

THE
FINANCING OF PUBLIC EDUCATION
IN
NOVA SCOTIA

A thesis written in partial
fulfillment of the requirements for the
degree of Master of Arts.

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PREFACE

I feel this subject to be of tremendous importance in the light of current increases in the cost of education. Both the number of pupils and the cost per pupil unit are increasing. To meet these rising costs, additional monies as well as new sources of revenue must be found.

I have concerned myself, as the title suggests, with a study of the financing of education in the public schools of the province of Nova Scotia (excluding Vocational Schools as well as Schools for the Handicapped).

To begin with I have presented a survey of both the past and present systems of educational finance in Nova Scotia. In addition I have included a chapter on the topic of Federal Aid and Educational Finance, in the light of present interest in this subject. Finally in my last chapter are considerations on future financing of public education in the province.

I have not attempted, in presenting my proposals (Chapter Five), to outline an exact financial assessment of the actual costs of education in the province, but have tried simply to present a revised formula for the sharing of educational costs between the municipal and Provincial units.

My sources for material were various and included texts dealing with taxation generally as well as those outlining the history of educational finance in Nova Scotia. I have used the Annual Reports of the Department of Education for some years back, along with the Pottier Report, and other reports of Committees and Commissions which have investigated the problem as it is related to other provinces. The Education Act itself outlines the system in use at the present time. There were also a number of periodicals and pamphlets which I procured from various agencies, such as the National Education Association, the Canadian Educational Association, the Canadian Conference on

Education, the Canadian Teachers' Federation, the Canadian School Trustees' Association, the Provincial Departments of Education and the Dominion Bureau of Statistics. Finally several general texts on the topic of educational finance proved useful.

In addition to the foregoing I discussed the matter of educational finance, as well as my proposals, in a personal interview with Mr. C. William Smith, Supervisor of School Grants and Statistics for the Province of Nova Scotia.

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CHAPTER I

A HISTORY OF EDUCATIONAL FINANCE INCLUDING THE HISTORY OF PROPERTY TAXATION AS A BASIS OF EDUCATIONAL FINANCE IN NOVA SCOTIA

At the very outset in Nova Scotia, during the French period, education was controlled by the Catholic Church. The only exception to this was a small¹ military school located at Louisburg.

With the changing over to British control, we find the first schools were established by the Society for the Propagation of the Gospel in Foreign Parts, commonly known as the S.P.G., under the auspices of the Church of England. At first the school masters were simply given grants of land. As time passed itinerant teachers became fairly common. Teachers of this type moved from house to house, charging a fee for their services. The necessity for the additional educational services provided in this manner, was brought about by an increase in the population and by the inability of the S.P.G. to supply the demand.²

¹James Bingay, History of Public Education in Nova Scotia (2d ed.; Kingston: Jackson Press, 1919), p. 1.

²Ibid., p. 17.

However not only did the number of 'travelling' school masters increase, but there was, as well, a rise in the number of unrecognized and independent schools. As a result there arose a loud cry for legislation for education. Hence the first Education Act was passed by the Legislature of Nova Scotia on June 28, 1766. In addition to pertinent improvements it stated that 400 acres of land in each township be granted to and for the use of schools. The administration of these lands was to be left to the ¹ trustees.

The next step forward was taken in 1780 when there was provision made for secondary education. A bill was passed in that year which provided for the construction of a school house through the raising of £1500 by means of a lottery.² Of primary interest is the fact that this was the first time the Government had voted money for the support of schools.

Following upon this Act another was passed in 1794, which provided both for the annual support

¹Canada, Dominion Bureau of Statistics, The Organization and Administration of Public Schools in Canada (2d ed.; Ottawa: Queen's Printer, 1960), p. 177.

²Bingay, p. 25.

of the Halifax Grammar School and for other schools generally throughout the Province. The ensuing costs were to be covered by an increase in the tax on wine imported into Halifax and into one county from another.¹ Thus until the early 1800's, the financing of education was dependent upon land grants, provincial aid, and assistance from religious denominations. No further legislation for education took place until 1811. Although three Education Acts were passed in that year, only two need be mentioned here, since the third did not deal with finance. The main one was that which established schools throughout the Province. It provided, amongst other things, that inhabitants of any town or district that wished schools established could assess and thereby make provision for them. Further it stipulated that these inhabitants in order to vote for such establishment, must first of all be freeholders or persons having an income, in real and personal estate, of at least forty shillings a year. After the schools had been provided for, the Provincial government was to pay a grant of fifty percent of the money raised, to a

¹Ibid., p. 32.

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maximum of two hundred pounds.

Following upon the heels of this Act was the Grammar School Act of 1811 which related to secondary education. By this Act, the Province agreed to pay the sum of £150 to each of the ten counties or districts, provided certain specified² subjects were taught.

By 1825, however, due to the increase in population, the reluctance of some sections to provide adequate educational services, and the rather heavy burden of expense upon the Treasury, there arose a demand for legislative action in the matter of education. As a result a committee was appointed by the Assembly to study the situation and make recommendations. Among these was one, in which they stated that education should not be financed entirely by the Province, without direct cost to the local taxpayer, since a lack of appreciation would result.³ They further stated, that because of the high cost, it could not be borne entirely by the

¹Ibid., pp. 33-35.

²The Organisation and Administration of Public Schools in Canada, p. 177.

³Bingay, p. 42.

Treasury. Hence they felt the financial responsibility should be borne by the people, and the money required raised by general assessment.¹

During the following session the report was adopted by the House, except for the part which suggested compulsory assessment. This was changed in such a way that it made assessment dependent upon a majority vote of two-thirds of the rateable inhabitants.²

Thus at the end of the first quarter of the nineteenth century, assessment and voluntarism were recognized as principles of support for the public schools. Assessment was given greater emphasis in 1826 than under the Act of 1811; but the simple majority necessary for approval under the Act of 1811 was increased, as mentioned, to a two-thirds majority.

There was provided also an annual Provincial grant of £2500, of which each of the eleven counties and districts were to receive a maximum of £180 for the support of their schools. There were two exceptions, however, insofar as Cape Breton was to receive the sum of £220 and the town of Halifax £300. But in Halifax the amount was to be divided evenly

¹Ibid., p. 24.

²Ibid., p. 43.

between the National, Acadian and Catholic schools.¹

In 1832, another Education Act was passed. It abolished the educational boards composed of Justices of the Peace and established instead a Board of School Commissioners with wider powers in each district. This Board of five was empowered to appoint the local trustees, who could be retired if the Board so desired.²

Of primary interest is the backward step taken by this Act, in the matter of assessment as the traditional method of school finance. It enacted that:

any number of individuals, in any district, making application to the Commissioners, and promising to provide a school house and engage a teacher, and having taught fifteen scholars or upwards in reading, writing and, arithmetic may have such schools placed in the List for the purpose of receiving a portion of the provincial grant.³

Thus while assessment was still possible, if approved by a majority of two-thirds, it was regarded as an inferior measure. Hence £4000 was voted for division among the various Boards of School Commis-

¹Ibid., p. 44.

²Ibid., p. 46.

³Canada and Its Provinces, ed. Adam Short and Arthur G. Doughty (2d ed.; Edinburgh: Edinburgh University Press, 1913), xiii, p. 285.

sioners, who in turn allocated it, in amounts they¹ felt necessary, to the various schools on the "List".

The matter of compulsory assessment again attained prominence when, in 1838, Joseph Howe charged the Council with being remiss in not providing a proper educational system.² As a result the House appointed a committee on Education which, in bringing in a report on the matter, stated the primary need was for uniform compulsory assessment throughout the whole Province. There were many voices raised in assent; but it was felt to be a premature step and the question was shelved. Moreover in 1838 an Act was passed, which provided for the continuance of the Act of 1832 for a further three years, but repealed the section allowing for assessment by a majority of two-thirds. Thus the finance of education was to depend, for the next three years, upon voluntary subscriptions, aided by a larger but still meagre government grant.³

Fortunately, in 1841, an Act was passed which provided an increase in the provincial grant and made assessment a legal method of raising money, where

¹Bingay, p. 46.

