Colwell
Ron Cooper
Harry McInroy
Jack Greenough
Condo Sarto
Bruce Hetherington
Clint Schofield
Jerry S. Blumenthal
Graham L. Downey
Sue Uteck
Sheila Fougere
Russell Walker
Bill Stone
Graham Read
Stephen D. Adams
David E. Merrigan
Robert P. Harvey
Peter J. Kelly
Reg Rankin
Jack Mitchell

ABSENT WITH REGRETS: His Worship Mayor Walter Fitzgerald

STAFF MEMBERS: Mr. Ken Meech, Chief Administrative Officer
Mr. Wayne Anstey, Municipal Solicitor
Ms. Vi Carmichael, Municipal Clerk
Ms. Sandra M. Shute, Assistant Municipal Clerk

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1. **CALL TO ORDER**

Deputy Mayor Cunningham called the meeting to order at 2:20 p.m. The purpose of the meeting was to continue discussion on Supplementary Education Funding. A previous Committee of the Whole, held on February 22, 2000, dealt with this issue but there had not been sufficient time to finalize the matter.

2. **SUPPLEMENTARY EDUCATION FUNDING**

The following items were before the Committee since the meeting of February 22, 2000:

1. Staff Report dated February 25, 2000 prepared by Ken Meech, Chief Administrative Officer.
2. Letter dated February 28, 2000 addressed to Mayor Fitzgerald from Stella Campbell, Chair, Halifax Regional School Board together with a Supplementary Funding Proposal dated February 29, 2000.

A list of Councillors who were in line to speak when the meeting adjourned last week was available. It was agreed that the new proposal from the School Board should be presented first.

Ms. Stella Campbell, Chair, Halifax Regional School Board made opening comments with regard to the past and future of education and what happened in 1969 with annexation in the former Halifax compared to amalgamation in 1995/96. She stressed the need for a common vision to unite residents of Halifax Regional Municipality. She then provided information on the new proposal:

Former Region	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Halifax	.14	.14	.14	Evaluation and consultation	
Dartmouth	.107	.107	.107	resulting in equitable	
County-Bedford	.03	.074	.107	supplementary funding	
Funding	\$19.1 m	\$22.3 m	\$24.8 m		

(Rate is cents per \$100 of assessment, and assumes constant assessment.)

- It was similar to the earlier proposal but it moved forward at a slower pace - a five-year phase in rather than a three-year period.
- Maintains the principle of equity for all children.

Ms. Campbell stressed that this was the time for leadership by elected officials and it was time for Council to make a decision.

Mr. Richard Morris, Chief Financial Officer, Halifax Regional School Board provided information on the details of the new proposal:

- The key objective is to achieve equity.
- The two components to that equity are in terms of access to educational opportunities for all students afforded by Supplementary Funding and in terms of taxpayers.
- The modification proposed is an adjustment to the phase in period and to the actual tax rates from what was provided last week so that educational opportunities to students are not lost through a reduction in tax rates in certain areas and a standard tax rate would be applied in either the fourth or five year of the phase in.
- One of the key components is a detailed review of Supplementary Funding before the end of 2002/03 fiscal year. The review would examine both the educational impact of supplementary funding as well as the taxation impact.
- A key objective of the review would be to determine how and when true equity can be achieved by implementing one supplementary funding tax rate across the entire HRM and how the funds can be administered to provide true educational equity for all students within HRM.
- New accountability provisions have been introduced by the Board to ensure there is open, transparent reporting and administration of the supplementary fund through a separate budgeting process. There will be separate financial statements.
- Supplementary funding raised in the former County in 2000/01 would be allocated entirely on a per student basis to the schools in the former County area. These schools will be permitted to determine how these funds will be spent at their schools consistent with the Board's strategic plans, policies and procedures.
- The proposal addressed the concern that the former cities of Halifax and Dartmouth will be able to retain all the educational programs and services currently provided by supplementary funds. The former County area will have new educational opportunities for their students, phased in over a 3-5 year time frame to achieve equity with the entire student population.

