

BUDGET 2016: A GOOD START TO A BETTER CANADA

A Canadian Teachers' Federation Brief on
BILL C-15
An Act to implement certain provisions of the budget
tabled in Parliament on March 22, 2016 and other measures
submitted to the
Standing Committee on Finance

May 17 2016



Canadian Teachers' Federation
Fédération canadienne des enseignantes et des enseignants

www.ctf-fce.ca

Introduction

The Canadian Teachers' Federation (CTF) is an alliance of Member organizations representing over 200,000 teachers in every province and territory. CTF's mission is to serve as a unified voice of teacher organizations in Canada on education and related social issues by promoting high quality public education, the status of the teaching profession, and the freedom to learn.

The CTF is on record as being generally pleased with the progressive nature of the most recent Federal budget. Teachers do, however, have some concerns about specific initiatives. While the CTF has commented broadly on provisions of the 2016 Budget, in this brief and related presentation, we will limit our comments to the study of Bill C-15. This is not to imply that our concerns regarding other areas of the Budget are diminished, especially as they relate to the alleviation of child poverty, the improvement of mental health services for students and teachers, and the need for education to be a priority for the government's Overseas Development Assistance (ODA). We believe that these items should be government priorities and look forward to future opportunities to comment on these, and other, very important issues.

Canada Child Benefit

The alleviation of child poverty is of critical importance to teachers in Canada. Each day in their classrooms, Canadian teachers engage with and support children who are facing challenges in their lives unimaginable to most. Because there is not a national school food program, many students are hungry. Because there is a lack of affordable housing, many children are tired. Nelson Mandela once stated that, "Like slavery and apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings. And overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life."¹

The CTF congratulates the Government on the Canada Child Benefit program as part of the solution to the alleviation of child poverty in Canada. We believe that the consolidation of the many "child related" tax credits into a comprehensive, means tested, program will help many Canadian children. This, however, is but a first step in a comprehensive solution.

The Dignity for All Campaign's National Anti-Poverty Plan for Canada was four years in the making and released in early February 2015 after an extensive process of community engagement. This plan explains the rationale for strong federal leadership in reducing and ultimately eliminating poverty (the following is excerpted from the report, p. 8)²:

¹ Mandela, Nelson (Feb. 3, 2005). "In full: Mandela's poverty speech." BBC News. http://news.bbc.co.uk/2/hi/uk_news/politics/4232603.stm

² Dignity for All (Feb. 2015). A National Anti-Poverty Plan for Canada. Ottawa. http://www.cwp-csp.ca/wp-content/uploads/2015/02/DignityForAll_Report-English-FINAL.compressed.pdf

The task of eliminating poverty requires all levels of government to work collaboratively and in concert alongside other sectors. In this regard, the federal government has a fundamental and unique role to play. As the signatory of international human rights treaties committing Canada to uphold human rights including the right to an adequate standard of living, the federal government itself must meet certain obligations and must show leadership. Moreover, the federal government is uniquely placed to address poverty nationally in light of the role it plays with respect to:

- Income security programs (e.g., Canada Child Tax Benefit, GST Tax Credit, Working Income Tax Benefit, and Guaranteed Income Supplement for seniors); [Over 80% of all spending on income security programs comes from the federal government.]
- Programs and services designed to economically assist Inuit, First Nations, and Métis peoples, newcomers, and persons with disabilities; and
- Federal transfers to the provinces and territories under programs such as the Canada Social Transfer and Affordable Housing Agreements.

The Canada Tax Benefit is a good start to the creation of a national poverty alleviation plan, and, together with budget announcements for increased funding for indigenous peoples, it seems the Government is moving in the right direction. While the CTF commends the government for taking action, we believe there is more that needs to be done.

Teachers do not want to see even one child suffering from the effects of living in poverty. In fact, we would argue there is no reason why child poverty should still be a possibility, let alone a stark reality, in Canada. The CTF believes that it is incumbent upon the Government of Canada to commit to a comprehensive federal poverty reduction strategy for the country that includes realistic measurable targets and timelines developed in broad consultation with provincial and territorial governments, Indigenous governments and organizations, non-governmental organizations, and people living in poverty.

With regard to the Canada Child Benefit we recommend that:

- 1. Provisions be put in place to ensure the Canada Child Benefit is indexed to inflation;**
- 2. The Government of Canada enter into agreements with provinces and territories to ensure that the Canada Child Benefit does not adversely affect entitlement to other social assistance programs.**

Employment Insurance

Historically, the teaching profession is fortunate in that teachers have stable employment and are not normally forced to claim benefits from lost employment. In fact, most teachers are excluded by regulation from claiming regular benefits. There are, however, a large number of teachers who have tenuous or part-time employment. For example, the Ontario College of Teachers reports that for those who maintain their commitment to the profession, only 44% of teachers report obtaining permanent contracts after three years. Furthermore, after 5 years seeking to obtain permanent work, only 66% of teachers are successful.³ These educators struggle to work as much as possible in their profession and, as they do not have the benefit of full-time contracts, they are forced to rely on Employment Insurance benefits when schools are closed and work is, quite simply, unavailable.

Unfortunately, many of these young teachers have been classified as frequent claimants in the current Employment Insurance regime. They also would be excluded from any benefit afforded to long-tenured workers. The CTF was disappointed to learn that these labels were not eliminated by Budget 2016. These young teachers are dedicated to the teaching profession and should not be disadvantaged because of their commitment to children and youth. It is not their fault that the best they have been able to secure is tenuous employment. For this reason we recommend that:

3. Categories of workers be eliminated from the Employment Insurance program and that all workers be treated equally under the system.