²Ibid., p. 47.

³Ibid., p. 48.

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additional schools were required.

Acts relating to education were passed in 1845, 1848 and 1850. The two main items in connection with these were, first: the provision for voluntary assessment for school construction and, second: the ratepayers were permitted hereafter to elect their respective trustees.

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During the preceding twenty-five years, Joseph Howe had tried to impress upon the people and the Legislature the need for compulsory assessment. However, he, unfortunately, had other interests which did not allow him to give this topic the attention it required. Charles Tupper, strong willed and capable, was now at hand and prepared to press the matter through the Legislature. Dr. Forrester also, the first Superintendent of Schools for the Province, had for some time proposed compulsory assessment as a means of educational finance. Preparation of the public to receive such a system, as well as a strong willed legislator to ensure passage of permissive legislation, were necessary. These two men, Drs. Tupper and Forrester,

¹Ibid., p. 51.

²Ibid., pp. 55-57.

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each in his own way, managed to accomplish this.

Moreover, in a report of the Nova Scotia Commissioners for the International Exhibition, in 1862, Chairman Joseph Howe had stated, that while the educational system, especially the Common school system, of Nova Scotia was efficient, it lagged far behind the other parts of Canada. Thus in 1864, Dr. Charles Tupper, the Provincial Secretary, introduced a Bill which gave increased grants to those districts in which assessment was made compulsory. However, perhaps as a political expediency, he did not recommend universal compulsory assessment at that time. This Bill also made Common schools free, although in most cases such was already the case and this simply gave legality to the practice.² Thus the financing of education, from the first education Act of 1766 to the year 1864, had been dependent upon revenues from various sources. These included excise taxes, provincial grants, voluntary assessment, individual subscriptions, land allocation, and religious denominations. Dissatisfaction with the existing educational system was

¹Ibid., p. 60.

²Ibid., p. 62.

universal. The system had grown and compulsory¹ assessment was more necessary than ever.

Fortunately in the next year a Bill was introduced, which provided for universal compulsory assessment, which truly made education free to all. Although three major amendments to it were moved by members of the House, they were defeated by heavy majorities, and the Bill, after much opposition, became law on May 2nd, 1865.² It provided among other things, for the substitution of the term "section" for "district", and outlined the powers and duties of the Super-³intendent of Education and Inspectors. As regards methods of support of education, it provided that a fixed amount of money be granted for the construction and operation of county Academies and another likewise for Superior schools. The matter of location of these schools was left to the discretion of the Council of Public Instruction.⁴ It also provided for the establishment of a Municipal School Fund:

¹Vincent J. Pottier, Public School Finance in Nova Scotia: A Report of a Royal Commission, 1954, (Halifax: Queen's Printer, 1954), p. 4.

²Bingay, pp. 64-65.

³Ibid.

⁴Ibid., p. 67.

The clerk of the Peace in each county ...shall add to the sum annually voted and passed for general county purposes at the general sessions, a sum sufficient, after deducting costs of collection and probable loss, to yield an amount equal to two-thirds of that granted by legislature to each county...The sum so added by the Clerk of the Peace to the amount levied on any county shall be a portion of the county rates, and shall without any deductions for cost of collections, or otherwise, be distributed to each school by an equal sum per pupil, according to the average attendance for the school half year, and be paid to the teachers.¹

Section 23 provided further for compulsory assessment.

Any sum voted at the annual meeting as necessary for the leasing, purchase or erection of school houses, or for the purchase or improvement of school grounds, and all interest on money borrowed by the section for the same, shall be a charge on the section, and shall be levied on the real and personal property within the county of the residents of the section, according to the county rate-toll.²

In spite of the foregoing, voluntary subscription was still advocated if necessary. Section 22 provided that any amount needed by a section, for the support of schools, in excess of that which was provided through provincial or county allocations,

¹Nova Scotia, Statutes of Nova Scotia
(Halifax: Queen's Printer, 1865), c. 29, sec. 20.

²Ibid., sec. 23.

was to be derived through subscription and not by fees per pupil.¹

In 1867 an Act was passed, which permitted the merging of two or more sections. During the years that followed various plans were put forward to provide for the conveyance of pupils. The main provision in this regard, was the Consolidation of Schools (1902), which gave the sections power to levy assessments as a means of raising revenues to provide such transportation. In 1903 the Council of Public Instruction was given the power of spending up to \$36,000, in order to assist in the consolidation of schools and the conveyance of pupils.²

Thus it can be noted, that in the latter part of the nineteenth century, the support for the schools in the Province of Nova Scotia came from three sources: (1) Provincial grants, (2) Municipal funds, (3) rates in each section.³ Further subscription was no longer a legal method of raising local funds, since it was abolished in 1866.⁴

In this same year the basis for the collection of the Municipal Fund was changed. From then on it

¹Bingay, p. 68.

³Pettier, p. 7.

²Ibid., p. 78.

⁴Bingay, p. 82.

was levied according to the population and not in proportion to the provincial grant. During the early 1900's, the fund was paid to the various sections, with the amounts so paid being based upon both the number of teachers employed, and the total days attendance of the pupils. Its purpose was to provide money for educational purposes, particularly to poorer sections, at the expense of those sections more able financially.¹

The situation, as it existed in Nova Scotia during the early part of the twentieth century, may be judged by a statement written in 1919 by James Bingay:

Sectional assessment rates are the most important financial item of school receipts. On their generosity or otherwise depends to a large extent the character of the schools in the section. The municipal fund is designed for poorer sections; a section well able to support good schools pays into the fund more than it receives back. The provincial aid has always been small; and in late years, due to the rapid increase of other educational institutions demanding assistance in their infancy, has become smaller, yet proportionally. There is little prospect of its being materially increased in the near future. Yet the need for improved educational facilities is growing rapidly; and with it, the demand, the very just demand, and one too long

¹Ibid., p. 86.

delayed, on the part of the teaching profession, for a reasonable remuneration for its labours. Only two sources of revenue are in sight, the section and the federal parliament. But assistance from the latter, if it comes, will without doubt take the form of grants for special technical purposes. For the main support of the elementary schools--the basis of the whole educational pile--and to a large extent of the ordinary secondary schools, the section must look to itself. That it has done so fairly well in the past, has already been shown; but it is doubtful if it thoroughly appreciates the changed conditions of the present. 'The school master is abroad' but in a sense different from that formerly meant. He is leaving the profession for more lucrative employments. The school-mistress who has taken his place, is demanding an equal salary for equal work performed, and there are signs that even she is making ready to depart.¹

Perhaps realizing the gravity of the situation the Province, in 1919, adopted a minimum salary scale (actually far below the average wage of the time). It was further provided that any section, refusing to pay according to the scale, would be deprived of its municipal grant.²

During the twenties and thirties, there was no legislation passed of any importance with regard to school finance. During the thirties, however, the provincial contributions increased, since the

¹Ibid., pp. 87-88.

²Ibid., p. 90.

depression resulted in many sections being unable to support their educational programmes.

Thus in 1942, the public school system was still being operated under the Acts of 1864, 1865 and 1866. Conditions, however, had deteriorated and in 1942 there were still many sections which owed teachers large sums in back salaries. The Provincial government in this same year, in an effort to remedy the situation, passed legislation which established the Municipal School Unit. The first two municipalities to enter the Municipal School Unit were Halifax and Antigonish (1942). The others followed suit during the four years following and by 1946 all were operating¹ under this system.

Briefly the main features of the plan were as follows:

- 1) A minimum programme of education was established in the village and rural sections of each municipality; the cost of which was to be borne by the municipality, rather than by the individual sections.

¹Pottier, p. 7.

2) Local school rates ceased to be levied and were replaced by a uniform municipal school tax.

3) The median of the local school tax rate during the school year 1941-1942 was found, and a fixed municipal rate of 90% of this figure was levied on the general municipal assessment.

