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Jeudi 7 mars 2002

**Standing committee on
finance and economic affairs**

Pre-budget consultations

**Comité permanent des finances
et des affaires économiques**

Consultations prébudgétaires

Chair: Marcel Beaubien
Clerk: Susan Sourial

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

**COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES**

Thursday 7 March 2002

Jeudi 7 mars 2002

The committee met at 1000 in Federation Hall, Waterloo.

PRE-BUDGET CONSULTATIONS

ALLIANCE OF CANADIAN
SECOND STAGE HOUSING PROGRAMS,
ONTARIO CAUCUS

The Chair (Mr Marcel Beaubien): Good morning, everyone. It is 10 o'clock, and I would like to bring the standing committee on finance and economic affairs to order.

Our first presentation this morning will be from the Alliance of Canadian Second Stage Housing Programs, the Ontario caucus. I would ask the presenters to come forward and state your name for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation this morning.

Ms Linda Theijsmeijer: Good morning and welcome. Thank you for having us this morning to speak to you.

My name is Linda Theijsmeijer, and I am the secretary treasurer of the alliance. To my immediate left is Donna Hansen, who is the coordinator of the Alliance of Canadian Second Stage Housing. Unfortunately, Shelley Yeo—that was the third name you had on your agenda—was not able to make it this morning. She sends her regrets.

Again, thank you very much for allowing us this time to make this presentation to you. I will begin.

We come before this committee today for the third time on behalf of the membership of the Alliance of Canadian Second Stage Housing Programs for the Ontario caucus. Once again, we implore this committee to urgently recommend that making adequate, annualized funding of second stage housing programs in Ontario be a priority for the upcoming budget.

Studies have shown that women are most at risk when they are escaping from their abuser. Second stage housing provides additional safety and support during this dangerous time when women and children are leaving their abusive relationship.

In 1995, second stage housing lost all provincial funding that had supported on-site counselling programs. Even after six years, second stage housing programs across the province have remained devastated. There has been a significant loss of programs, staff and ultimately

safety and support for the women and children who access the programs and the persons who staff them. Boards of directors and staff in these organizations have had to shift their focus toward fundraising just to survive.

Second stage housing programs in Ontario need the support of the Ontario government. Please listen carefully to our concerns.

Second stage housing was developed in response to an identified need for long-term safety and support for women and children leaving abusive relationships. Emergency shelter workers witnessed women having to return to abusive partners when leaving shelters because of a serious lack of safe, affordable and supportive housing alternatives in the community. The lack of affordable housing in the community is even more acute today, making the need for second stage housing for abused women more necessary now than at any other time in its history.

The first second stage housing program in Canada was built in British Columbia in 1979.

A 1996 survey by Canada Mortgage and Housing Corp shows that safety is the number one reason that women, with or without children, seek housing at second stage facilities.

Approximately 40 women are murdered by their estranged partners each year in Ontario alone. According to a 1994 study of intimate femicide, the study also shows that women are most often murdered when making an effort to escape from their abuser. The slaying of three of the six women in Ontario the summer of 2000 proves this point. Gillian Hadley, in Pickering, and Bohumilla Luft and her four children, in Kitchener, were living apart from their partners at the time of their murders. Laurie Lynn Vollmershausen, in Stratford, had just informed her partner of her intent to leave him when he stabbed her to death while their children ran screaming in terror to a neighbour's house, pleading for help for their mother.

Today there are 27 second stage housing programs operating in the province of Ontario. The facilities range from three units to 40 units, with an approximate total of 375 units. They are typically a self-contained apartment, townhouse or single family unit where women can live independently with their children for approximately one year. The length of stay depends on the needs of the women and the program guidelines. Though second stage housing programs may vary in size, configuration and

management style, the mandate of all programs is to deliver services which contribute to keeping women safe.

Women often access second stage housing after leaving first stage shelters. Living in second stage housing provides women the opportunity to rebuild their lives and the lives of their children in a safe, affordable and supportive environment.

Second stage housing provides a unique service to women and their children. Women living in second stage housing are usually on a low, fixed income. During their tenancy, women are able to set goals and objectives, connect with appropriate community resources and are provided the opportunity to build new skills as they move on to economic independence.

Since the Ontario Ministry of Community and Social Services cut 100%, or \$2.56 million, of funding from second stage housing, all programs have changed. Counselling programs have been carved to the bone. Many second stage housing programs are in crisis survival mode. Today, on behalf of the Alliance of Canadian Second Stage Housing Programs, Ontario caucus, we are asking the provincial government of Ontario to support the continued operation of these efficient and cost-effective services for women and children in this province who are fleeing abuse.

It is important to note that on-site programming at second stage housing is now being provided largely by counsellors who come into the facility from a counselling service within the community. Counsellors come in for a very limited number of hours each week, and directors are reporting that this is not adequate. Directors report that there are long waiting lists for service and that the counsellors coming into the facility cannot create the same level of trust and the continuity of service that an on-site counsellor can develop with the women and children.

Adequate and effective counselling is especially important for children. Statistics and experience show us that children who witness violence, or have experienced violence, too often grow up to repeat the violence as adults. The deadly, learned, intergenerational cycle of abuse haunts too many Ontario families and must be broken. Second stage housing wants to do its part in breaking this cycle.

Ms Donna Hansen: In June 2000, Ralph Hadley broke into the home he had shared with his estranged wife, Gillian. After an intense and ultimately futile struggle by her neighbours to save her, Ralph Hadley murdered her and then committed suicide. In February 2002, the jury at the inquest into Gillian Hadley's murder made 58 thoughtful and pertinent recommendations. We refer you to, and we quote, recommendation number 23:

"We recommend that the government of Ontario and the government of Canada immediately provide new funding for developing additional permanent subsidized housing units and 'second stage' subsidized housing units, which are medium-term housing with supportive counselling and advocacy services, sufficient to meet the

current and forecast needs for subsidized housing in each community of Ontario."

A recent poll of second stage housing programs shows clearly that: some 50% of second stage housing providers say that they do not have a sufficient number of units to meet the need in their community; second stage housing providers regularly receive referrals from other communities without second stage housing programs; waiting lists hold an average of five names of women, with or without children, who require the longer-term safety that second stage housing provides; second stage housing providers report an average occupancy in February 2002 of 93%.

Since 1995, second stage housing in Ontario has been both downloaded and starved for funding. However, second stage housing providers and their boards of directors continue on against all obstacles. The need for second stage housing in Ontario continues unabated.

In closing, we can do no better than to quote a woman who was a resident in the second stage housing program in London, Ontario. She said, "I am very proud to say that I am no longer a statistic and that I have had the opportunity to be surrounded by healthy, caring people. They're people you can count on when you really are honest with yourself about being a survivor of woman abuse."

The Ontario caucus of the Alliance of Canadian Second Stage Housing Programs is requesting the inclusion of annualized funding in the amount of \$5 million for second-stage housing programs in the next provincial budget.

Thank you for your attention. We will be very pleased to answer questions.

1010

The Chair: We have approximately three minutes per caucus, and I'll start with Mr Kwinter.

Mr Monte Kwinter (York Centre): Thanks for your presentation. In 1995, you received \$2.56 million from the provincial government, and then that was cut off, and now you're looking for \$5 million. I guess that's to take care of the expanded service, inflation and everything else?

Ms Theijsmeijer: Yes.

Mr Kwinter: How do you get your funding now? I understand you do fundraising, but are you solely dependent on fundraising?

Ms Theijsmeijer: Currently, the government provides some second-stage housing programs across the province, what we call "bricks and mortar" funding. That provides for the maintenance of the building, whether it's townhouses or apartments. In other words, we can paint a unit, we can clean the floors and we can clean the walls after a family moves out. The funding that we do not have and which we're seeking would restore support or counselling services to the women and children so they do not return to their partners and they're not then at risk of the children growing up and repeating the violence. How do we do that? We fundraise. That's how we do it.

Mr Kwinter: So the ministry—I assume it's community and social services—provides you with capital funding for the structures, but—

Ms Theijsmeijer: The Ministry of Municipal Affairs and Housing provided the bricks and mortar operating capital. My program specifically in Stratford, as of April 1, will be downloaded to the municipality. Again, that's strictly bricks and mortar funding—that is, no supportive programming whatsoever.

Mr Kwinter: With the bricks and mortar, do you have enough accommodation? I see you've got, on average, five women waiting for service. Is that because there isn't the capacity?

Ms Theijsmeijer: Yes. I can speak to you specifically about my program. We have 20 apartments. They range in size from one- to four-bedroom units. Currently we have 20 families residing in those apartments and I have four families on my waiting list. The women who are currently residing there can live there for up to one year. There's a chance that the four families who really need the safety of our program will not be able to access our program because we don't have units. We are very fortunate in Stratford in that we do have a program. There are many communities that don't.

Mr Kwinter: So this money that you're asking for is for counselling?

Ms Theijsmeijer: Counselling and support services, yes.

Mr Kwinter: What about the municipality? How does the municipality participate? What funding do they provide?

