



Canadian School Boards Association

Submission to the House of Commons Standing Committee on Finance

2007 Pre-Budget Consultations

Rick Johnson
Vice-President

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EXECUTIVE SUMMARY

The Canadian School Boards Association (CSBA) represents school boards across the country. Our members are the provincial school board associations that provide direct support to boards that, in turn, govern the range and quality of educational services in Canada's public schools. Elected trustees represent Canadian communities and Canadian taxpayers, including the 70 per cent of the population who do not have children in school.

Therefore trustees must be committed to, among many other issues and challenges, two basic principles: the provision of universal access for all learners, without exception, to the best possible education; and the preparation of all students to be responsible productive citizens.

Having been elected by universal suffrage, trustees have a mandate, in fact instructions, from their communities to meet those goals. Our presentation to this Committee is made with that objective.

The CSBA is non-partisan: our interest is first, foremost and without qualification, the excellence of our Canadian public education system. And we have succeeded. Using data from the Organisation for Economic Cooperation and Development (OECD), Canada ranks among the best in the world in education, despite spending less than most other OECD countries, despite being geographically larger than most OECD countries, and despite having a non-homogeneous population. The countries that fare better than us are smaller than Newfoundland, speak one language and spend more than we do.

Best of all, OECD data has also found that no matter where you live in Canada, no matter the economic status, the Canadian public system ensures that your child will receive an education that is ranked among the best in the world. There are few countries in the world that can make that boast.

All provincial governments share the desire to maintain that quality, and we believe that **it** is the intent of the federal government to support that pursuit of excellence.

We encourage you to examine areas of specific federal jurisdiction that have an impact on local public education. The underlying theme is efficiency in ensuring that school boards across Canada can maximize the revenues that provincial taxpayers provide to support education.

We ask that the federal government:

1. Eliminate the clawback on education – fully exempt school boards from GST.
2. Establish a Green Tax Policy to support school board green capital and operational investments.
3. Establish a tax incentive for aboriginal students to graduate from secondary and post-secondary institutions.



GOODS AND SERVICES TAX

In December 2006, the Canadian School Boards Association was pleased that the all party House of Commons Finance Committee recommended that school boards be fully exempted from the Goods and Services tax. The CSBA has been making this request to the government and to this the Committee for many years.

Recommendation 25 of the 2006 Finance Committee Report

The federal government amend the Excise Tax Act in order to ensure a full rebate on the Goods and Services Tax paid by universities, colleges, school boards and hospitals and on behalf of scholarly research materials.

We were disappointed, and cannot understand why the federal government failed to adopt the Committee's recommendation. Such a measure would have an immediate and direct positive impact on the delivery of educational services.

The GST represents an unwarranted burden and an unfair tax-on-tax on our education system. In 2004, the federal government granted municipalities an exemption from the GST; it is long overdue that the same exemption be granted to the most important public service provided by any level of government.

The Administrative Costs of the GST on School Boards

The GST imposes a complicated and expensive system of rebates, claims, and payments on school boards. As a consequence, many boards are forced to engage experts to help them comply with the regulations. That the federal government must offer courses to boards to help deal with the confusion speaks to its own recognition of the intricacy of compliance.

GST As A Claw-back on Provincial Government Support for Education

While school board revenue sources differ across the country, it is safe to say that provincial government grants generally comprise the major source of revenue.

Charging the GST on school board purchases means that the federal government is, in effect, taxing money that school boards received as a consequence of transfer payments and/or their own taxation efforts. Surely the inconsistency of taxing a government-funded entity - a tax on taxed monies - demands action, fully exempting school boards.

What we are simply asking for is the federal government to stop *clawing back* the support it provides through transfer payments to education by completely eliminating the Goods and Services Tax it applies to school board purchases.



NEW MEASURES

The CSBA would like to put forth a suggestion regarding tax incentives – well-within federal jurisdiction – that we believe could play an important role in facilitating the efforts of schools and school boards to enhance their level of environmental responsibility.

Tax-Based Incentives for Green Facilities and Operations

In 2003/2004, capital expenditures of school boards nationwide was \$2.8 billion. It is fair to say that, over the years, a substantial portion of school board expenditures is consistently dedicated to capital expenditures.

If those expenditures were subject to tax incentives based on their environmental effectiveness and efficiency, the federal government, as suppliers adjust to this new demand, could support schools becoming increasingly green in their facilities and operations.

We refer you to the Leadership in Energy and Environmental Design (LEED[®]) Green Building Rating System[™], the American benchmark for the design, construction, and operation of high-performance green buildings. LEED[®] gives building owners and operators the tools they need to have an immediate and measurable impact on their buildings' performance. LEED[®] promotes a whole-building approach to sustainability by recognizing performance in five key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality.

LEED[®] Canada for New Construction and Major Renovations tailors the U.S. system specifically for Canadian climates, construction practices and regulations. At present, only the U.S. a system specifically designed for the needs of schools addressing, for example, such issues as classroom acoustics, master planning, mould prevention, and environmental site assessment.

Given that there are school board suppliers who are already part of the Canadian LEEDS[®] system, it should be relatively straightforward to adapt to Canadian needs.

We believe that the sheer volume and consistency of school board expenditures would be a powerful demand-based instigator of a green economy.

Tax Support for Aboriginal Graduates

Saskatchewan has introduced a program offering an elimination of income tax for a set time period after high school or university graduation. Although largely designed to encourage young people to remain in the province, it has the additional benefit of being an incentive for young people to either complete or return to school.



We ask you to examine a similar program for aboriginal graduates of secondary school. There is new research showing that aboriginal students who complete secondary school achieve similar success in the job market and in post-secondary institutions to non-aboriginal graduates. We must explore every tool possible to encourage aboriginal youth to capture the benefits of this wonderful country.

CONCLUSION

In conclusion, we ask that the federal government:

1. Eliminate the clawback on education – allow school boards a 100% exemption from GST.
2. Establish a Green Tax Policy to support school board green capital and operational investments.
3. Establish a tax incentive for aboriginal students to graduate from secondary and post-secondary institutions.