4) This minimum programme, referred to previously, included a minimum teachers' salary scale, and a schedule of maintenance rates.

5) Any difference, between the actual cost of the minimum programme and the amount provided by the municipal tax rate, was to be paid by the Provincial government through an Equalization Grant.¹

During the next few years, it was found that while the yield from municipal levies increased very little, the Provincial contribution jumped quickly. This was partly due to an effort to meet both increased salaries for teachers, and the rising costs of education generally. Thus since, by 1948, the average maintenance grants had increased substantially, the Province in that year notified the municipalities that no further increases would be

¹Ibid., pp. 7-8.

made, in the maintenance grants for school sections,
 as part of the minimum programme.¹

It is worthy of note at this point, that the Dawson Report on Education (1944), as part of the Report of the Royal Commission on Provincial Development and Rehabilitation, outlined the difficulties of the existing situation. It recommended a system of Dominion educational grants, or in the event that these should not be provided, an addition to the provincial subsidies. A portion of these additional subsidies would, of necessity, be earmarked for expenditure on education. In support of this, it was suggested, that although the situation was not good in the matter of education in the Province, nevertheless the Provincial authorities had done what they could. Moreover opportunities for education differed widely throughout the country.² Although the Report generally speaking was comprehensive, and its recommendations at least worthy of consideration, nothing was done in this regard.

¹Ibid., p. 9.

²Royal Commission on Provincial Development and Rehabilitation, Report on Education (Halifax: King's Printer, 1944), p. 19.

By 1948, the problem was aggravated by the increasing school population, due to the large number of births during the war. Thus, in the eleven years between 1942 and 1953, there was an increase of 1200 new classrooms. Moreover, under the system as established by the Municipal School Unit, the burden of support for these new classrooms was borne by the Provincial Government. As a result, in 1951, the sections of the Education Act relating to the Municipal School Unit were amended, in order that a more adequate method of financing education in rural districts might be established. This was done as follows:

1) The Equalisation Grant was fixed at the rate prevailing in the school year 1950-1951 (\$1,211,040).

2) It was agreed to continue payment of Provincial aid and salary grants.

3) Payment of full conveyance grants for pupils in schemes operating prior to 1952 was continued. After that year it agreed to pay for same on a 50--¹50 basis.

¹Pottier, pp. 9-10.

Thus while support by the province, for existing classrooms, would continue at the previous level, the burden of the following would fall upon the municipalities:

- 1) Maintenance costs and basic teachers' salaries for new classrooms.
- 2) Additional maintenance costs for operation of existing classrooms beyond the 1948 level.
- 3) Fifty percent of the cost of new conveyance¹ as noted above.

Further, after 1950, teachers in the Province demanded higher salaries, and under the amendments as above, the cost of such increases was borne by local funds. It may be noted, that in 1939-1940, the Province paid 32.38% of the cost of education. This figure rose to 61.45% in 1950-1951, and dropped in 1953 to 49.93%².

Meanwhile, in 1946, the Province outlined its intention to establish Rural and Regional High Schools throughout the Province. Rural High Schools, were those erected in a Municipality; Regional High Schools, those erected in an incorporated Town, for

¹Ibid., p. 10.

²Ibid., p. 93.

the use of high school pupils from the Town and nearby rural and village areas.¹ In the case of Rural High Schools, in addition to paying the capital costs, the Province agreed to pay 75% of the operating expenses, including conveyance of pupils. With regard to Regional High Schools, the Province paid that part of the capital costs which was to provide for the rural and village pupils, as well as a portion of the remainder. They also agreed, to pay 75% of the share of the rural area, including costs of conveyance. In such towns, in which these schools were built, the Province paid 35% to 50% of the town's share in the operating costs of such schools. At the same time they ceased to pay any special grants to these towns. In 1957, there were fourteen Rural High and eight Regional High Schools in operation throughout the Province.²

Regarding capital costs throughout the Province, the individual school sections, except for Regional and Rural High Schools, continued to bear the load.

¹Canada, Dominion Bureau of Statistics, The Organization and Administration of Public Schools In Canada (2d ed.; Ottawa: Queen's Printer, 1960), p. 180.

²Pottier, pp. 10-11.

They were assisted, in this regard, by the School Loan Fund; and by the guaranteeing of debentures, if necessary, by the Provincial Government. The incorporated towns were assisted, in their capital costs, through the Municipal Loan and Grant Fund.

The situation then, in the financing of education in Nova Scotia in 1953, was far from acceptable. Hence in March of that year, a Royal Commission on Public School Finance under Judge Vincent J. Pottier, was appointed to study the existing system and make recommendations where necessary. In his report, presented on November 25th, 1954, he summed up the situation as existed at that time. Following is a brief outline of these conditions:

1) Education in the rural and village school sections of the Province was being supported, with the exception of capital costs, by the Municipal School Unit and municipal taxation, assisted by Provincial grants. Municipal taxation provided for the cost of increases in teachers' salaries beyond the minimum scale of 1947-1948, and roughly 50% of

the cost of additional classrooms. Provincial grants provided for the larger parts of teachers' salaries according to the prevailing minimum scale; classroom maintenance at the 1948 level; and 50%, on occasion 100%, of conveyance costs. He also pointed out that while the assessments prevailing in the Municipalities in 1942, were taken as a gauge of ability to pay, in many cases, the assessments were so low as to bear little relation to the true value of their real and personal property. Thus the Equalization Grants had paid more than was actually necessary to many municipalities.

2) Incorporated towns received grants for teachers' salaries only, and therefore they were left to bear a greater proportion of the costs of education than was the case in the rural municipalities.

Further since the salary grants were based upon salaries paid in 1945-1946, many towns were penalized because they had sacrificed to pay high salaries in that year, and hence received less than the less provident towns.

3) Over and above the preceding was the system of Rural and Regional High Schools, which had a different basis of finance. Here, unfortunately, there

was a universal method of sharing by the Province, irregardless of the ability to pay, on the part of the individual rural municipalities.

4) The placing of the burden of capital costs upon the local school section was an excessive and in many cases unfair arrangement.¹

Judge Pottier then summed up the situation as follows:

It can be seen, therefore, that the essential problem in 1954 was to simplify the system of support of schools and to arrive at a basis of support which could take into consideration the true ability of the various Municipalities, Towns and Cities to 2 raise funds for education from local taxation.

After a careful study of the existing situation Judge Pottier presented the following recommendations:

1) The establishment of a foundation programme the cost of which would be borne by the Province and the Municipal Units. The proportion of sharing would depend on the ability of individual units to pay for such costs.

2) Insofar as possible the equalization of assessment throughout the Province at the municipal

¹Ibid., pp. 11-13.

²Ibid., p. 13.

level. Further the appointment of a permanent Commission to enquire into equalisation of assessment throughout the Province every two years.

3) The inclusion of a proposed teachers' salary scale in the foundation programme, to which the Province would contribute.

4) A maintenance scale according to the number of rooms, etc., as a part of the foundation programme.

5) Cost of conveyance of pupils travelling beyond two miles be made a part of the foundation programme, on a per vehicle basis, according to certain laid down rates.

6) Capital costs--Regarding capital costs, schools, in the Province, were classified as follows:

a) Rural Elementary and Secondary Schools--the Municipal Unit in which the schools were located was to be responsible for the construction of such future units. Also present liabilities for existing schools to likewise be assumed by the units concerned.

b) Rural High Schools--as above, to be the responsibility of Municipal Units concerned, with Provincial assistance where necessary.

c) City and Town Schools--the Municipal Units

concerned to continue to be responsible for such units, with the Province sharing in repayment cost according to the ability to pay on the Municipal Unit concerned. Present indebtedness to be shared by both of the above, according to the same provision.

d) Regional High Schools--to be the responsibility of the Municipal Units involved, with the Province sharing according to the ability to pay of each municipality.¹

The Commission then outlined specific educational facilities, or extras, to be provided and in which the Province would share. It also determined the costs of construction for purposes of sharing under the foundation programme.² It recommended as well, that the portion of the costs to be borne by the Municipal Units be based on a Province wide equalized assessment.³ It also made recommendations regarding Vocational Schools and Schools for Handicapped Children.