Ms Theijsmeijer: Again, we're working all of that out. The municipality will not be providing any counselling or support services funding. It will be the downloading process from the province to the municipality, and I anticipate that the province will maintain its commitment to providing that bricks and mortar funding for our programs.

Mr John O'Toole (Durham): I'll be sharing my time with my colleague. Thank you for your presentation this morning. Just to make sure that you recognize, I'm from Durham region, so I'm very familiar with the Hadley case. In response to that, in the last budget prior to this, it says the government "will provide \$26 million over the next four years to improve the safety and security of abused women and their children in crisis by adding 300 beds" and refurbishing others—100 in fact. "We will also provide \$3 million this year, growing to \$9 million annually, for counselling, telephone crisis services and other supports."

So the government is aware and, initially, last year, responded. I understand, for instance, that there is a new women's shelter in Pickering. There is also a women's shelter in my own riding of Durham that will be coming on stream fully funded, which I think is an important initiative.

Arguably, in any program, there is never enough support, but I can assure you that the government is quite aware, and not just of the report from the Hadley inquiry

that you referred to. I just wanted to put that on the record, that we're not insensitive to it. We deal with it on a reasonably regular basis. I think the government is trying to respond, and perhaps Mr Mazzilli would respond as well.

Mr Frank Mazzilli (London-Fanshawe): Thank you very much for your presentation. I certainly listened. I know the needs are different among different communities and the services that exist are different in different communities. In London, we're very fortunate that we have first-stage and second-stage housing, and there's also the London Battered Women's Advocacy Centre. This is the part I find confusing, if you will. The battered women's advocacy is supposed to provide community support, counselling, to go out to people's homes or where they are, or people come in for that counselling. As service providers, what are you doing to coordinate your services so that perhaps one is bricks and mortar and one is counselling, and we're not duplicating all over the place? I understand that not every community has all three, but in the ones where we do have all three, can one entity be bricks and mortar, where it is safe housing, and another entity be responsible for providing counselling?

Ms Theijsmeijer: I think if I may answer that, you're correct in that. Specifically in my community, we're not fortunate enough to have the diversity of services that London has. Having said that, we work well in our community with the struggle. The problem is there is such a great need for service that when counselling dollars come in to our community, they traditionally go to first-stage shelters. They are so overworked and the volume is so high that the women who are living in second-stage housing programs don't access the service because the shelters often make it a front-line mandate that women who are calling in on the crisis lines etc receive the service.

Women who are living at second-stage are often ignored. We have them for up to a year. We need an on-site counsellor. We stand the best chance of breaking the cycle, of making change for women and certainly affecting the children in a positive way.

Mr Mazzilli: So you don't see any way of bringing the services together?

Ms Theijsmeijer: We have tried in our community and we work well together. However, again, the demand is so great that we need a clearer division. Having one counsellor on-site would be so important for me, and it would make a huge difference.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

COALITION FOR LEGAL AID TARIFF REFORM

The Chair: Our next presentation will be from the coalition supporting tariff review. I would ask the presenter to please come forward, and if could state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Kathleen Nolan: My name is Kathleen Nolan. I am a local criminal defence lawyer. I have been asked to speak to you—and I know you've heard submissions in other regions—by the Coalition for Legal Aid Tariff Reform. That coalition is an association of legal organizations such as the County and District Law Presidents' Association, the law society, the Criminal Lawyers' Association, the Family Law Association and the Refugee Lawyers Association.

I think you're aware that the purpose of our submissions is threefold. One purpose is to hopefully have you acknowledge that the current tariff we receive, which I think you may know is between \$67 and \$84 an hour, is very inadequate from our perspective. We're asking that you acknowledge that it be increased to \$100 to \$125 dollars an hour. The other purpose we're here for is to hopefully have you commit to this funding over a reasonable period of time. The third purpose is hoping that you will allow us to have a permanent review process, because our feeling is that we're in a crisis situation right now.

It's been 15 years, as I think you may be aware—not since 1987 have the criminal defence lawyers received any increase in tariff. In addition to that, the inflation that has occurred in the 15-year time period has really put us in a situation where we really have 32% devaluation in our services and our fees. As you may be aware from the material and hearing from other submissions, that's not similar for other components of this publicly funded legal system.

In 2000, the crown attorneys, for instance—the other side of our process—received a 30% increase in their fees. Since 1997, they've also been able to hire 235 more crown attorneys for the ever-increasing workload that all of us face. The judges in 2000, as I'm sure you're aware, received a 30% increase in their salary. Again, we have not received any increase in the last 15 years.

1020

Other parts of the process as well, such as the privately funded social workers who work for the office of the children's lawyer in the court, have received a 150% increase. In 1999, they received \$30 an hour and in 2001, they received \$75 an hour. So it's actually more than a lot of lawyers would make on a legal aid tariff system. The communities in that system also provided money for a community policing program for the police. They've hired 1,000 more police officers. It's a situation where we feel we're not being addressed similarly.

As many of you are aware, we are professionals. Many of us, such as myself, have gone to school for a great deal of time, for eight years of post-secondary education: honours BA, three years of law school, a year of articling. Many new lawyers find they come out of school with a very big debt load. It's just not worth their while to take a legal aid certificate, when as a privately retained lawyer, two things are different: they can make much more than double that if they don't take a legal aid certificate and, as well, they don't have any limit as far as the hours they can bill for.

Currently, in our legal aid tariff system, for criminal lawyers, many certificates just allow us to have a six-hour limit or an 8.5-hour limit. When you think of what we're supposed to do in that time period—which is often interview our clients, prepare, have pretrials with the crown attorney, review the evidence, the disclosure, attend at adjournments and research the law for sentencing and for trial purposes—that limit often doesn't nearly cover the time we've actually put in our files.

I know that in this area, it's been particularly difficult because we no longer have a local jail. It used to be in Cambridge. Now we have the superjail system. For most of us, our clients are housed in Maplehurst in Milton. Why this impacts us even more is because if we have a limit of six or 8.5 hours at the tariff rate that I've indicated to you, we're not paid, for instance, for travel time to see our clients, we're not paid for waiting time, whether we wait to see our clients at Maplehurst, or whether we wait in court for a matter to be called. So much of our allowable time can be used up in ways such as this. For instance, if we travel to Maplehurst, it can take an hour each way; that's two hours. Right now, it's very difficult for us to see our clients very quickly. So five hours of that time can easily be used up just going to visit our client, without even having appeared in court, prepared our material, had pretrials or anything such as that.

I know that many of us are experiencing morale problems because it's just very frustrating, as I have indicated, to see the increases around us. I can tell you that many of us are very, very committed to serving our clients well in this community and elsewhere. We have a very strong Criminal Lawyers' Association. To constantly be faced with these problems and, in essence, what is pro bono work by many of us when we take a legal aid certificate is really demoralizing. So that's one of the situations we face.

When I talked about waiting time, for instance, when we're in court, we're not being paid for waiting time under the legal aid certificate. We're often sitting in court. We can't call our matter first or second or in the middle. For instance, if we sit from 9:30 or 10 o'clock and don't get called until 4:30—if we're called at all—again, our certificate is used up. So many persons in this area just don't feel it's worthwhile to take legal aid certificates.

I think one of the fundamental principles in our society is we believe that if one truly can't afford a lawyer, one has a right to be represented. That's just not always happening with this crisis, and it will get even worse. For instance, people are now showing up in court unable to find a lawyer who will take their certificate. They're then unrepresented. It causes delays in the legal aid system. It may have been pointed out to you on a previous occasion that many other problems occur, such as persons who don't have legal advice just putting their matter through the system without getting very solid legal advice, running into problems such as wrongful convictions, leading to ultimate appeals down the road

that obviously cost our system a lot in the long run, much more than I'm suggesting it would right now. It's our submission that it's not in keeping with what I indicated earlier is a fundamental principle of our legal system.

I think at this point right now I'll answer any questions. If I have time, I can go on with any statistical or personal anecdotes that you require.

The Chair: Thank you very much. We have approximately four minutes per caucus. I'll start with Mr Hardeman.

Mr Ernie Hardeman (Oxford): Thank you very much for your presentation this morning. You are right: we have heard some previous presentations on the problem as it exists in the legal aid system now. Part of what I wanted to discuss is what happens with, shall we say, the shortage of available legal services in comparison to the legal aid certificates that are issued? One of the things of course would be, as you mentioned, that people go into court without proper defence or proper representation. What does the judge do with that?

Ms Nolan: It's interesting because there really isn't, as far as I'm aware, any precedent in terms of what the judge can do. There have been precedents in the past on a similar principle. There was a case called Rowbotham decided in the Supreme Court of Canada where a person was facing serious charges and couldn't get representation. The judge in that case went so far as to stay the criminal proceedings. In other words, the charges weren't proceeded with. That was subject to whether or not he ultimately could get legal counsel, but it would be my suggestion that if such an extreme measure were taken, that wouldn't be very, for lack of a better word, popular with the public either, to have such a situation arise where charges were stayed.