Prior to any motion being passed, Councillors commented as follows:

Councillor Sarto stated he understood the provincial government was looking at a service exchange in terms of taking over 100% cost of education with the Municipality taking over 100% cost of roads. He supported the area rate in existence in Halifax/Dartmouth. If equity was provided across the board, however, then Dartmouth would get less dollars than it is now getting. The same could be applied in Halifax. He expressed concern with provision of education for advantaged versus disadvantaged children.

Councillor Mitchell stated there was already an area rate in his District for recreation and for paving roads. Some of this area rate goes to schools. He could not support any increase in the rural area. He circulated a survey in his area and 67% of the responders were against an increase for supplementary funding. Assessments have been increasing. The Councillor could not put the burden on the taxpayers this year for any kind of increase and asked other Councillors to consider the burden that would be put on the rural Councillors.

Councillor Schofield supported equal education and opportunities for every student in HRM. Halifax/Dartmouth Councillors have supported supplementary funding the last four years. He understood there were a number of Councillors in the former County who would like to see a Plebiscite. The Councillor suggested an area rate for this year and a Plebiscite at election time to allow people the opportunity to express their opinions. The students in the former County area do not have the opportunities that the students in the Halifax/Dartmouth area have.

Deputy Mayor Cunningham stated that HRM was mandated last year to pay the School Board more than \$60 million - mandatory funding. Over and above that figure, residents of Halifax/Dartmouth paid an additional \$17 million. Every year the mandatory funding increases as it is tied to assessment. \$77 million was a lot of money paid to the School Board for what is a provincial responsibility. It was incumbent to work with UNSM to get the provincial government to take more of its share of education. The Deputy Mayor supported supplementary funding for Halifax/Dartmouth but would have great difficulty, if the rural Councillors continued to speak against it, in imposing it on them as an area rate.

Councillor Greenough stated that even if the province assumes 100% of the funding for education, it would only take away the mandatory contribution and would not assume any part of supplementary funding. Over the years, funding by the province has dropped from 87% to about 83%. If the same rates are maintained in Halifax/Dartmouth, since the assessment has gone up, there would be \$1.1 million additional to the School Board. Fixed rates applied to an increasing assessment produce more dollars on an annual basis. Council has procrastinated because it is a difficult issue but Councillor Greenough suggested it was time to hit the problem head on. He was in agreement with phasing in and, with additional revenue from assessment, the rates could come down in Halifax/Dartmouth. As far as Bedford and the County was concerned with regard to equity, it was clear that the process should begin.

Councillor Harvey said that the School Board has answered many of the questions brought up over the last four years in the presentations made this week and last in terms of accountability, breaking out the supplementary budget and by devoting the larger portion of the supplementary budget to schools. He referred to the 20/20 Visionary launch at

which time the Student Council President from Musquodoboit Rural High School indicated that the future of HRM depended greatly on how well the students of today are educated and supplementary funding was a necessity for future education and equality. Paying for enhanced education was an investment and the students now will be the parents of the next generation of students who should be educated as widely as possible.

Councillor Colwell stated the responsibility for education fully lies with the provincial government. He asked what happens if, when the provincial budget comes down, they take away the supplementary funding and say it is core funding. His District was paying a lot of area rates, put on without proper consultation. If there ever is supplementary funding, it needs to go directly to the schools, not to the School Board, so it can be spent properly. He listed projects paid for from supplementary funding for certain schools in Halifax/Dartmouth, projects of which, in his opinion, were the responsibility of the province.