The Pottier Report, as it was known, was presented as previously stated on November 25th, 1954. It was adopted almost in its entirety and

¹Ibid., pp. 46-59.

²Ibid., pp. 45-59.

³Ibid., p. 70.

the Education Act so amended. At present the financing of education in Nova Scotia is carried on under the system as described, in the foregoing summary, with the exception of certain minor alterations in the Report. As recommended, a Commission known as the Pugsley Commission was appointed, during 1958, to make a study of assessment throughout the Province. Based upon its findings the Province altered its shares of education costs, in the individual municipalities, according to the ability to pay of each municipality.

In conclusion, the history of educational finance in Nova Scotia to 1865 is largely an account of the struggle to provide for universal compulsory assessment. In that year, legislation was passed which established it. The system, as devised by this Act and the Acts of 1864 and 1866, largely remained in effect until 1942. The depression had caused difficulties with regard to educational finance in many sections. Thus, to overcome these difficulties and place the system upon a firm footing, larger, or Municipal School Units, were established. However, as time passed, the new arrangement placed,

upon the provincial government, an increasingly heavy burden of support for schools. Further inequalities at the local level had developed. As costs continued to rise, dissatisfaction grew both on the municipal as well as provincial levels. As a result a Royal Commission was appointed, in 1953, to enquire into the matter of educational finance in the Province. The Report, which was adopted almost in its entirety, suggested the establishment of a foundation programme. This was to be supported, in a manner specified, by both the Province and the Municipalities. While it did much to solve prevailing problems, costs have continued to rise, and dissatisfaction again is growing. I propose, therefore, in my final chapter, to outline suggestions for future financing in the Province.

CHAPTER II

THE PRESENT METHOD OF FINANCING PUBLIC EDUCATION IN NOVA SCOTIA

The method of financing public education in Nova Scotia is, generally speaking, based upon the recommendations of the Pottier Report of 1954.

The basis of the system is a foundation programme, consisting of teachers' salaries, maintenance and operation of schools, tuition, and the conveyance and boarding of pupils. In detail it provides for each of these items as follows:

1) Teachers' salaries--according to the scale presented on the following page. In addition to the regular scale of salaries as shown, a principal and a vice-principal, responsible for work within one school building, shall be entitled to additional remuneration as follows:

Size of School	Allowance per year	
	Principal	Vice-Principal
2 academic classrooms ..	\$ 200.	
3 academic classrooms ..	250.	
4 or 5 academic classrooms..	300.	
6 or 7 academic classrooms..	350.	
8 academic classrooms ..	400.	\$ 200.
Each academic classroom over 8	25.	12.50

TABLE I

NOVA SCOTIA PROVINCIAL SALARY SCALE FOR TEACHERS
FOR PURPOSES OF CALCULATING GRANTS
UNDER FOUNDATION PROGRAMME^a

Year of Teaching	Professional Certificate Class I	Professional Certificate Class II	Professional Certificate Class III	Teachers' License 1	Teachers' License 2	Teachers' License 3
1		\$ 2,700	\$ 2,400	\$ 2,100	\$ 1,800	\$ 1,500
2		2,820	2,520	2,220	1,920	1,620
3		2,940	2,640	2,340	2,040	1,740
4	\$ 3,360	3,060	2,760	2,460	2,160	1,860
5	3,480	3,180	2,880	2,580	2,280	1,980
6	3,600	3,300	3,000	2,700	2,400	2,100
7	3,720	3,420	3,120	2,820	2,520	2,220
8	3,840	3,540	3,240	2,940	2,640	
9	3,960	3,660	3,360	3,060	2,760	
10	4,080	3,780	3,480	3,180		
11-15	4,200	3,900	3,600	3,300		
16-20	4,320	4,020				
21-25	4,440	4,140				
26 plus	4,560	4,260				

\$ 800 for Correspondence Study Supervisor \$ 1,200 for Teaching Permit Class 1
 1,000 for Teaching Permit Class 2 1,500 for Teachers' License Class 4

^aRegulations under the Education Act of the Governor in Council of Nova Scotia, 1956.

This scale was augmented by additional increases, as noted below, effective August 1, 1958 in which the Provincial Government shares, in proportions as calculated, in a manner which I shall describe later in this chapter.

TABLE 2

INCREASES IN NOVA SCOTIA TEACHERS' SALARIES
EFFECTIVE AUGUST 1, 1958^a

License	Increase
Teachers' License Class 4	\$ 100.
Teachers' License Class 3	120.
Teachers' License Class 2	180.
Teachers' License Class 1	240.
Professional Cert. Class III	300.
Professional Cert. Class II	360.
Professional Cert. Class I	420

^aAnnual Report of the Department of Education of the Province of Nova Scotia for the Year Ending July 31, 1958 (Halifax: Queen's Printer, 1959), p. viii.

Further, as of August 1, 1959, an additional increase of \$400 each, was granted for holders of Professional Certificates of Classes III, II, and I, who are teaching in junior or senior high school
1
grades. The method of sharing is the same as

¹Annual Report of the Department of Education of the Province of Nova Scotia for the Year Ending July 31, 1958 (Halifax: Queen's Printer, 1959), p. viii.

mentioned in the preceding paragraph.

2) Maintenance--Provision is made, under the foundation programme, for the maintenance and operation of schools according to the following scale:

TABLE 3

SCALE OF MAINTENANCE AND OPERATION FOR THE SCHOOLS IN THE PROVINCE OF NOVA SCOTIA^a

Size of School	Allowance per Room
1--2 rooms	\$ 250.
3 rooms	300.
4 rooms	350.
5--7 rooms	400.
8--10 rooms	450.
over 10 rooms	500.
closed schools or rooms	100.
each approved library	300.
each approved science library	400.
each approved domestic science dept.	500.
each approved mechanic science dept.	600.
each approved auditorium, gymnasium	1000.

^aRegulations under the Education Act..., 1956, sec. 19.

3) Tuition--Under the foundation programme, instruction must be provided in Primary to Grade 6 inclusive, in all subjects provided in the course of study for these grades. In Grades 7 to 11 inclusive,

instruction must be provided in English, Social Studies, Science, Health, Mathematics and Foreign Languages. If a municipal school board or a board of school commissioners so wishes it may provide, as part of the foundation programme, instruction at the Grade 12 level; instruction in Grades 7 to 12 in industrial arts, household science, commercial subjects or agriculture; and instruction for physically or mentally handicapped children. Programmes of educational and vocational guidance are also permitted.¹

Provision is also made for the minimum number of teachers to be provided as well as for supervisors of correspondence study courses, where no teacher is available.²

In the case of regional school areas, or in rural high school areas made up of two municipalities, tuition costs consist, under the Regulations, of the costs of teachers' salaries and maintenance as outlined previously. Such tuition costs are to be divided, in both cases, between the participating sections. Further, if a municipal school board provides for the

¹Ibid., secs. 7-8.

²Ibid., sec. 11.

education of children resident in the municipality, in the schools of a city or town, and the number of such children comprises more than one-third of the total number of pupils in the city or town school system, then the tuition costs are to be divided (in a manner stipulated), between the two boards¹ concerned.

The scale of tuition costs which applies to all other schools is, for pupils in Grades 1 to 6 inclusive: \$75 per annum; for pupils in Grades 7 to 9 inclusive: \$110 per annum; and for pupils in Grades 10 to 12 inclusive: \$150 per annum. An amount not in excess of \$10 per week per pupil is permitted² for the boarding of pupils.

4) Conveyance of pupils--the costs of conveying pupils, under certain circumstances, for a distance in excess of two and one-quarter miles³ is included in the foundation programme.

If the vehicles are owned and operated by municipal school boards costs permitted include:

a) Payment of interest and repayment of amounts

¹Ibid., sec. 10, subsecs. d-e.