A consistent concern of teachers accessing both regular benefits and special benefits is challenges accessing information concerning their claims. For this reason, we are very pleased that Budget 2016 announced increased funding for staffing at Service Canada. This type of investment is good in that improved access to expertise on the telephone should lead to greater service for claimants seeking information about their benefits. This cannot, however, replace the benefit of face-to-face discussions near the beginning of a claims process with well-trained staff in Service Canada offices. Teachers often turn to their federation for support and assistance with questions regarding Employment Insurance. In the past, representatives have had direct contacts within Service Canada to help troubleshoot these issues. It is our hope that some of the additional staff provided for in Budget 2016 will be allocated to replacing regional contacts.

Many workers' representatives, including those representing teachers, have been able to negotiate supplemental Employment Insurance benefits with their employers. These supplemental benefits include payment coverage for waiting periods. While the reduction in the waiting period to one week may be beneficial to many workers, it could have unintentional adverse effects on teachers' access to negotiated benefits. In Manitoba, for example, approximately 10% of employees in the province have access to top-up benefits. All of these

³ Ontario College of Teachers (2015). *Transition to Teaching 2015*. https://www.oct.ca/-/media/PDF/Transition%20to%20Teaching%202015/EN/2015_T2T_main_report_web_en.pdf

education assistants, doctors, nurses, lawyers, retail and wholesale employees among others could be adversely affected.

Similarly, without the extension of benefits by a corresponding week, claimants may also be adversely affected. A woman taking pregnancy and parental leave, for example, entitled to 52 weeks of leave from work will still only receive 50 weeks of benefits with one unpaid week at the beginning of the leave and one unpaid week at another point in time. This may encourage the claimant to return to work a week early thus effectively reducing her leave entitlement by one week. Pertaining to the reduction of the Employment Insurance waiting period to one week we recommend that:

- 4. Claimants be provided with a choice regarding the duration of the waiting period so that they may choose to waive the waiting period entirely, take a one week waiting period, or take a two-week waiting period.**

School Supplies Tax Credit

In a 2010 study conducted by the CTF, the out of pocket expenditures by educators in the previous school year on classroom materials or class-related activities, averaged \$453 per educator. The spending by teachers included such items as:

- Curricular support materials (23% of spending)
- Classroom supplies (17% of spending)
- Prizes, rewards, incentives and gifts (14% of spending)
- Electronic technology and materials (14% of spending)
- Food and beverages (12.6% of spending)
- Clothing, shoes and hygiene items (5% of spending)
- Sports equipment, games and toys (4% of spending)
- Transportation for students (3.8% of spending)
- Band and music materials (2.6% of spending)
- Other (4% of spending).

With increased pressures on education budgets across the country, the amount of personal funds spent by teachers in their classrooms is increasing. And, the amount spent by beginning teachers often greatly exceeds the average as they are setting up new classrooms.

The CTF firmly believes that governments have a responsibility to fully fund the education system so that all Canadian children and youth have access to equitable quality publicly funded public education. Teachers should not feel obligated to subsidize the system. As teachers have been subsidizing the education systems from coast to coast to coast for years now, the CTF does appreciate the sentiment behind reimbursing teachers for at least some of their out-of-pocket expenses.

Beyond our overall concern that a School Supplies Tax Credit is indeed necessary at present, the CTF has two main suggestions regarding the proposed legislation.

Teachers contribute to their classroom based upon their professional judgement and their determination of the educational needs of their students. Each year, students change and so too do the student needs a teacher is responding to. Professional educators are able to quickly identify classroom requirements that may not be funded by the school system. Teachers often must act quickly to obtain a resource necessary to assist their students to successfully meet learning outcomes.

The proposed requirement for a written certificate from the employer creates a needless approval step as normally the employer will defer to the professional judgement of the teacher. Furthermore, the certificate requirement places the purchase of school supplies within reach of provisions for expenses incurred as a condition of employment (which is a separate tax credit). An important distinction to be made between these two taxation provisions is that the School Supplies tax credit refers to voluntary expenditures while the Declaration of Conditions of Employment refers to mandatory expenditures. By requiring a certificate from the employer, it may be reasoned that some employers might begin to blur the line between voluntary purchases by teachers and purchases that are expected by the employer. For these reasons the CTF recommends that:

5. The Bill C-15 be amended to remove the requirement of a written certificate from employers.

The second concern of teachers is the narrow definition of prescribed durable goods. As was evidenced by the 2010 CTF survey noted above, teachers contribute financially to their classrooms in a wide variety of ways. This includes purchasing such items as science equipment, musical instruments, and even furniture. The limitations placed on durable goods expenditures does not accurately reflect the range of purchases made by teachers across the K-12 school system and may thus inadvertently disadvantage those purchasing items not included on the list.

Conversely, the CTF appreciates the wide scope in the consumable items included in the legislation. We agree that it would be impossible to innumerate the wide variety of consumable goods teachers purchase for their students. Similarly, it is counterproductive to attempt to innumerate durable goods. CTF recommends that:

6. The list of prescribed items in Bill C-15 be amended to include a sub-section e) other non-consumable educational resources.

Summary of Recommendations

1. Provisions be put in place to ensure the Canada Child Benefit is indexed to inflation.
2. The Government of Canada enter into agreements with provinces and territories ensuring that the Canada Child Benefit does not adversely affect entitlement to other social assistance programs.
3. Categories of workers be eliminated from the Employment Insurance program and that all workers be treated equally under the system.
4. Claimants be provided with a choice of duration of waiting period so that they may choose to waive the waiting period entirely, take a one week waiting period, or take a two-week waiting period.
5. The Bill C-15 be amended to remove the provision requiring a written certificate from employers.
6. The list of prescribed items in Bill C-15 be amended to include a sub-section e) other non-consumable educational resources.