I'm not aware and I don't really think that the judge has any jurisdiction, for instance, to make a lawyer take a legal aid certificate. I think he can order that to happen if they're unrepresented. But to actually say to a lawyer, "You have to take a legal aid certificate," I think they'd be very hesitant to do that and I don't think they have the power to do that. So it simply would be a case of an unrepresented person then being in court and ultimately representing himself or having the charges stayed.

Mr Hardeman: If the budget were to deal with increasing the tariffs for legal aid certificates, I have the other problem in dealing with the effects of the process and making sure that we provide more and better legal services for all citizens. How do we deal with the fact that, as you mentioned, presently there's the situation where you get five hours per certificate, but there are cases where that very well could be taken up with travelling and you really don't get to defend the individual in court? If we increased the rate by 30%, you still have only five hours, so you still spend it all on the road and my friend still gets no defence. How do we accommodate that if there was a 10% or 20% or whatever increase in tariffs, in fact we are going to get more and better services in the system?

Ms Nolan: Ultimately, my representation would be that I would hope the tariff would be increased and that there would be reform, ultimately, of the limit we would have in terms of our hours that we could bill. But in terms of the tariff increase, I talked about morale, and I think the morale among defence lawyers is poor in the sense that we know there's such a discrepancy in what we make hourly compared to other publicly funded persons in the system. I think if that tariff were increased, it would slow down the flight of lawyers not taking certificates, and I think it would increase their morale and they would at least at this point be receiving more hourly.

It's just become accepted among lawyers who take legal aid certificates that they're going to do work beyond the tariff limit right now, so they would continue to go beyond the hourly limit and represent their clients to the end. But I think at this point it's one important step to at least increase the rate and perhaps then ultimately reform the maximum hours they have too, because both, it's our submission, are woefully inadequate at this time.

1030

The Chair: Mr Kwinter.

Mr Kwinter: Thank you for your presentation. As you have indicated, we've had at least two representations by other groups on this issue. Is the \$67-to-\$84 range determined by the nature of your activity or is it just that different areas pay different amounts?

Ms Nolan: It's simply determined by your experience level. A person who has up to four years' experience practising law gets the \$67. The next \$75-something is given to four to nine years' experience in practising law. Ten years and over is given the \$84 rate. So it's strictly related to your experience and time practising as a lawyer, not the nature of the charges. You could have a particularly complex charge and still be paid at \$67 an hour.

Mr Kwinter: The proposal to go to \$100 to \$125 is still way below what someone would get in the private sector at the \$125 level.

Ms Nolan: That's exactly right. We've tried to be somewhat realistic in the sense that it certainly is, and I suppose with what we recognize are financial constraints on the government and everyone else, but that's the increase we're asking for at this time. It's still far below the market rate. Again, private lawyers get much more and there are no billing limits. They can bill all of their hours. But at this time that's what we're asking for.

Mr Kwinter: So, as you say, this is a pro bono component of what is happening.

Ms Nolan: Yes. I think there were perhaps questions earlier about the fact that there is an initiative for lawyers to provide pro bono work, but legal aid lawyers do it all the time just by virtue of taking a certificate.

Mr Kwinter: What about if it was structured in such a way—and I'm not trying to give you a tough time. You were saying you represent the criminal bar. Sometimes you get to court at 9 and you don't get called till 4. During that time, surely you have the ability to call other clients and do other things and you're billing them

anyway. You're billing them whether you talk to them on the phone or in person. Is there some way of graduating the payments so there is a fee for travel time, a fee for waiting time and a fee for actually doing the legal work which might make it more receptive to the people who are structuring the budget to saying, "This is fair and reasonable"? As my colleague Mr Hardeman said, you could in fact get the increase to \$125 and you're still spending the time waiting.

Ms Nolan: That's correct. I think there are ways to do it. I know previously the tariff system was run by the law society and now, as you are aware, I'm sure, the government sets the tariff rate and Legal Aid Ontario administers it. Previously there were inclusions for waiting time, there were higher billing time limits and things such as those, but in the past 15 years that pretty much has not been the case.

It could be restructured as well as increasing the tariff to hopefully accommodate that. But I know that often it's the case where legal aid lawyers are in court and they're only dealing with a legal aid client or two legal aid clients. For instance, if I have a trial for a legal aid client, I'm waiting in that courtroom for that client alone and I'm not billing any other money in that time period, so I'm sitting, waiting for my matter to be called. In essence, if I've already maxed out the certificate, so to speak, I'm really not getting anything else while I'm waiting. But again, to answer your question, I think there perhaps are ways that it could be restructured so that we would get valid waiting time and other initiatives such as that.

Mr Kwinter: In the criminal bar, I don't think you have too much to do with the community legal aid clinics, because they don't deal with criminal matters. But you're not just talking for the criminal bar, because you're calling for everybody who participates in legal aid.

Ms Nolan: Yes.

Mr Kwinter: I didn't get a chance to ask, because we ran out of time: what is the interaction in the way of legal aid funding between the community law clinics and lawyers who practise legal aid? How do they get paid?

Ms Nolan: I think I'm probably the only criminal lawyer who's spoken to you. My expertise or experience is really in criminal law. But my understanding is that they're really distinctly different.

Again, for criminal law, we don't have an association with the clinic. For family law matters, for instance, there would be no sort of integration or current coordination with the clinics. For instance, if someone qualifies to have a family law lawyer under the certificate program, they would kind of be doing all the work involved. If someone has a situation where perhaps they wouldn't qualify for legal aid, because certain cases don't qualify for legal aid because of the nature of the case and it's not just the financial situation, usually those persons would go to the clinic and be advised there. But the clinic usually doesn't have lawyers who actually go to court for these persons. They give advice within the clinic, but if

you need to have a lawyer to go to court with you and commence litigation proceedings or proceed with that, you really have to have your own lawyer, and that's by way of a certificate situation rather than the clinic.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

GRAND RIVER TRANSIT

The Chair: Our next presentation, the original one, from Conestoga College was cancelled and the Council of Ontario Universities has not confirmed yet. If they show up later we can take them on. But the Grand River Transit presenters are here, so I would ask them to come forward, please, and state your names for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation. I hope we're not rushing you.

Mr Graham Vincent: Thank you for seeing us this morning. My name is Graham Vincent. I'm the director of transportation planning for the region of Waterloo. On my right is John Cicuttin, who is the manager of transit development. On my left is Don Snow, the director of transit operations with Grand River Transit.

Just to be clear, Grand River Transit is operated by the regional municipality of Waterloo and it is the municipal transit system that services the Kitchener-Waterloo-Cambridge area.

There is a package with you and you can follow through with the presentation. In the back are the photographs you'll see up on the slides here, so you can follow through if you'd like. It starts after the actual written submission.

This morning we would like to present to you the dilemma of municipal transit systems, particularly Grand River Transit, and suggest some recommendations for how the provincial government can assist to meet our mutual objective of Smart Growth.

Waterloo region is a community of over 450,000 residents, and it's a southwestern Ontario economic engine. The region's diversified economy ranges from high-tech research to advanced manufacturing. It includes three post-secondary educational institutions and boasts exports of over \$8 billion annually. Waterloo region has experienced rapid growth and now ranks as the 10th largest CMA in Canada.

In 2000, a new regional transit system was created for Waterloo region, Grand River Transit. It was formed by amalgamating the local transit systems of Cambridge Transit and Kitchener Transit.

While population growth has been significant in Waterloo region during the last decade, transit service and ridership have not kept pace. In fact, the fiscal pressures faced by local municipalities during the 1990s resulted in service reductions and significant fare increases that, in combination with the economic recession earlier in the decade, precipitated a 20% ridership decline, as this graph presents. The red line represents ridership decline, which resulted mostly from the service hours that were cut during the 1990s. However, the green

line shows population, and you can see the significant increase in population in this area.

Local government is doing a lot of different things to support public transit. Specifically, in 1996 the region initiated a transportation master plan. It identified critical transportation issues such as congestion on many of our roads and also the issue of urban sprawl. There are quite a few areas within the region where there is isolated development that is difficult to service by transit today.

The transportation master plan included a target of reducing the share of auto travel from 84% to 77% by 2016. In order to achieve this auto reduction target, annual transit ridership needs to more than double, from 9.1 million to 19.5 million by 2016. So we are anticipating very significant increases in our transit ridership.

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Since the early 1970s, regional official plans have included a central transit corridor as a fundamental strategic initiative required to develop a compact urban form that reduces the need for excessive auto use. The corridor would follow a north-south alignment connecting many of the existing high-intensity employment, residential and commercial nodes, as illustrated in this particular slide. It would be the green line. By connecting these nodes, the urban areas of Cambridge south of the 401 with those of Kitchener-Waterloo, congestion would be alleviated on the busy Highways 8 and 401 corridors.

The full development of the corridor will achieve many of the region's and province's Smart Growth objectives. It's expected to create a significant modal shift from auto to transit, thereby maximizing the efficient use of existing regional and provincial roadway infrastructure. It's also expected to have a significant impact on reducing urban sprawl by attracting new growth along the corridor, as opposed to the periphery of the region. Ultimately, the corridor is envisioned to support a higher-order transit service such as an exclusive transitway or, particularly, a light rail transit system.