Councillor Merrigan said there was an inequity in the education system in HRM and whether or not it is the fault of the province, it is there. Halifax/Dartmouth is supporting its students with an area rate which the former County cannot afford. He wanted to see some way to come together as a Regional Council to decide about supplementary funding. If Halifax/Dartmouth wants to get out of supplementary funding, it will take 10 years as they can only get out by 10% per year. He could not support the School Board proposal not knowing what it will cost in future years. He could better support Mr. Meech's proposal with some modifications. He would rather deal with a total amount under a general rate every year to determine whether or not it is affordable. The issue at hand was to allow the students in the County area to be taught at a different level. They need the support of supplementary funding and the people he represented wanted equity with the education system. There has to be a fair process to deal with this.

Councillor Fougere agreed with the prospect of equity across the board but not at the cost of reducing what is being paid now. She would not support equity at a lower level. It was awkward for the School Board to have to administer monies that can only be spent in certain areas of the Municipality. If the money is to be spread across the entire Municipality, then it should come from the entire Municipality. As for whose responsibility education is, because one party will not take full responsibility for something does not mean you should turn your back and walk away. Although more money does not mean a better education, it does mean increased opportunity for options. She believed in providing increased options to everyone in the Municipality and access to those options on an equal footing was important. The Councillor stated she would not ever support a reduction in supplementary funding in her District or in the former Halifax.

Councillor Streach said he was elected to represent the residents of his District and found it difficult when his residents indicate taxes are too high now and simply cannot pay any

more. If the residents of his District felt that equity was important, he would have heard a greater outcry. He understood that some people felt they are not disadvantaged compared to some others in the urban core. He was not prepared to support supplementary funding today on behalf of his taxpayers and further burden them with an extra levy until he was satisfied the School Board has its own house in order. The Councillor pointed out that the School Board has to go back to the people this fall as well and suggested that maybe the Plebiscite should not be on behalf of Council but on behalf of the School Board.

Councillor Kelly supported maintaining supplementary funding in Halifax/Dartmouth but in the areas that do not have it, he believed going to the people and asking for their input would provide a direct answer in the form of a Plebiscite. He met with Principals in his area to discuss how the needs of the area could be considered without supplementary funding but with an area rate in that area only rather than being dispersed throughout the entire system. The expectation in his District was that if the money is collected in his District, then it should stay in the community schools. The School Board made it clear that it would stay within the Bedford/County schools but there were no guarantees that dollars collected in a District would stay in a District. He asked that Council give latitude to those in the County and Bedford to go back and provide information to the public and ask a question through a Plebiscite in the fall. He hoped that the members from Halifax/Dartmouth would not impose their approach on all Districts until there is a chance for input from residents. It was time for the province to come forward and be proactive. With the evolution of School Advisory Committees, perhaps it was time to get rid of all School Boards across the entire province and let the province deal with it head on and get rid of the duplication that has been taking place through administration and maintenance. With regard to the overall approach to apply the area rates as and where needed, he wanted an option to bring forward an area rate to achieve in the interim, until there is a chance to go back to the public directly.

Councillor Walker said he would be voting to keep supplementary funding. If a motion comes forward to vote on the proposal from the School Board, he would be voting for it.

Councillor Stone said that equity could mean different things. For some, it could mean a reduction in service. He liked the proposal presented last week where there would be a reduction in costs to the former Halifax. Over time, he felt there would be a blending of service. The question was how much this Council wanted to put into education. The new proposal means there is an increase over a period of time to the School Board with the possibility of a similar service throughout the Municipality. The Councillors from Halifax/Dartmouth do not want a reduction in service. If money is going to be distributed equally, it should be distributed equally with both benefits and costs. He could not force

equity on others since his community likes and wants supplementary funding, and the Councillor was in favour of keeping the status quo of supplementary funding in his area.

Councillor Read said he needed to know where the money was coming from, where the money was going and if the money was being spent where the taxpayer felt it should be spent. There was a degree of equity now; if you want more, you pay more. What was being considered was identity throughout the entire region. He was in favour of encouraging Bedford/County to raise the level of education. Citizens have accepted that mandatory funding be spread evenly no matter where it comes from but supplementary funding stays home. The School Board proposal would eventually have the supplementary funding and mandatory funding going into a big pool and being spread evenly. That was a change of policy which should be taken to the residents.