²Ibid., subsecs. f-g.

³Ibid., sec. 13, subsec. e.

borrowed for the purchase of vehicles and the erection of garages, including equipment.

b) Salaries of drivers and maintenance men.

c) Costs of gasoline, oil, servicing, repairs¹ and insurance.

Should the vehicles be operated by private parties under contract with a municipal school board, and there is more than one such vehicle operated, the rates are to a maximum as follows:²

No. of Pupils per Vehicle	Amount
8 to 14 pupils (station wagon, etc.)	20¢ per mile
15 to 29 pupils (small bus, etc.)	23¢ per mile
30 pupils and over (standard school bus)	35¢ per mile

If conveyance is provided by private car (up to seven pupils), by public carrier, or if only one such vehicle is used, the rates are those approved by the minister, on the advice of the municipal school board.³

5) In addition to the foregoing, the Provincial Government, under the foundation programme also contributes towards the cost of erecting, or acquiring, or adding to school buildings, in a manner as calculated in accordance with a prescribed

¹Ibid., sec. 19, subsec. c.

²Ibid.

³Ibid.

schedule. Following is a general outline of the basis for determining the provincial proportion, under the foundation programme. In each case the cost is either the actual cost or the following,¹ whichever is less.

TABLE 4

SCALE OF PERMISSIBLE ALLOWANCES FOR CAPITAL COSTS UNDER FOUNDATION PROGRAMME

Facility	Amount	(Maximum)
School Library.....	\$ 13.50 per sq. ft.	\$10,000
Register Classrooms.....	12,500. per room	
Science Laboratory.....	13.50 per sq. ft.	\$15,000
Household Science Dept....	13.50 per sq. ft.	\$16,000
Industrial Arts Dept.....	13.50 per sq. ft.	\$18,000
Auditorium Gymnasium		
--proper.....	.75 per cu. ft.	\$50,000
--related areas.	13.50 per sq. ft.	\$50,000
Cafeterias (if more than 500 pupils)..	13.50 per sq. ft.	\$25,000
Furnace and Boiler Rooms..	13.50 per sq. ft.	

Note: if the auditorium and gymnasium facilities are provided separately, only the gymnasium will be recognized for grant purposes.

The province also shares in the cost of altering, improving, furnishing or equipping of buildings for school purposes, in a manner indicated in a general way as follows:

¹ Ibid., sec. 20.

² Ibid., sec. 21.

(Either the actual cost or the amount so calculated, whichever is less, is to be used.)

Register classrooms.... \$1500. per classroom

Other areas.... Number of register classrooms x \$1500.¹

However, for grant purposes, the cost of land, acquired for building, and the cost of major landscaping, are not included in the minimum programme.²

However, it must be noted that the 25% minimum³ later referred to does not apply to this item. Instead the provincial proportion, if any, calculated in a manner I will shortly outline, is applicable in its place.

The preceding outline, is, as stated, a general statement of the foundation programme in operation in the province of Nova Scotia. The costs of such a programme are shared between the local authorities and the provincial government. This programme is very much as proposed by the Pottier Commission, in 1954, which same Commission suggested, as well, equalization of assessment as a prerequisite

¹Ibid., sec. 21.

²Ibid., sec. 22.

³Ibid., sec. 20.

to such a plan.

In accordance with this recommendation, the Education Act was amended to provide that a commission be appointed, at least every three years, to examine assessment throughout the province, for the purposes of the Act. The first such Report¹ was that of the Pugsley Commission on Revaluation, presented in August, 1958.

Method of Calculation of Provincial Proportion

As previously stated, the costs of public education within the Province of Nova Scotia are borne by the Municipalities and the Province.² The Province shares in a manner to be explained in the costs of the minimum foundation programme. Expenditures beyond such a programme are the sole responsibility of the municipalities concerned. To facilitate and ensure an understanding of the method of sharing, which after all is the crux of the present system, I shall quote from the Pottier Report concerning this phase.

The Commission recommends that the financial formula for combining the sharing of

¹Nova Scotia, The Education Act, 1956, c. 78, sec. 91.

²Ibid., sec. 65.

the total Foundation Program should be as follows:

- 1) Add the total cost for instruction, maintenance and transportation according to the Foundation Program scale herein to cover pupils resident in each Municipal unit.
- 2) The Municipal unit shall pay towards the cost of these services, the sum shown by its ability to pay figured at 80 cents on every \$100.00 of net full assessable value as shown by the tables immediately above [at present tables based on those of Pugsley Revaluation Commission].
- 3) The Provincial Government shall pay the difference between the total cost of these services and the amount paid by the Municipal unit.
- 4) Declare a partnership ratio based on Items 2 and 3 above between the Municipal unit and the Provincial Government in the percentage that each contributed towards the total cost of instruction, maintenance and transportation in said Municipal unit.
- 5) The cost of repayment of existing and future capital obligations within the limits already set forth in this report, shall be shared by the Municipal unit and the Province according to said partnership ratio.

The Commission further recommends modification of the above formula to provide that no Municipal unit is to receive less than 25% of said Foundation Program total cost as shown by Item 1 above regardless of its ability, it being understood that this modification shall not apply in any way in determining partnership ratio for the purpose of repayment of existing and future capital costs.

Further, the Education Act also states that the rate of 80 cents per \$100 as used above may be changed if the Provincial proportion of the costs

¹Vincent J. Pottier, Public School Finance in Nova Scotia, A Report of a Royal Commission presented November 25, 1954, (Halifax: Queen's Printer, 1954), p. 76.

of the foundation program, for the Province as a whole, is greater than 55 percent or less than ¹45 percent.

In the case of capital costs, if such were incurred after January 1, 1956, the amount paid is based upon either the rates prescribed under the foundation program or the actual costs, whichever ²is less.

Finally, mention must be made of the government assistance in the matter of teachers' salaries as noted on page 28. Such increases and assistance are not included in the costs of the foundation program. However, the government does share in these additional costs according to the partnership ratio described previously in the Pottier Report, but the 25% minimum Provincial contribution does not apply.

The foregoing is intended to serve only as a general outline of the method of financing education in Nova Scotia. In the final chapter some criticism of this method will be forthcoming, together with certain considerations on the matter.

¹Nova Scotia, The Education Act, 1956, c. 78, sec. 93.

²Ibid., sec. 94, subsec. 1.

CHAPTER III

THE FEDERAL GOVERNMENT AND EDUCATIONAL FINANCE

No study of educational finance would be complete without some reference to the matter of federal aid and education. Before proceeding, however, to such a discussion, some background notes are perhaps in order.

During the war years construction of schools had lagged for various reasons. However, in the years immediately following World War II, due to an increasing population, the need for additional educational buildings and services increased. Moreover the costs of providing these items continued to rise, as shown in table 5 on page 41. As incomes rose, taxes, both Provincial and Municipal, increased accordingly to cover not only increased educational costs, but to provide additional services in other departments at higher costs as well. As time passed, it became increasingly apparent that no relief for additional spending was in sight. Thus other sources of revenue were sought, in order that further revenues might be provided. Hence, for this and

other reasons, there arose the desire for federal aid in education. Some grasped the notion eagerly while others were more reticent. Obviously both viewpoints have merit. Therefore, in this chapter, I will propose arguments on both sides and sum up what I feel to be an accurate basis for proceeding further, in order that a solution may be found, to a question which is of continually increasing importance.

TABLE 5
ANNUAL COST OF PUBLIC EDUCATION
IN NOVA SCOTIA^a

Year	Total Annual Cost	Annual Cost per Pupil in Daily Attendance
1920	\$ 2,702,673.	\$ 40.67
1930	3,970,025.	46.67
1940	4,721,427.	50.57
1950	13,617,413.	121.78
1958	27,696,922.	188.09

To begin with, some feel that federal aid is a necessity in order to guarantee equitable educa-

^aAnnual Report of the Department of Education of the Province of Nova Scotia for the Year Ending July 31, 1958 (Halifax: Queen's Printer, 1959), p. 95.

tional opportunities for all throught the country. In Canada there is considerable mobility of population. This, in itself, causes hardship among many particularly those from rural areas, where opportunities are often lowest. These often find themselves less well equipped than their fellow citizens from wealthier communities. In certain areas of Canada schools have been closed for various reasons, some financial. Further, education today is of national interest. The horizons of the individual, in Canada, have shifted beyond the narrow confines of his community.