The region has undertaken a number of strategic actions already, within the last two years since we've taken over Grand River Transit, in response to the community's concerns with air quality and quality of life. Grand River Transit was established in January 2000 as being the first initiative, through the amalgamation of the two previous transit services. We've established a five-year business plan which was approved in principle and determined that to attain the goal of doubling transit ridership we needed to increase service and ridership by 4.5% annually.

We have initiated a transportation feasibility study to identify where the central transit corridor would best be located. It will address the feasibility of a higher-order transit system, station locations, technology and supporting land use.

We also purchased the Waterloo spur line from CN in the fall of 2001. This represents the red line that you see on this particular illustration. As you can see, it follows a good part of our intended central transit corridor and will be key in our future transportation system. It's a rail line

of approximately 19 kilometres and connects Elmira, north Waterloo, including the University of Waterloo, uptown Waterloo, and extends to the main east-west rail line used by VIA through the Kitchener area.

The region also made application in October 2001 to the Urban Transportation Showcase program, which is a federal program, and application in January of this year for the Golden Horseshoe Transit Investment Partnerships, which of course is a provincial program.

We've requested funding for a comprehensive program to condition the market for a future higher-order transit corridor through the implementation of a combination of expansion buses, new and improved bus and passenger facilities and a suite of advanced transit technologies to support the corridor, and for extension of the GO rail service from the Milton station to Cambridge.

The challenge that we have is that although Waterloo region was experiencing considerable population and employment growth during the 1990s, the local transit systems were in a period of retrenchment and disinvestment. In order to cope with shrinking budgets, the local transit systems deferred bus replacements. While capital costs were deferred, older buses resulted in increased maintenance costs and capital funding requirements for future bus replacements were significantly compounded. Currently, 10% of our fleet is over 20 years old, which is well over the expected lifetime of a bus. The older fleet has meant more emissions and less reliable service. Specifically, scheduled service is missed or interrupted daily because of vehicle mechanical breakdowns.

The largest service increases since the mid-1980s were implemented by GRT in 2000 and 2001, resulting in significant ridership growth. We've experienced 4% growth in both of those previous years, which is quite a turnaround from the decline in the 1990s.

Even though there continues to be tremendous community and political support for the continued development of GRT, the funding challenges are significant. The transit service needs to be expanded to catch up to the significant population growth that occurred during the 1990s. The transit service has actually decreased during that same period. Transit service must be expanded significantly to meet the auto-reduction targets of the transportation master plan and to build the ridership needed to support higher-level service along the corridor.

We have an aging fleet that must be modernized, and bus and passenger facilities must be expanded to accommodate the new fleet. New services will contribute significantly to increases in the operating costs.

Funding requirements: the strategic program over the next 10 years requires a capital investment of over \$100 million, as this particular slide will show. The details on it are on table 1, which is also included in your handout. That gives you the details of what the \$100 million will encompass.

It's difficult for the region to meet the funding challenge alone, in addition to the operating costs associated with expanding services and the growing demand for other municipal services, including specialized transit. A

significant investment in Grand River Transit is required in the near term to move the region toward our auto reduction target, and also ultimately realizing the vision of the central transit corridor.

A comprehensive program to expand transit service coverage and improve competitiveness with auto travel is needed to generate the ridership growth required to achieve the targets and support the implementation of our service.

The GRT strategic program includes critical capital infrastructure elements needed to attain 20 million annual transit riders by 2016. In particular, funding assistance is requested for the modernization of our transit fleet, including bus replacement and refurbishment; acquisition of new buses to expand and improve services, including express service along the new transit corridor; new and expanded bus storage and maintenance facilities; new and improved passenger facilities, including satellite transit terminals and multi-modal facilities to encourage interregional transit use; advanced transit technologies to improve passenger information, improve system reliability and generally enhance transit riders' convenience for region-wide and multi-modal interregional travel.

Funding assistance from senior levels of government is critical if the Grand River Transit strategic program is to be implemented and the transit modal shift target and the transportation master plan are to be attained, and the transit corridor, with an exclusive transitway or a light rail transit system, can be sustained. In fact, one third of provincial funding for bus replacements, bus expansion and facility expansion has been incorporated into Waterloo region's 2002-04 budget plan. If provincial transit funding does not materialize, our strategic program, in particular service improvements and expansions, will be jeopardized in a period when we are experiencing tremendous growth.

We applaud the province for the recent transit renewal funding and look forward to the GTIP funding commitments. But notwithstanding these recent positive funding announcements, the implementation of our plan and building the CTC require stable long-term capital funding commitments from senior levels of government. Because of the long lead time for bus delivery, requiring 18 months before buses are delivered upon order, and the lengthy duration between planning and implementation of a higher-order transit service, or any transit service, the transit authority requires long-term and stable funding commitments.

Just in summary, Waterloo region's strategic vision, as embodied in our official and transportation master plans, includes a significant modal shift to transit that can ultimately support a higher-order transit service such as an exclusive transitway or a light rail system. Multi-modal facilities will facilitate interregional travel by bus and rail. The full development of the transit corridor will support provincial and regional Smart Growth objectives. It will result in a significant modal shift to transit, thereby maximizing the efficient use of existing regional and provincial roadways in this area, and will have a signif-

icant impact on reducing urban sprawl by attracting intensified growth along the corridor.

The transit corridor and a higher-quality integrated regional transit network will facilitate employee recruitment and retention and provide equal opportunity to access jobs. A modal shift to transit will provide air quality improvements and contribute to greenhouse gas reductions, and the quality of life in this area will be enhanced because significant investments in transit will contribute to a vibrant economy and healthy environment.

In order to develop the transit market that can sustain higher-order transit service along the corridor, our strategic program was developed. Over the next 10 years, this program includes extensive service improvements, expansion of bus and passenger facilities and a comprehensive suite of advanced public transportation technologies. Funding assistance from senior levels of government is critical if the \$104-million Grand River Transit strategic program is to be fully implemented.

We have a lot of support from our community right now in the development of our transit program and this is a real opportunity to move forward at this time. That's why we feel it is so critical for the funding to be put together. If we miss this opportunity, we could continue to be an auto-dominated society.

The recommendations we have are also found in your package, on the front page. We fully support and endorse the Canadian Urban Transit Association's submission, *Moving Forward: Connecting People and Governments towards Action on a Shared Vision for Urban Transit*, which I believe they presented to you at a session in Toronto earlier this year.

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We recommend that the provincial government deliver on its recently announced 10-year provincial transit investment program and that this funding be sustained in order to meet transit's expansion and replacement needs; that the 10-year provincial transit investment program be enhanced with a dedicated funding source that can meet latent transit investment needs; that municipalities have the flexibility to invest these funds in capital and operating budgets for public transportation, according to local needs; and that the GTIP funding applications be approved to proceed to phase 2 immediately so that transit service and facility expansion plans can be expedited.

That concludes our presentation. Again, we would like to thank you for hearing us today and we welcome any questions you may have.

The Chair: Thank you very much. We have a couple of minutes per caucus. I'll start with Mr Galt.

Mr Doug Galt (Northumberland): Thank you for the presentation. Certainly urban transit is important to improving our air quality, as you've mentioned. I'm coming, with this question, from chairing the select committee on alternative fuel sources. I'm curious about your use of green fuels, now or planned in the future.

A little background: the committee was in Calgary, and their light rapid transit is called Ride the Wind, dedi-

cated to 12 windmills that are down in Pincher Creek. They have free ridership in the downtown core and they really limit parking. Parking is over \$300 per spot per month, so you pretty well have to use their transit system.

Where are you going with your plans? That was part of the question. The second part: there's been a lot of lobbying for municipalities to be able to charge some gasoline or fuel tax. If you were to receive that—a big “if”; I have no background information from the party or anything else, government; I'm just saying “if” because of the lobbying—how would you use it, and would it apply in any way to green energy such as biodiesel, ethyl, methyl alcohol, whatever, natural gas etc?

Mr Vincent: Perhaps, Don, you can respond to the question on the alternative fuels.

Mr Don Snow: Yes, I can. Thank you, Chair. We are in fact undergoing a study right now on alternative fuels. We do have, in our fleet of 140 buses, 27 natural gas buses. We are including in our study our experience with those natural gas buses. We are looking at clean diesel technology and what the impacts are on the environment. We have environmentalists as part of our study team looking at this, and we are committed to council to put together a package of recommendations as to where we will be going in the future. In fact, we have a tender that is under review in consideration by council for 20 additional buses that we hope to attain in 2003. The decision on what type of fuel will be part of the approval of that particular tender. So we are seriously looking at it. We are looking at the hybrids. We're looking at all the technology. We're looking at all the studies that have been undertaken. New York City, as an example, has done a very extensive study on the impacts of diesel versus natural gas, and we're looking at all of those before we make our final decisions on the future we will take.