Councillor Uteck expressed concern that the new proposal was not received in time for due consideration by Council as well as the Board. After asking a number of questions, the Councillor stated the new proposal was better than last week and she would be supporting it.

Councillor Cooper said he perceived a subtle change in terminology over the last few meetings. When the School Board first came, they were talking about equity in education across the system but now it was equity in education from supplementary funding which is slightly different. Halifax and Dartmouth have different rates and do not support the same kinds of programs.

Councillor Blumenthal supported supplementary funding; however, he believed that education was the responsibility of the province. Supplementary funding was each individual District's mandate. He would not vote against the Councillors from the former Halifax County Municipality if they did not want it. He wanted Halifax to stay where it is but did not like the formulas as he did not want Halifax service to go down. Equity is whether or not you pay for it. Equity will never happen because there are three different tax rates - urban, suburban and rural. Assessments and services are different in all areas; therefore, the Councillor questioned how could education be the same by paying more from one area to the other.

(Between 4:05 and 4:15 p.m. Councillor Rankin was in the Chair.)

Councillor Adams stated he would not support the proposal put forward because it compromises the students of Halifax/Dartmouth, but one way or the other the former District 5 and the area of District 18 he represented would have some semblance of supplementary funding. Comparing last week's proposal to this week's proposal, he was not comfortable with the results. He provided information regarding the differences. He

supported Halifax/Dartmouth funding staying the same. He noted that he had the rare opportunity of seeing both sides because there were schools with and without in his District. According to equity, it ends up with a reduction for students in Halifax/Dartmouth and that was not appropriate. He did not think equity was the issue as equity could mean no supplementary funding for anybody. The issue is what is required to allow for a reasonable level of education. On another matter, the Councillor noted he had not received answers to questions from the Halifax Regional School Board concerning Holly Drive School and the children going to William King and funding following them, and, as well, when the meetings were held when parents determined the children wanted to go to William King.

Councillor Rankin said that with regard to what is driving this issue to reach Council, in large part, is the administrative challenges associated with delivering supplementary programs with no boundaries relating to those jurisdictions and a sympathetic School Board. It was the administrative challenges of trying to deliver two distinct levels of programs. It may be timely that the Minister is reviewing School Board boundaries. He had stated he would consider a modest tax but 3 cents to seven cents to ten cents was not modest. He requested that Councillors not be party to a tax that is not a municipal need but discretionary and is not wanted. By any standard in the former County, the rates proposed were not modest. As well, they did not define year 4 and year 5 to make it more palatable. In some areas of the County, this increase would represent 10%. As long as there is a municipal need going unmet in the former County, it is irresponsible to try to satisfy a provincial program. He was accountable to citizens for taxes, not the School Board, and he knew this was unacceptable. With regard to the proposal, it is incomplete. He suggested coming back at another time talking about what can be delivered at a modest rate.

Councillor Downey supported supplementary funding. No one knew what the provincial government was going to do over the next two years. There was a serious problem in the schools and the only way to correct this was to sit down as a whole Council. His District had the highest assessment. If the School Board was telling Council what was right and how to correct it, then Council should be listening to them.

During the course of the meeting, in response to questions from Council, representatives from the School Board provided the following information:

- With regard to service exchange, a roles and responsibilities working group has been in place about a year. It was not known if there was a report forthcoming at any particular time.
- With regard to the Halifax Education Foundation, the Foundation acts at arms length and supports activities in the schools across HRM. A successful campaign

was books for libraries with the help of corporate sponsors. The goal was to enhance public education and not take on any of the responsibilities of the province.