Total expenditure on education in 1957 was 989 million dollars. This represents \$60 per capita or \$164 for each member of our labor force. In view of the fact that we spend \$125 on cars for each such member, it is obvious that our potential has not yet been reached. This fact is further emphasized by the fact that we are using little more than three per cent of our wealth for education at present.

Only seven per cent of the total expenditure on education comes from the federal government. The proportion of

¹M.E. LaZerte, School Finance in Canada, A Report of the Canadian School Trustees Association, (Edmonton: The Hamly Press Ltd., 1955), p. 220.

²Ibid., p. 187.

expenditure borne by such level of government,¹ is in inverse ratio to its taxation revenues.

The machine age has caused much of the country's wealth to be concentrated in a few provinces, to the detriment of the less fortunate ones. Thus such grants, which would be similar to those presently made in the fields of health, public works, unemployment insurance, old age pensions, would tend to equalize opportunity, by spreading the national wealth over the entire nation.² Thus, in this way, relief from the unjust and outmoded property tax would be given to the local taxpayer.

Further, the proponents of federal aid feel that the disadvantages of such aid are not inherent. The actual administration of schools would still be in the hands of provincial and local authorities. Also the impact of provincial politics in education would be lessened, while at the same time not leading

¹A Report of the Chairman--Workshop on Financing Education--to the Canadian Conference on Education, Ottawa, February 17 to 20, 1958, (Ottawa: The Conference), p. 1.

²LaZerte, pp. 220-221.

necessarily to federal political control.¹

While many are in agreement on the preceding points, there are large numbers who hold to the opposite point of view. To begin with, many are of the opinion that it would be an invasion of the provincial field, since it is contrary to existing interpretations of Section 93 of the British North America Act.² Further it might result in undesirable federal or central control, which could have disastrous results, particularly in the field of education. Such could result in a lessening of local interest and initiative, in the field of education, and gradual federal control over local functions. There might also be a certain amount of interference with local experiments and adjustments,³ so vital in order to provide new ideas in education. Also, while those in favour of such aid consider it to be necessary, in order to provide adequate and

¹A Report of the Chairman--The Workshop on Financing Education..., p. 3.

²H.P. Moffatt, Educational Finance in Canada, Lecture delivered under the Quance Lectures in Canadian Education, April 22, 1957, (Toronto: W.J. Gage Ltd., 1957), pp. 43-44.

³Ibid.

fair financing and improvement of education, a closer look will reveal that such might not be the case. To begin with, if such aid is forthcoming, it could be better applied to other fields of government, thus freeing provincial revenues for increased grants to local levels. Moreover provincial authorities should equalize educational opportunities¹ everywhere within their borders.

Finally, in order that there be local interest in education, some burden of taxation for this purpose must be placed upon those at this level. Otherwise such local interest, which is so vital for the growth and development of a modern and up to date educational system, will wither and die.² The provinces have already removed a considerable portion of the local burden. While, in most provinces increased aid at the provincial level is necessary and available, to go beyond and accept federal aid earmarked for education is unnecessary and would be very unwise.

Having presented, in the foregoing, the opinions on both sides, I propose to outline my own

¹Lazerte, p. 218.

²Moffatt, p. 44.

conclusions in the matter. To begin with, assuming that some assistance in the matter of educational finance is both desirable and necessary, two possibilities are present. The first implies direct federal aid specifically earmarked for education. The second implies federal aid applied to other less vital fields, thus freeing provincial monies for education purposes.

Let us examine each of these possibilities in turn. The British North America Act places education in the hands of the provinces.¹ A change in this regard would be difficult if not impossible. Added to this are other of the objections raised previously with regard to direct federal aid.

However, if it is applied indirectly the B.N.A. Act presents no stumbling block. Further, the advantages claimed for federal aid could apply here, provided the assistance was properly allocated and administered. Hence I would personally suggest that such aid applied indirectly is both desirable and necessary. I do not suggest, however, that the provinces and the local districts

¹Ibid., pp. 43-44.

be relieved of their primary responsibility; namely that of providing adequate educational opportunities, to the best of their means, to those young people within their own geographical limits. I would recommend this aid only if nothing else was available capable of ensuring equitable opportunity for all pupils, throughout the entire country.

The proposal for federal aid is not a novel one, with regard to the Province of Nova Scotia, as can be seen from the following quotation:

The Commission therefore unhesitatingly recommends that the Government of Nova Scotia should insist upon the adoption of the principle of Dominion educational grants to the provinces on a basis of educational need, whether as a part of the general adjustment grant as suggested in the Rowell-Sirois Report, or failing that as an addition to the provincial subsidies, subject, however to a stated minimum amount being expended by each province for educational purposes.¹

The question as to the method of administration of this aid naturally follows. Here, several systems are available.² One method, I would suggest, is that they be paid on a per-weighted-pupil basis, to each province according to the percentage of the

¹Report on Education--Royal Commission on Provincial Development and Rehabilitation, 1944, (Halifax: King's Printer, 1944), p. 19.

²Lazerte, pp. 204-212.

total provincial budget allotted to education. I suggest the per-weighted-unit, insofar as it would better ensure that any aid forthcoming would be allocated according to need. Briefly, the manner of providing such sums would be based upon a definite amount per pupil. However, in certain areas, where factors such as sparsity of population, cost of living, cost of construction, etc., would be applicable, larger amounts would be provided. Thus the term weighted-pupil-unit has come into use. An example of such a scheme is as follows:

Amount per pupil.....	\$100.
Amount per pupil in a given sparsely populated area.....	\$125.
Amount per pupil in a given area where the cost of living is higher than average.....	\$135.

Further, these amounts would vary, as well, in proportion to the percentage of the total budget allotted to education in each province.

Another suggestion is that the average per-pupil cost of a national foundation program be established. Following upon this, the federal government would then pay a general subsidy to each

province equal to:

- 1) the cost of the foundation program, less
- 2) the amount deemed to be the share of the individual province.

The final proposal is simply to provide an increase in Dominion-Provincial subsidies, which increase could be applied to education.

Of these three possibilities, I personally consider the first to be the best, since it would assist to a high degree in providing equitable educational opportunities for all. Secondly, it would be paid, on a relatively scientific basis, according to the educational effort of the individual provinces. Thirdly, it would ensure increased spending on education. One bad feature, however, is that the provinces with the largest populations and greatest wealth, able to allocate a larger percentage of their total budget to education, might gain additional, perhaps unnecessary, subsidies. However, in spite of this disadvantage, the poorer provinces would still gain much needed monies, while simultaneously ensuring increased and perhaps even maximum spending in the field of education.

Regarding the second suggestion, I feel this proposal might be deemed an invasion of provincial rights, and would necessitate the amending of the B.N.A. Act. Further it would, I feel, be difficult to administer efficiently.

The third proposal, while ensuring increased revenues for the provinces, does nothing to equalize educational opportunity, nor does it encourage greater effort or expenditure in matters educational. Finally, it does not guarantee that such increases would be used in the field of education, let alone ensure that any increase in educational spending by the provinces would result.

Thus, to sum up, it is my opinion that federal aid is justified and necessary. However, I feel that it should be in the form of a general subsidy (similar to those presently being paid), based on the number of weighted-pupil units in each province, as well as according to the percentage of the total budget allotted to education in each province. I suggest this weighted-pupil unit insofar as it would ensure equitable distribution, through for example, sparsity, cost of living and cost of

construction corrections. Further, payment according to the percentage of the provincial budget allotted to education would encourage, if not ensure, maximum spending in this regard, by the individual provinces.