Mr Galt: Congratulations.

Mr Kwinter: Thank you very much for your presentation. What component of your budget is fares?

Mr Vincent: Our revenue-cost ratio is around the 55% range.

Mr Kwinter: We heard from the association when they appeared before us and it seemed to me that their number was significantly higher. I found it interesting that they were saying that the fares are going up but the ridership is also going up. I questioned them because I felt that generally there is an inverse ratio, that as the fares go up, the ridership goes down. How are you finding that in your area?

Mr Vincent: Mr Cicuttin can answer that.

Mr John Cicuttin: You're correct: typically, if fares go up there's a negative impact on ridership. What we've done in the last five years is that we have kept the price of fares frozen for frequent riders. So for people who buy passes and tickets we froze that price over the last five years. However, we increased the cash fare. That's for the infrequent rider who is less sensitive to fare increases. That was our strategy and that seems to have been working successfully. The last two years we've had really the

highest ridership growth—4%—since the mid-1980s. That's unprecedented for this community. We think our fare structure is positioned to support that, and we'll continue with the principle of rewarding the frequent rider.

If I can comment on the association's cost-recovery ratio, which is higher than ours in terms of their statement: unfortunately, when you factor in Toronto—Toronto has a very high cost recovery ratio. I imagine they have a weighted average, so that's skewed to Toronto. Toronto's in a fortunate situation in terms of their critical mass and density. They can support high ridership and achieve a high cost recovery. In a community our size right now, where we are going from a mid-sized to a larger-sized system, we still have to be sensitive to the price of running an automobile, so parking is considerably cheaper in our community and travel time that someone spends in a car is not like in Toronto. We have to be more sensitive on the price of fares. Hence, if we were to pursue a strategy of higher fares and a higher cost recovery, we would jeopardize the ridership growth we're achieving.

It is a delicate balance, and I think we've positioned ourselves in a situation now where we can build on the ridership growth we're having. Our biggest constraint, as Mr Vincent has clearly indicated, is the need to get services out there. We've had 10 years of neglect. There are numerous subdivisions, both population and employment, that are not served adequately by transit. Our region now is very long, over 25 kilometres in length, so our travel time competitiveness with the auto is deteriorating. We need new buses to expand our service. We need to fix up our older buses that are unreliable, because our customers on a daily basis are unfortunately missing service. It's quite the funding challenge right now.

Mr David Christopherson (Hamilton West): Thank you for the presentation. Sorry I missed the beginning of it, but during the questions I've had a chance to go through your presentation. I'm really interested in the RTMP, the regional transportation master plan.

I spent some time on Hamilton city council and on regional council, so I've dealt with these issues and have a fair degree of interest in them. Your approach seems to be somewhat different than others, to your credit, where you looked at the whole community and said, “We want to have an auto use reduction plan.” You have different terminology, but that's the intent. The whole idea is trying to provide a balance of overall transportation. I'm assuming that in addition to buses, that kind of approach would also mean looking at what your local taxi situation is like, carpooling, trying to support and encourage that, bike lanes, pedestrian traffic, all the things that go toward less use of auto.

I want to ask all my colleagues or research, does anybody know if there's any other community or province or anybody nationally who takes that approach, where they say, “Here's how much auto usage we have, and over this period of time we want to reduce auto use in our

community"? Is anybody familiar with that, because I'm not. Are you?

Mr Vincent: Yes. If I can respond, municipalities, in their transportation master plans, are starting to lean toward looking at ways to manage demand, as opposed to just building new supply. Our transportation master plan is somewhat unique in that it was one of the first ones that came out with these types of initiatives. We're also one of the first municipalities that hired a transportation demand management planner, whose sole role is to go around and work with businesses, the education system and the public to encourage them to use other types of transportation, whether it be transit, cycling, walking, rollerblading, whatever it takes. We are starting to realize some successes. We've had the program in place now for a couple of years and we are starting to realize some successes.

Mr Christopherson: What I find unique is that the starting approach seems to be, "Here's how much auto use we have in our community and this is how much pollution it gives us. We want to be at this level," a reduced amount, "by a given period of time" and then approach everything from that starting premise. If that's correct, that's a fascinating and probably far more useful way to approach things. Rather than the silos of, "How do we get bus ridership up? How do we get bike use up? More pedestrians on their own?" start with the approach that, "We want to reduce overall auto usage in our community." I think that's fascinating and it makes a lot of sense.

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In fact, if I can, Chair, I'd like to maybe ask the researcher to take a look and see if there are other communities and to what degree they're doing that. Is the province doing that at all, and the feds? I don't think that's the approach we use in Hamilton. It just seems to make a whole lot of sense, that that's a far better starting point than taking each of these individual items and saying, "How do we promote those alone and hope we end up with less auto use?" Start with the premise, "We want this targeted amount of auto use less over a period of time," and then tackle all these other things and make sure they're integrated.

The Chair: If you want to reply, go ahead.

Mr Vincent: Just one comment. We've actually embedded that in our organizational structure, where we have combined transit planning, transportation planning, road planning and bicycle planning all in one area. That is unique in Ontario. It's more of a European type of model, but that gives us the opportunity to balance priorities between those various areas.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

ELEMENTARY TEACHERS' FEDERATION
OF ONTARIO, WATERLOO REGION

The Chair: Our next presentation will be from the Elementary Teachers' Federation of Ontario, Waterloo

region. I would ask the presenter to come forward; if you could state your name for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Patti Monteith: My name is Patti Monteith and I'm the president of the Elementary Teachers' Federation of Ontario, Waterloo region teachers' local. I represent approximately 2,500 public elementary teachers in Waterloo region. I'm proud of the quality teachers who educate the children in Waterloo region, but I'm very concerned as to our ability to meet the needs and expectations of students and parents with the continual erosion of funding to our public education system. Teachers in Waterloo region are committed to meeting the needs of the students we teach and to offering the highest possible public education. Each day we see and live with the impact the government changes have made on the public education system.

The needs of elementary students, teachers and educational workers are not being met. Elementary students continue to be funded at lower levels than our secondary students. Boards of education are being asked to address the needs of all learners, and yet must do so within the constraints of lower funding levels. Every student in Ontario deserves to be fully funded in order to meet his or her needs. Smaller classes are needed at the elementary level, as well as the resources that will lay the foundation for learning for each of the subsequent grades.

Currently, adjustments have been made in our primary classes to attempt to reduce class size from 24.5:1 to a more manageable level in the early years. Unfortunately, this is done at the expense of our junior and intermediate classes. No one group of students is more important or more valuable than any other. The current funding formula would suggest there is a difference. However, when you look at either the elementary or the secondary level of student funding, neither comes close to meeting the learning needs of the students nor the expectations of parents with regard to program availability. The impact on student achievement is reprehensible.

Over the past three years, ETFO has conducted a school-based survey to trace the changes resulting from the student-focused funding model, a model that seems anything but student-focused. The results show that there has been a loss of specialized teachers and programs in the last three years. Every board in this province has experienced significant program and specialized staffing cuts due to the restrictive nature of the government funding model. The learning environment of Ontario's students has been eroded by the reductions boards of education have to make in order to comply with the Tory government.

In Waterloo, as of September 2001, we have seen the reduction in teacher-librarians from 67 to 28. Currently, each teacher-librarian is now responsible for three to five schools, depending on the size of the school. The effectiveness in program delivery available to students and teachers has been greatly diminished. We can no longer sustain a partners-in-the-classroom approach or partici-

pate in team-teaching or enhanced learning opportunities for our students because the time and resources are no longer available.

In Waterloo we have had to eliminate the guidance program in our kindergarten to grade 6 classes. This has greatly effected school environment, the classroom climate and the support for students in need, let alone those in crisis. Again, levels of program delivery in our grade 7 and 8 levels are approaching ineffectiveness. While the curriculum identifies the importance of guidance through the Choices Into Action document, students are no longer able to benefit from the expertise of teachers trained specifically in this area and no funding is available to boards to implement alternate models. The support structure available to students within our school setting has decreased with the cuts to programs such as guidance. The impact is further compounded as teachers attempt to access community resources, only to find that they too have been affected by the cuts in spending and they are no longer able to support students at the same levels that were previously available. Once again, the children are the victims—children in crisis and in need of immediate support or intervention.

In Waterloo region we have a high English-as-a-second-language population. Waterloo region has the fourth-highest immigrant population in Canada. Through the student-focused funding model there is no consideration given to the unique needs of Waterloo. Many of the students we teach are David Martin Mennonites. English is not the language spoken at home and yet they have been living here for generations. Within the various immigrant communities, again, English is not the first language despite living here for several years. In many households English is not spoken by at least one parent and therefore is not encouraged in the home. No funding is provided to boards of education to address the needs of those ESL students who have been in Canada for more than 3 years. Studies show that support in the first language helps develop greater understanding and success in a second language. Support in any language requires specialized teachers. How are these students going to be successful in a system that does not recognize the unique needs of this segment of our population?