- As to what services supplementary funding in the former cities provide, differences would be: starting French earlier, more minutes of French in Grades 4 to 6, an Art Specialist, string program and provision of social workers.
- If Halifax rates were reduced, Halifax would maintain the same level of supplementary education because of higher assessments. Maintenance costs would also be lower and have an effect.
- The School Board is focusing on the dollar value; the actual tax rate and combination of that and assessment could mean a change in the rates proposed.
- With regard to contingency fund, it was proposed as a means of addressing unforeseen or emergency type situations, i.e. new situations at specific schools in September.
- A maximum of 2% of the fund would be used to create an Exemplary Practice Support Fund. These are new Terms of Reference developed in the last month. It could be that the Exemplary fund will not be available for the first few years. It would be controlled by the School Board.
- There were two different rates for Halifax and Dartmouth; therefore, there was not equity between Halifax and Dartmouth. There were different traditions of how the money is spent.
- The School Board's point was that when schools or families of schools have funds and have equal access to funds, the funds may be used very differently in one District than another. The important thing was that the funding is provided in an equitable way.
- Student Success Initiative is intended to address the fact that we have serious issues with literacy in the community and is a strategic response to that. It will be funded from the regular funding of the Board and applied to every child in HRM regardless of what decision is made re supplementary funding, which is augmentation and enhancement. A decision could be made locally to augment the allocation from the Board in support of the Student Success Initiative.
- The present proposal ensures that the services in Halifax/Dartmouth are not lost and in the fifth year, there would be equity.
- As far as how much supplementary funding is raised through the commercial portion in Halifax/Dartmouth, of the \$12 million currently raised in Halifax, \$6,061,000 is raised through the residential portion and \$5,890,000 is raised through commercial. In Dartmouth, residential was \$2 million and commercial was \$3 million.

Following the comments made by individual Councillors, the following motion was put forward:

MOVED by Councillors Greenough and Sarto:

TO recommend to Regional Council to maintain the same level of Supplementary Education Funding in Halifax/Dartmouth with the rate being adjusted to reflect fluctuations in assessment.

THAT a supplementary funding rate be established in the former regions of Bedford and the County beginning this year by adding two cents to the rate and an additional two cents in each of the next four years, for a uniform rate of ten cents per \$100 assessment being achieved in the fifth year.

DURING the phase in period, the funds generated in the former regions be allocated for enhanced educational opportunities in the respective regions.

Councillor Harvey pointed out that the economic engine in Halifax/Dartmouth/Bedford is significantly fueled by the 140,000 people who live in the County. He made the argument that a portion of the commercially raised supplementary funds should be spread over the whole area. HRM was supposed to be operating as a unit, whether it was debt or this issue. He advised he had been going to put forward a motion to the effect of supporting the principle of equity and for the Year 1 proposal, leaving the other years to the next Council to deal with.

Councillor Cooper stated that in its present form, he could not support the motion because it will not allow the spread of educational enhancement across HRM as it should. Supplementary funding should go to programs clearly identified by the School Board.

Councillor McInroy said he would not support the motion. He favoured some combination of the kind of proposal advanced in scenarios already, but coupled with what Mr. Meech put forward to eventually move out of supplementary funding, if it goes across the board. There was a suggestion placed before Council at one time to slowly get out of supplementary funding without creating undue hardship for the School Board by decreasing what was being paid to Halifax/Dartmouth by 10% a year. Councillors for the former cities chose not to do that at that time. As to the five-year phasing in, it was important to take into consideration where the taxpayers of HRM will be two, three, four, five years down the road if this is an open-ended situation that addresses equity up front but might not be the right thing in the long term.

At this point, Councillor Colwell attempted to put forward an amendment to the motion to have the first part of the motion stay as is but the references to Bedford and County areas

be removed and stay at the status quo. Councillor Kelly agreed to second this amendment if accepted.

Deputy Mayor Cunningham stated that although the amendment is contrary to the motion, there probably would have been a request to split the motion and vote on two different parts anyway. It was possible if the whole motion was defeated, the supplementary funding for Halifax/Dartmouth would have been lost. If Council accepts the amendment and votes only on the first part of the motion, he would be looking for another motion - either for Councillor Greenough to re-put the second part or have another motion.