CHAPTER IV
CONSIDERATIONS ON FUTURE FINANCING PUBLIC
EDUCATION IN NOVA SCOTIA

At the outset of this chapter I wish to point out, that in making these considerations I have not included the possibility of federal aid. Such aid is not immediately forthcoming, and if and when it is given the situation will undoubtedly be brighter. To include such additional revenue at this time, given either directly or in the form of increased subsidies, would be, in my opinion, to adopt an unrealistic approach. Therefore, in this chapter, I shall confine my proposals to such financial sources as are presently available through the revenues of the province itself.

To begin with, I have calculated (for purposes of this thesis), the average per pupil operating cost for the province. This operating cost includes expenditures as follows:

- 1) Teachers Salaries
- 2) Maintenance
- 3) Fire and Liability Insurance Premiums

- 4) Miscellaneous Operating Expenses--these would include principal's office expenses, instructional materials, school lunches and any school board expenses chargeable to the school.

LESS

- 5) Income obtained from rentals.

The figures used in calculating this average cost were obtained from the Report of the MacNab Commission of 1958, and are for the calendar year 1957. These figures, as presented in the report, are for fifty-three rural or urban schools, chosen at random throughout the province. The figures used in table 6, are the totals of these presented by the Commission.

TABLE 6

MANNER OF CALCULATION OF AVERAGE
PER PUPIL OPERATING COSTS*

Total Operating Cost	\$ 3,628,035
Less Capital Debt Charges	834,560
	<u>\$ 2,793,465</u>
Total Enrollment Sept. 1957 in these schools	18,155
Average per pupil operating cost	\$ $\frac{2,793,465}{18,155}$ = \$ 153.86

*I.P. MacNab, D.B. Wright and F. Musgrave,
Report of the Royal Commission on School Construction
in Nova Scotia, (1958), Table 1, pp. 13-16.

These figures are average costs only and are used herein to convey the manner of calculation of per pupil operating costs. It may be noted that I have excluded capital debt charges and conveyance costs. I have done so, although they are part of the operating costs, since to include capital debt charges would result in certain boards receiving monies for debt charges on schools where none exist. Similarly conveyance costs do not concern a large percentage of the boards, and hence I will treat both these and capital debt charges separately.

In table 7, pages 55 to 58, I have calculated the per pupil operating costs for both towns and cities as well as for the municipal school boards. I have done so, since of necessity, they must be treated separately. As can be seen from this table the municipal school boards with a much lower total assessment have a greater number of pupils to educate than is the case in the towns and cities. Hence, it would appear that the province must bear a greater proportion of the cost of educating children in these municipalities, where numbers are greater and revenues considerably lower. This must be true if equality of

TABLE 7
MANNER OF CALCULATING PROVINCIAL AND LOCAL
PER-PUPIL OPERATING COSTS

School Boards (1)	Total Assessment (2)	Number Of Pupils (3)	Total Operating Costs At \$153.86 (4)	Contribution Under Proposed Local Share Of 45% (5)
Towns & Cities...	\$ 847,680,336 ^a	75,801 ^b	\$ 11,662,741	\$ 5,248,333
Municipal School Boards.....	510,003,911 ^a	84,498 ^b	13,000,862	5,850,387

^aT. A. Pugsley, D.M. MacDonnell and H.S. MacGlashen, Report of the Revaluation Commission for the Province of Nova Scotia, November 24, 1958, (Halifax: Queen's Printer, 1958), pp. 7-9. (Mimeographed.)

^bAnnual Report of the Department of Education of the Province of Nova Scotia for the Year Ending July 31, 1957 (Halifax: Queen's Printer, 1958), p. 194.

TABLE 7-Continued

	Rate per \$100 To Raise This 45% (6)	Ability To Pay Calculated On Current Foundation Rate Of 80¢ Per \$100 (7)	Ability To Pay Beyond 45% Col. 6 Less Col. 4 (8)
School Boards			
Towns & Cities.....	\$.62	\$ 6,781,442	\$ 1,533,209
Municipal School Boards.....	1.15	4,080,031

TABLE 7-Continued

School Boards	Deficit In Amount Required To Meet Local Share Of 45% Col. 4 Less Col. 6	Sharing Percentages Revised To Meet Excess And Deficit Province Local	Provincial Cost Revised
	(9)	(10)	(11)
Towns & Cities..... Municipal School Boards.....	\$ 1,770,356	41.9 58.1 68.6 31.4	\$ 4,886,668 8,918,591

TABLE 7-Continued

School Boards	Local Cost Revised (12)	Provincial Per-Pupil Operating Cost Revised (13)	Local Per-Pupil Operating Cost Revised (14)
Towns & Cities...	\$ 6,776,052	\$ 64.47	\$ 89.39
Municipal School Boards.....	4,082,270	105.55	48.31

cost at the local level is to be assured. At present only assessed valuation is considered in ascertaining provincial--municipal sharing of educational costs. I feel that it is essential to go further and make reference to the number of pupils to be educated, as well as to differentiate between those under the care of urban as opposed to those under municipal school boards. Hence I have, as shown in table 7, pages 55 to 58, calculated the revised grant per pupil, towards defraying operating costs, to be \$64.47 to towns and cities, and \$105.55 to municipal school boards. Before proceeding further, an explanation of the manner in which I computed such grants is necessary.

To begin with I calculated the total operating costs at \$153.86 per pupil in towns and cities and in municipal school districts. A local share of 45% is proposed, which is in line with the present local share of educational expenses, as well as being the minimum local share suggested by the Education Act. The rate per \$100 necessary to

¹Ibid., p. xxviii.

²Nova Scotia, The Education Act (1956), c. 78, Sec. 93.

raise this is shown for both divisions, as well as the amount which would be raised at a levy of 80¢ per \$100. This levy of 80¢ is in line with present local responsibility and is in a figure which I do not feel should be increased. Since the towns and cities could raise the required 45% at a much lower rate, a revised sharing proportion is suggested whereby each would be required to levy a rate of 80¢ per \$100. The province would then pay the difference between the amount so raised and the total operating costs. Hence, this would necessitate the towns and cities raising 58.1% of their total operating expenses while, for reasons previously noted, the municipal school boards would be responsible for only 31.4% of their total operating costs, as previously defined. At first examination this might appear inequitable, but a study of table 7, pages 55 to 58, will reveal that such a system would ensure true equality, since, as noted earlier, the number of pupils is greater and the revenue considerably less, in districts under the care of municipal school boards, than in the towns and cities.

Finally, the calculation of the provincial grant would simply be as follows:

1) In towns and cities--

Number of pupils enrolled x \$64.47
equals provincial grant towards
operating expenses.

2) To Municipal School Boards--

Number of pupils enrolled x \$105.55
equals provincial grant towards
operating expenses.

The great difference in the per-pupil grant appears justified in the light of the following comparison, using figures presented in table 7. The towns and cities with only 75,801 pupils have a total assessment of almost \$850,000,000 upon which to raise the necessary monies for the education of these children. On the other hand the municipal school boards with more pupils (84,498), must raise greater sums, if they are to provide similar educational facilities, on a much smaller total assessment (only slightly more than five million). These assessment figures are taken from the Pugsley Commission on Revaluation (1958). Thus if the rate is to be the

same in both cases, and it would appear to be reasonable that it should, then the provincial grant must of necessity be greater, as shown, in the case of the municipal school boards.

With regard to capital debt charges, although in my opinion they are a part of operating costs, to include these would result in some instances in boards receiving monies to which they are not entitled. It is difficult, however, to justify the present system where in certain municipalities, while debt charges form an actual part of expenditures, these receive no assistance from the province in their repayment. I am referring here to sections with very small or no present capital debts. Further, in some areas no debts of this nature will be incurred even in the foreseeable future. Thus, as I have stated, it is not necessary that they receive money for capital debt charges, under the heading of operating costs, since they would be in excess of what is actually necessary and deserved. Hence, I propose that the

¹Interview with Supervisor of School Grants and Statistics for the Province of Nova Scotia, January, 1960.

repayment of present and future capital obligations, within such limits as are presently in effect, shall be shared by the municipal unit and the Province according to the revised ratio as calculated in table 7, pages 55 to 58, which ratio is as follows:

1) In towns and cities:

Local School Board	58.1%
Province	41.9%

2) Municipal School Boards:

Municipal School Board	31.4%
Province	68.6%

In both the above cases, the present method of calculating capital costs, for purposes of sharing would continue in use.