These reductions do not begin to address the cuts in special education funding. And yet with all of the reductions in teacher-librarians, ESL teachers and guidance teachers and restrictions on boards of education, teachers are still required to meet the needs of individual students despite whether inadequate, if any, support or resources are available. By support and resources we do not mean just physical resources. We need—no, the students need—the people resources to assist them, to support their learning needs and to provide instructional practices that will genuinely meet their needs, not just get them through the system. Teachers require specialized teachers, material resources and instructional resources to support the learning that occurs with students in our classrooms.

Boards of education are being asked to do more and more with no additional funding available: three-year collective agreements with only one year of funding information; early literacy with limited grant money offered; curriculum implementation with no increases in professional development budget lines and the elimination of five professional development days; a funding formula that reflects pre-1999 spending. Yes, we have stabilized funding but at a time when inflation has not remained stable, nor have the costs of basic utilities. And yet the list goes on.

In discussions with our director locally, he indicated that there have been at least 147 new initiatives presented by the current provincial government and relatively no additional money to successfully implement them. How do we as a society allow costs to be downloaded so significantly that directors all across this province—directors from public boards, catholic boards and franco-phone boards—have all agreed that the boards of education are at serious risk of imploding unless changes in the funding formula are made?

Increasingly, schools are compensating for shortfalls in funding by increasing their fundraising efforts. While they are raising money to purchase basic supplies, they are perpetuating the inadequacies of the funding model. Public education will become less and less publicly funded and more privately funded if we allow this to continue and allow parents, family members, the community and the even less popular corporate sponsorship to become the funding basis of our education system.

This is a problem not limited to Waterloo region. In a report from People for Education last year, 706 schools in Ontario reported fundraising at \$6.67 million. If we were to average this across the province, it would reflect fundraising efforts in excess of \$33 million. Locally, we conducted a similar type of survey, and the results are available for you in the attachments.

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Teachers, parents and students cannot continue to be involved in fundraising to supplement the shortfalls of the funding formula. Ensuring adequate basic classroom supplies, textbooks, computers and all other necessary learning materials to teach the curriculum is not the responsibility of these parties, but that of the government. Just as health care professionals and doctors are not expected to supply necessary medical supplies and equipment, teachers, parents and students should not be expected to continue to subsidize education funding shortfalls by purchasing materials and equipment with their own money, time and energy.

I leave you with these questions: when will this government recognize the inherent value in increasing spending in public education? When will the learning needs of students be accurately reflected in the funding levels in a supposedly student-focused funding formula? When will the government spend the money necessary to enhance their learning opportunities and to not force boards of education to cut programs to fit within the current funding formula? Finally, when will we begin to value the

quality publicly funded public education offered by educational workers in Ontario in their efforts to educate the leaders and citizens of tomorrow? Thank you.

The Chair: Thank you very much. We have two minutes per caucus. I'll start with Mr Kwinter.

Mr Kwinter: Thank you very much for your presentation. We've been travelling the province, and every single person involved in the educational system has been making the same requests and making the same observations. It's unanimous that the present funding system does not work. It's creating a great deal of stress in the system. I really echo the words you say, "The boards of education are at serious risk of imploding unless changes in the funding formula are made." I don't think anybody denies that, anyone who is involved, whether they're a parent, teacher, trustee or anyone who has any involvement with the school system. So I welcome your remarks.

I just have one question and I'd like to get your observation on it, because it seems to me, unless I've misunderstood what you've said, that it goes contrary to what we have heard. It is on page 1, when you talk about, "Currently adjustments have been made in our primary classes to attempt to reduce class size from 24.5:1 to more manageable levels in the early years." You say it's at the expense of our junior and intermediate classes. "No one group of students is more important or more valuable than any other." I agree that no student is more important, but I think that the time they get taught is more important. It's certainly been spelled out by Dr Fraser Mustard that the early years are the most critical and if you don't get them in the early years you're not going to get them, and as a result, that's where the emphasis has to be. What do you feel about that?

Ms Monteith: I would fully agree. The difficulty is with the way that it is set up. Currently in Waterloo we have allowed lower class sizes at the JK to grade 1 and 2 levels in order to allow the concentration and the instructional practices that best suit students of that age to be met. It can't be done in a classroom with 24.5 or more students. So locally we've made those compensations.

You're right, it sets the foundation for what occurs in the earlier grades, but that does not mean that those students in grades 4 to 8 or in our high school levels, where the class size ratio is currently 21 to 1 or 22 to 1, depending on the workload of the teachers and the needs of the students at that level—but we need to address that in our grade 4 to 8 level as well. Students in adolescence cannot adequately learn in classes of 30 to 35, where they have specific needs as well that need to be addressed. So while, yes, the foundation is laid in our primary grades, the learning doesn't stop there; it progresses through the entire system. Addressing the specifics at each grade level allows for greater learning opportunities for our students. Giving students more attention in a lower pupil-teacher ratio allows those learning opportunities to occur in a more effective manner.

Mr Christopherson: Thank you for your presentation. I think Leah Casselman said it well on Tuesday—

and she was referencing some aspect of the government's plans—when she said, "It's a joke." She said, "It's not funny, but it's a joke." I say that in drawing attention to your second-to-last recommendation, when you said, "When will the government spend the money necessary to enhance their learning opportunities"—meaning the students—"and not force boards of education to cut programs to fit within the current funding formulae?" The trick of this government has been to say, "Here's X number of dollars," and when the board of education or teachers or trustees come back six or eight months later and say, "We're not able to provide the services," the government's immediate response is, "You're a bad manager."

Believe me, you won't get much of an engaged discussion with the government members today on whether or not the funding is adequate. You're going to get discussions around bureaucracy, process. They'll go off on some tangent or other, but at the end of the day they're not going to address that question. Whenever the minister does it in the House, it's always your fault: you, the teacher, and you, the parents, demand too much; you, the trustees, want everything. That's the problem. It's frustrating that everybody's in a defensive position, saying, "Look, we just can't provide these services." One of your counterparts has come forward and said, "These are the mandates we have under law. Which law would you like us to break?"

In the moments I might have left I want to draw particular attention to ESL, because you spent a fair bit of time on that. I represent a riding in Hamilton and we have exactly the same kind of problem. This arbitrary removal of students after, I think, three years is crazy. If you don't speak English as your first language and you can't facilitate in that language, that's the only fact that really matters, not how long it has been. Can you expand on that a little?

Ms Monteith: What happened in the Waterloo board is that we had a variety of methods of delivery for our ESL program. Students who came in from refugee camps and that sort of thing were given very intensive support initially to make them comfortable, to make them welcome in the school environment, to help facilitate an initial start to learning the English language. The research has indicated that we also need to support them in their first language. We need resources in our schools, we need literature in our schools, we need translators in our schools to facilitate that so we can open the dialogue between the parents and the students, so we can relay what's going on in our school environment to what can be supported in the home environment.

The difficulty with the changes that have been made is the government came in and redefined definitions for support, and those levels of support were no longer available. When they identified that students living in Ontario for more than three years should have some proficiency in English, they failed to identify—in Waterloo region, one segment of our population is the David Martin Mennonites. They don't speak English. They also

traditionally don't stay in the education system because of their background. Children after the age of 14 start to work on the farms and that type of thing. English is not their first language but they have lived here for generations and generations. English is not spoken at home, it is not spoken by many of the parents and it is not spoken within their communities. So additional support is needed for those students in our schools to identify that, not to mention the immigrant populations that are coming into this area and the refugees. That also brings into account a whole different support that's needed for our students in order to make it a safe and comfortable learning environment for them, one that is very foreign to them and needs to address their language needs but also needs to address their emotional and psychological needs and the transition into Canadian culture.

Mr O'Toole: We heard from Phyllis Benedict earlier this week with a similar message and we've heard from others as well. I guess it's an ongoing discussion from the days when I was a trustee and I don't think the message has changed too much.

Government funding has increased since we took government, and there's a definitive paper on that—I'd be happy to share it with you—that explains all the adjustments: inflation, enrolment, the rest of it. It's almost \$7,000 per student, and 80% of that, of course, is wages and benefits. So for the biggest control of the budget part, you have as much say in your negotiations of how much public money you want to execute the size of your job. I guess finding a way of differentiating between who's worth that and who isn't, perhaps, is a discussion for another day.

On the ESL issue, there is almost \$1.5 billion in the budget for English as a second language. So there is money, despite your presentation this morning.

Class size has been an ongoing issue. That's what has happened over the years—negotiation. To get more money in the budget, what they did was reduce the number of teachers—in other words, increased class size. The evidence is there. It was there when I was a trustee in the 1980s and it's still there today.

I think there are arguments to be made to improve the quality of education in the classroom—in the classroom—with as much of the resources as possible. My wife is a teacher; my daughter is a high school teacher. I couldn't agree more. The purpose of the public education system is for the students first. I would put to you that you have used almost every possible lever to disadvantage the students to your own advantage—the 80% of the equation we spoke of earlier.