Council agreed to split the motion.

Deputy Mayor Cunningham called for question on the first part of the motion which reads:

TO recommend to Regional Council to maintain the same level of Supplementary Education Funding in Halifax/Dartmouth with the rate being adjusted to reflect fluctuations in assessment.

MOTION PUT AND PASSED.

The following motion was then placed on the floor:

MOVED by Councillors Harvey and Adams to recommend to Regional Council that in the context of the School Board proposal dated February 29, 2000, with the understanding that any amount raised in the County and Bedford would go directly to schools on a per capita basis, to move Year 1 of the School Board proposal which would be complementary to the motion already passed.

Councillor Adams stated this was a reasonable compromise and he was glad that Councillor Harvey kept away from the equity aspect. It was a foundation to build on for the future and he would support it.

Councillor Rankin stated this was not a modest increase and he would be fighting vigorously against it. It was piecemeal at its worst and was against the culture of previous area rates - a step-in program. There are other remedies to accommodate supplementary funding because the parents/taxpayers are not asking for it.

Councillor Kelly said he believed this should go back to the residents because it is a tax increase. It should be distributed on a per student capita with funds raised in the area

staying there. His community made it very clear they did not want any part of paying and the money not staying there.

Councillor Mitchell stated this was not fair. Other Councillors would be in control of making the decision for former County taxpayers. He would be fighting this and would bring his people in to fight it as well.

Councillor Blumenthal said he would not support the motion. If the County wanted it in their area, then they should decide. Again, the Councillor reiterated education was a provincial mandate.

Councillor Hetherington said that last year when he proposed a 10% reduction on Dartmouth's supplementary funding, the majority of the Dartmouth Councillors voted against it and Council went with it. That was democracy in action. There were 12 Councillors who had County representation. Of those 12, possibly two have said yes and Council could possibly be overriding their jurisdiction. He would be voting against the motion.

Councillor Fougere took offence to the implication that something was being imposed on the County when just moments previously Council, with the exemption of herself and Councillor Uteck, voted to essentially reduce supplementary funding in Halifax/Dartmouth by keeping the dollar amount the same, thereby reducing the rate of supplementary funding. Now the same people were being told that other Councillors were imposing their will on them by suggesting that they pay supplementary funding in any amount. She was more than happy to vote for supplementary funding in the County because she thought it was worthwhile as others had just voted to reduce supplementary funding in Halifax/Dartmouth by keeping the dollar amount the same and not the percentage amount the same.

Councillor Colwell, speaking against the motion, said the taxpayers in his area could not afford to pay another area rate. There were other ways to put supplementary funding in the schools, if needed, and if the residents want it.

Councillor Read, in speaking against the motion, stated that the start of supplementary funding in the Bedford/County area is a major policy change which requires consultation with the citizenry, although not necessarily through a Plebiscite.

Councillor Cooper asked for clarification on the original motion. Since it was split, and the first part voted on, before entertaining another motion, the second part now needs to be addressed.

Although Councillor Greenough withdrew the second part of the his motion, it was determined to be Council's motion, and the question was called on the second part of the original motion:

TO recommend to Regional Council that a supplementary funding rate be established in the former regions of Bedford and the County beginning this year by adding two cents to the rate and an additional two cents in each of the next four years, for a uniform rate of ten cents per \$100 assessment being achieved in the fifth year. MOTION DEFEATED.

Owing to time constraints, a motion to adjourn was deemed to be in order. A future Committee of the Whole meeting will be scheduled at which time Councillor Harvey's motion will be decided. There were a number of Councillors wishing to speak on the matter.

MOVED by Councillors Greenough and Walker to refer this matter to a future Committee of the Whole meeting. MOTION PUT AND PASSED.

3. **ADJOURNMENT**

MOVED by Councillors Hetherington and Walker to adjourn the meeting at 5:10 p.m.

Vi Carmichael
Municipal Clerk