Finally conveyance charges, although a part of operating expenses, do not form a part of the educational expenditures of many boards. Hence I have not included them under operating costs. One solution would be to make a sparsity correction to the per-pupil operating cost, in districts where such would be necessary. This sparsity correction would consist of altering, where necessary, the per-

pupil allowance, by adding to it an amount sufficient to defray a specified portion of the cost of conveyance in districts where conveyance charges form a part of the educational costs. Thus, for example, such per-pupil grants might be as follows:

In towns and cities	\$ 64.47 per pupil
In municipalities	105.55 per pupil
In municipalities where conveyance costs form a part of operating costs: \$ 105.55 + 10.00 =	\$115.55 per pupil

Thus, while this sparsity correction would be difficult, though not impossible, to calculate accurately, some arbitrary formula might be devised. For this reason I propose that the same proportion of sharing between school board and province apply, as did in the matter of capital debt charges. Again the method of calculating permissible conveyance costs, as is used at present, would continue.

Before proceeding to outline certain other suggestions regarding the present basic salary scales for teachers, I shall summarize my proposals for future educational financing in Nova Scotia.

Towns and Cities

a) Operating Expenses:

- 1) teachers salaries
- 2) maintenance
- 3) fire and liability insurance premiums
- 4) miscellaneous operating expenses

Cost to be shared between Province and municipality concerned through a grant from the Province equal to the number of pupils enrolled in the schools, under the care of the board, multiplied by \$64.47.

b) Capital Debt Charges

Permissible expenditures (as presently defined in the Education Act), to be shared between Province and each local school board on a basis of Province--41.9% and Local Board--58.1%.

Municipal School Boards

a) Operating Expenses

These include the four items as in section a) above. Cost to be shared between Province and each Municipal School Board through a grant from the Province equal to the number of

pupils enrolled in the schools, under the care of the board concerned multiplied by \$105.55.

b) Capital Debt Charges

Permissible expenditures (as presently defined in the Education Act), to be shared between Province and each municipal board on a basis of Province--68.6% and Municipal Board--31.4%.

Where they apply, conveyance costs to be shared in the same proportion as Capital Debt charges.

Before concluding this chapter I feel some mention must be made of teachers salaries since they form a large part of educational costs. It is not my purpose, however, to advocate an increase but simply to point out, what I feel to be, certain deficiencies in the present system. Whether my proposals which follow are feasible or not, I feel that the present system must be changed in order to ensure equality under the present financial arrangement.

I first recommend that both of the last two increases granted in this regard cease to be additional and be included in the provincial salary scale. Further, that the \$400 additional, effective August 1, 1959, to Professional Class teachers, be broadened to include, not only those such teachers engaged in teaching at the junior and senior high school levels, but teachers at all levels.

In support of these changes, I propose that the Province must feel the present salary scale to be inadequate, since they have suggested these additional increases. Yet they have not included these under the 25% minimum sharing, a factor which is unfair to many areas. Also the \$400 additional, to Professional Class Teachers at the higher levels only, ignores the necessity for highly skilled and highly trained teachers i.e., professionally qualified, at all levels. This present arrangement is, in my opinion, poor policy as well as being extremely unfair to those areas who wish to provide higher qualified teachers at the lower levels, as well as at the junior and senior high levels.

There are 115,133 children in the elementary grades of Nova Scotia, as opposed to 33,732 in the junior high and 15,390 in the senior high grades. Thus, since many children leave school at the junior high level, it is possible, under the system as recommended by the province, for a large number of the children of our province to be taught during the greater part of their school life by teachers who lack what is commonly accepted as desirable professional training.

I have attempted to be brief in my criticism, of what I believe to be extreme folly, since I do not feel this to be the place for further enlargement in this regard. There is however one other point I wish to make. It pertains to the payment of the \$400 additional to teachers holding a Professional Class III certificate. I personally, without wishing to discuss teacher preparation, would suggest that such \$400 additional to teachers of this class be withdrawn; insofar as they first lack a

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university degree and secondly that the difference in requirements between a P.C. III and a T.L. 1 are not sufficiently great to warrant such a difference in remuneration. Moreover, it would tend to raise the standards of the teaching profession in the province through the recognition of a university degree as the mark of a truly professional teacher.

Hence, I propose, regarding teachers salaries:

- 1) the general increases made effective August 1, 1958, to all classes, cease to be additional and be included within the Provincial salary scale.
- 2) the \$400 additional to Professional class teachers; a) apply to P.C. I's and II's only; b) apply to these regardless of the level at which they are teaching and; c) cease to be additional and be included in the Provincial salary scale.
- 3) Present Professional Class III certificate be abolished and these henceforth be considered as T.L. 1's.

This last proposal would necessitate the remaining divisions of Teachers Licenses being changed accordingly. Thus T.L. 1 will become a T.L. 2 and so on.

This new scale of teachers' salaries, the one on which the calculation of operating costs would in future be partially calculated, would be, regardless of teaching level as per table 8 on the following page.

Finally, in concluding this chapter, it is necessary to make reference to the question of additional revenue, to support any increases resulting from additions to the present system of educational finance. To begin with, it is imperative that some of the burden of educational costs remain at the local level. Certainly interest in education will be greater among the citizens at large, if, through local taxation, they are directly shouldering part of the financial burden. However, I do not feel that the greater burden should be borne at this level but propose instead that the province assume the larger share, since its sources

TABLE 8
PROPOSED SCALE OF TEACHERS' SALARIES

Year of Teaching	Professional Certificate Class I	Professional Certificate Class II	(P.C.3)* Teachers' License 1	(T.L.1)* Teachers' License 2	(T.L.2)* Teachers' License 3	(T.L.3)* Teachers' License 4
1	\$	\$ 3,460	\$ 2,700	\$ 2,340	\$ 1,980	\$ 1,620
2		3,580	2,820	2,460	2,100	1,740
3		3,700	2,940	2,580	2,220	1,860
4	4,480	3,820	3,060	2,700	2,340	1,980
5	4,600	3,940	3,180	2,820	2,460	2,100
6	4,720	4,060	3,300	2,940	2,580	2,220
7	4,840	4,180	3,420	3,060	2,700	2,340
8	4,960	4,300	3,540	3,180	2,820	
9	5,080	4,420	3,660	3,300	2,940	
10	5,200	4,540	3,780	3,420	3,060	
11-15	5,320	4,660	3,900	3,540	3,180	
16-20	5,440	4,780				
21-25	5,560	4,900				
26 plus	5,680	5,020				

* Present classification of teachers' licenses are enclosed in parentheses. Proposed classifications are listed beneath these.

Note: Additions to salary scale for principals and vice-principals as at present.

of taxation are more numerous. Further, property taxes being the main sources of local revenue, it is doubtful whether it is either fair or possible to increase such taxes to a much greater degree. Hence the burden falls upon the province at least for the present.

At the provincial level it would seem that the best source of additional revenue would be a sales tax for education, imposed in addition to the present three per-cent hospital tax. I do not suggest the amount of this additional sales tax. Certainly it should not exceed two percent but one percent might be sufficient for the present. Many there are, particularly in the larger centres, who would decry an additional sales tax for this purpose. They would claim, that while the larger part of the revenues from such a tax would come from the larger centres, these centres would receive proportionally less than the more sparsely settled areas. While this is correct it is also true that education, in Nova Scotia, is of concern to all in the province. Further, these same individuals

would welcome federal assistance where the same principle would apply. Thus, in my opinion, an additional sales tax for education should be imposed if and when additional revenues become necessary.

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