My question is this: do you support larger class sizes to increase the payroll? What is your sense, what is your official response to the student teachers—those are the future teachers—being denied the opportunity to practice-teach to complete their education as teachers? Do you support the current embargo, using one more lever to disadvantage those who don't have what you have, so that they won't be teachers in the future? Do you support that current embargo?

Ms Monteith: First of all, if the funding formula accurately reflected the costs that boards of education have to incur with regard to salary, and wasn't based on an abstract, out-of-date average, salary would not be an issue for our boards, as you indicate, to be taking up the bulk of the funding formula. If your government provided funding levels for individual boards of education that reflected the needs of those boards, then program availability, student achievement and concentration on the classroom could continue to be our focus.

When this government continues to erode the morale, to erode the conditions that students must learn under in Ontario's society, there is no answer except to eliminate the funding formula, to allow some boards the autonomy to put into place programs that the parents in the communities want, to allow boards of education to represent the needs of the communities that they are in and to accurately and fully fund education to the levels that are required. Your government has not put more money into education. You will have a presentation this afternoon that will demonstrate that in Waterloo region, it has not.

Mr O'Toole: Yours was 1.9% last year—

The Chair: With this, Mr O'Toole, I have to bring the discussion to an end, as we've run out of time. On behalf of the committee, thank you very much for your presentation this afternoon.

I think we'll have to recess until 11:40 because I don't think the next presenter is quite ready yet, so we'll recess for 16 minutes.

The committee recessed from 1124 to 1139.

GREATER KITCHENER-WATERLOO CHAMBER OF COMMERCE

The Chair: If I can get your attention, I'd like to bring the standing committee back to order. Our next presentation will be from the Greater Kitchener-Waterloo Chamber of Commerce. I would ask the presenters to please identify themselves for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Mr John Doherty: Thank you, Mr Chairman. Good morning and welcome to the greater Kitchener-Waterloo area, also known as Canada's technology triangle. My name is John Doherty. I'm the chair of the Greater Kitchener-Waterloo Chamber of Commerce and, in my other capacity, managing partner for Gowling Lafleur Henderson law firm here in Waterloo region.

With me today are Todd Letts, president of the Greater Kitchener-Waterloo Chamber of Commerce, and Linda Korgemets, vice-chair of our federal and provincial affairs committee and senior manager, taxation, for PricewaterhouseCoopers.

We have previously provided to you a copy of our submission, and a summary of the recommendations is contained on page 16 of that submission.

Today's submission is comprised of three components. Firstly, I will provide an overall context of the

strength of our local economy and its contribution to Ontario's economic health. Secondly, Todd will outline specific actions the provincial government can take, so that the greater K-W area can further assist in boosting Ontario's economy. Finally, Linda will outline the key fiscal parameters needed to ensure a strong foundation for our future economic growth.

Let me begin by stating that as Ontario's second-largest chamber of commerce, the Greater Kitchener-Waterloo Chamber serves more than 1,700 members representing all sectors of the business community. Our membership includes small, medium and large employers, who provide over 50,000 jobs in one of Ontario's most progressive and economically productive regions. Our key message to you today is that the greater Kitchener-Waterloo area is playing a vital role in both the economic and social health of Ontario, and that with a few key actions that start with the 2002 budget, the greater K-W area can even further boost the health and prosperity of the province.

The results of some recent studies provide the context that illustrates this point. The greater Kitchener-Waterloo area, with a labour force now numbering more than 270,000, is an important engine fuelling Ontario's economy. With a regional GDP of \$14 billion, it is interesting to note that a recently released tax-flow analysis by CTT indicates that this area contributes \$893 million more annually in provincial and federal taxes than it receives by way of provincial and federal transfers. Waterloo region's economic prosperity is thus a key contributor to the province's overall health.

The Bank of Montreal, in a report published in the fall of 2000, noted that the region was one of the premiere growth leaders in Canada. In fact, with a population of almost half a million, Waterloo region is one of the fastest-growing urban regions and now ranks as the 10th-largest metropolitan census area in Canada.

As well, Waterloo region was recently ranked in a study by KPMG as the third most competitive North American city in the northeast corridor, ahead of both Toronto and Ottawa and US competitors, including Boston and New York. Surprisingly, only cities from the province of Quebec ranked higher than Waterloo region.

Recognized as one of three pre-eminent technology centres in Canada, the region boasts more than 450 high-tech enterprises and more than 850 local technology-identified enterprises. Key firms include Research In Motion, Com Dev, Open Text, Descartes, Mortice Kern Systems and many others that will be familiar to you.

Not only a high-tech centre, however, Waterloo region has a very diversified economy. In education, our local economy is home to the number one university in Canada, where we are sitting today, as well as Canada's number-one-ranked college, Conestoga College.

In the insurance sector, the head offices of Clarica—soon to be Sunlife—Manulife and Equitable Life are here, and other important firms that make our region an important insurance and financial services centre.

In the auto sector, the region is home to Toyota's Canadian operations and to more than 250 auto and transportation-related companies. In food manufacturing, companies like Schneider's, Piller's and Dare are also key to the industrial sector. On the tech side, RIM and our various other leading technology companies represent more than 45% of all new jobs created in our region.

In the tourism sector, through Oktoberfest—an internationally known festival—the Elmira Maple Syrup Festival and many community festivals, the Waterloo region's tourism economy is also very vibrant. St Jacob's Country, one of Ontario's finest tourism destinations, welcomes more than three million visitors each year.

Notwithstanding the challenges that are facing the province in establishing priorities for the upcoming budget, the Greater Kitchener-Waterloo Chamber of Commerce is confident that a plan of strategic investment and prudent fiscal programming in this year's budget will set Ontario on a rejuvenated course of prosperity.

I'd now like to ask Todd Letts to elaborate on various initiatives we've identified in this year's budget that can help our region further boost Ontario's economy.

Mr Todd Letts: As John described, the strength and diversity of this region can play an even larger role in improving Ontario's economy with a few specific and strategic provincial actions.

One of the biggest barriers we have here is that we have a shortage of available employment land. I want firstly to thank the province for partnering with the federal government, the region and the private sector in a funding commitment to the Waterloo Research and Technology Park, which is just north of here. Once fully developed, that will be home to some 6,000 employees and make a significant impact on our economy.

If we take a look at specific actions, the government has announced Bill 56, the brownfields legislation. This will also assist our region very much and, as well, investment in infrastructure and a reduction of over-government on the municipal level are three specific actions that will allow us to even further help Ontario's economy.

Employment land is a significant barrier to our growth. With respect to the brownfields legislation, we certainly recommend that implementation of this legislation, including a brownfields registry and broadening of liability protections, is very important for this region. As well, we noticed in the legislation that there was not a direct kick-start incentive. I know that the brownfields expert panel that was constituted last fall recommended that some pilot projects would be a good first step in getting this program underway, and we certainly support that as well.

Investment in efficient infrastructure, both road and rail, will also allow the region to prosper. We have two applications in front of the SuperBuild Corp now: an extension of GO Transit service to Cambridge and a funding application for a central transit corridor, which will definitely assist our region in terms of developing on a Smart Growth path.

Highway 7: there's a lot of interaction within the region between Guelph and K-W. It's been more than 13 years since the first environmental assessment was undertaken on Highway 7, and it's very important, now that the Ministry of Transportation has done a number of consultations, looked at a number of different routes, taken into account the environmental issues and the agricultural and business interests, that we move forward quickly on development of that highway.

With respect to municipal government, the third action that is very important: in order for Ontario to reclaim its position as the best and most competitive jurisdiction in North America, we believe that reform of municipal government in Waterloo region must be facilitated. The current governance system in Waterloo region, with its upper-tier regional government, three municipalities and four townships, has resulted in a lot of duplication, overlapping and inefficient delivery of government services. After the development and release of more than six reports on governance and numerous calls to the province to appoint a provincial adviser, continued disagreement among the local councils has really thwarted any serious amalgamation or rationalization of services within the region.

In May, the Ministry of Municipal Affairs announced that the province would not provide any leadership in that direction, but rather that the municipalities must work together to provide governance solutions on a voluntary basis. Unfortunately, more than a year has passed and there has not been much progress on that portfolio. Although there are some piecemeal attempts to coordinate services, they really fall short of reaching the full economic potential. To assist the greater K-W area and the province, we would recommend that a provincial adviser be appointed to assist the municipalities in that regard.

In summary, the greater K-W chamber is confident that these strategic actions can position our region as a shining example of Smart Growth and success in Ontario and beyond.

To provide some further context with respect to how important a continued and strong fiscal strategy is, I'd like to ask Linda Korgemets to outline our fiscal platform.

1150

Mrs Linda Korgemets: This is the fun part of the discussion. This is the billion-dollar question, where we try to put some numbers together or see how we're going to keep going in a surplus- or balanced-budget scenario, given the economic downturn we find ourselves in. What you will hear from us today on this point is very similar to what the federal government hears from us for federal budget submissions, as far as fiscal policy goes. I'll get into some of those parameters shortly.

The first thing on our list is an odd thing to have on our list, but it's very important to us. It has to do with harmonization and co-operation with the federal government. There seems to be quite a bit of static of late, and more so between the two jurisdictions. That can't be

good for the country overall. We often hear Ontario speaking to the fact that they would like to withdraw from the federal-provincial revenue collection agreement. This relates to personal taxation and collecting personal taxes. Just in the last two months this issue has come up again. The federal government has apparently paid Ontario too much money under the equalization agreement, and so there's a cloud over that amount of money and what that means to our budget going forward. Again, there seems to be another reason why Ontario should withdraw.

We can only believe that if Ontario withdrew from the existing collection agreement, there would be increased administrative cost to the government of Ontario, and hence the taxpayers of Ontario, so we're very reluctant to go down that path. In fact, we want to go a step further. We would prefer to see the federal government put in charge of collecting corporate taxes for the province of Ontario, so that level of administrative cost is eliminated overall between the two governments. So we want to see it go the other way, as opposed to going to a separate collection administration. We'll probably have time for questions and feedback later, so if you have anything you want to speak to on that point, I'd love to hear it.

Also, every year we say we would love to see provincial sales tax harmonized with the GST, which is the federal sales tax. There hasn't been a study done in a long time to see what the benefits to business would be. I know Ontario believes their overall tax take would go down under this arrangement, but I think it has to be studied. I believe a business tax panel has been set up by Ontario in the last year, and I think this would be a very worthwhile project for them to examine and see if we could get closer on.

Moving into the numbers and what makes a budget tick, we always come in with a very strong position on the debt. We understand that currently there probably isn't a lot of money available to pay down debt, and so we understand there may be a short-term moratorium on that. But this has to be a long-term focus. I truly have to say that if we had dealt with the debt a little bit better in the past four years, we would have a much more flexible budget going forward, because we would have reduced interest costs. We always submit that reduced interest costs give us more money to spend on things we need, like brownfields development, infrastructure investments in transportation and all those types of things. We're still sitting, as you all know, with a \$9-billion annual interest cost, out of a total budget of about \$60 billion. It's a very large cost. It's probably our third-largest cost after health and education.

That leads us to: where do you go on spending? Without addressing health and education, which we cannot address in a meaningful way—as a chamber of commerce, we cannot give you hands-on recommendations—we're going to leave you with a few thoughts we have.

On health, we're going to be making a submission to the Romanow commission. We're looking at one aspect of health care delivery, which is the integration of

services between doctors, nurses, alternate practitioners and how to get a more efficient delivery of product to the consumer. We will be making a submission on that, and we will copy the government of Ontario. We know there has to be a restructuring of these major expenditure areas. I think we all feel there is inefficiency there, but we don't really know what it is. There's got to be a way to rethink how we spend our money in these critical areas.

Going forward, when you look at all your budget areas, if you can get these top two—well, top three with interest—in the right framework, then it leaves flexibility for the rest. We really don't want to see spending go up in this budget, except to the extent it's linked to population growth and inflation. That doesn't give a lot of upside on expenditure. We feel that any new spending that is significant, and things we would like for transportation and brownfields, has to come from other areas of the budget that aren't working. Do we know what those are? No, we don't. Because you've now heard people every day for many weeks saying, "We need more money for this, we need more money for that," we understand how difficult it is to determine priorities. New spending has to come from a reallocation of existing pockets. We can't, and we do not, recommend going into a deficit even for strategic infrastructure things that we're interested in having.

Other things we think of: there are numerous levies and taxes. They fall into a thing called "other revenue" in the provincial accounts. We have the Red Tape Commission. It's doing a good job, and it's now a fixture on the Ontario landscape. We believe they should be looking at all these other levies and fees to see if they're cost-effective. Does it make sense to have a whole department out collecting a particular type of tax when the cost of collection exceeds the revenue? We would love to see a report from the Red Tape Commission on that type of cost benefit for the myriad of taxes and user fees there are in Ontario.

We'd also like to point out—you've probably heard this on numerous submissions, and I sit in an ad hoc capacity on the Ontario Chamber of Commerce in Toronto and they too are raising this point as we are. It's on the Ontario retail sales tax, so again it's a sales tax issue. It relates to computer software and consulting expenditures and the confusion that has arisen in the last year on tax assessments in respect of this area. We believe that the legislation and the regulations need to be clarified in this regard.

We also believe that any penalties or interest related to existing assessments that are already issued should be waived because of the fact that there has been so much uncertainty in this area, and the business community totally has been put on the back foot with these assessments. We hope that is looked at as well in this budget and that some legislation comes out to clarify that position.

We actually have three minutes, and we'd love to have some feedback from you, so go ahead.

The Chair: We'll have to make it very quick: one minute per caucus.

Mr Christopherson: I'm going to do something that is probably going to surprise some folks. I want to compliment you on a very well rounded, balanced presentation. I've taken some presenters to task, who I think have benefited very much as a group from the boom and the tax cuts from this government, and who have made absolutely no reference to anything else.

Everybody has come in here—it's a pluralistic process and everybody is entitled and expected to come in and advocate their own message, and that's cool. But at least recognize there are other things going on and there are other priorities, and not everybody has gotten rich over the last few years or done well at all. Some have gone backwards, when you listen to some of the presentations on poverty, education and health.

I thought you handled it well. I don't necessarily agree with what you're recommending, but I want to compliment you for bringing those things into it, so that your picture of your whole community was more overall. To that degree, you mentioned Oktoberfest and the Elmira Maple Syrup Festival. You talked about brownfields and you even talked about the environment a bit. I was very impressed. I haven't had an awful lot of that from sort of the chamber type, if I can be that unfair.

My question would be on the issue of the brownfields, where you say there are 15 projects. Could you just expand on what those projects are and what you see there?

1200

Mr Letts: Thank you for your comments, Mr Christopherson. Of course, your riding of Hamilton is very much a leader in the promotion of brownfield development in Ontario. We do liaise with people in your riding quite often, and it's really great to see the leadership that's happening there.

The province's expert panel, the brownfields advisory panel, was constituted last fall, in October 2001. Part and parcel of their recommendations on liability, environmental regulation etc was that in order to kick-start and encourage both public and private sector partnership, there be pilot projects. They actually made the recommendation to include 15 projects. Those weren't 15 projects that were designated for Waterloo region or designated anywhere in Ontario, but we do concur that that is a very good start. The province does have what they call their brownfields showcase, which has one or two examples. But if you have a critical mass of 15, as was recommended by the advisory panel but was absent in Bill 56, we think that is a really good start to encourage development.

Mr Christopherson: Well done, again.

Mr O'Toole: Thank you very much for a very balanced presentation. I appreciate that. It's good to see you again, Todd. I just want to say, with respect to some of the tax administration issues, the Ontario Chamber of Commerce is involved with a committee that I chair in my duties as parliamentary assistant to the Minister of

Finance, the small business advisory committee. So we are taking a look at some of the administrative issues. I might take some exception: our disagreement with the harmonization of the PST and the GST is that it would actually result in more revenue, more tax, because in harmonizing the schedule with the GST, some items are exempt from the PST on that schedule—so we're working through it.

With respect to harmonizing the collection, whether it's business or corporate tax or whatever, we're fighting with the feds' inability to recognize what that transfer is on the mutual fund on capital gains. They don't seem to have it all figured out. We're not comfortable with their ability to administer for Ontario. We're net exporters of revenue, from this province to the federal government, and they seem to be less accountable for those expenditures. We want to be our brother's keeper as well in this—

The Chair: Question, please.

Mr O'Toole: My point is that the argument we hear on the expenditures on health care is that it used to be 50-50 federal-provincial; now it's 14 cents federal and the remainder is provincial. Why would we harmonize with an upper-tier government that takes the revenue, understands where the tax room is by our tax changes, whether it's corporate tax or capital tax reductions, and takes up that tax room?

Those are the problems, in a policy sense, that mean Ontario is 50% of the economy. Really, it's not just the area of Kitchener-Waterloo that exports money, as in your presentation. What is your response to harmonizing? Why should we, if we are not going to be advantaged in any way?

Mrs Korgemets: There are two harmonization issues. On the second one you spoke to, which is the federal-provincial collection agreement, I have done substantial reading. It's such a complex area that I'm probably not in a good position to answer the question in a meaningful way. I'll be very honest. What we don't want to see is a move away from it without some sort of informed discussion that people can participate in. It is a very complicated area. You're talking about equalization and how a lot of our revenue goes somewhere else, to provinces that aren't as—

Mr O'Toole: And we have no input.

Mrs Korgemets: So then the system has to change, but I don't think the solution is to move away from it altogether. I don't know how to make the federal government co-operate any more than you do, but I think if this came into the public arena and more pressure was put on it, we'd certainly take up the cause, and I'm sure the OCC would as well. I have never talked to the Canadian chamber about this, but I still think it's just very discouraging as a taxpayer and as a businessperson to see the governments scrapping with each other and getting further and further apart. It's not the right direction to go. I don't know how to bring them back closer.

Harmonization of sales tax and the fact that there would be more revenue raised is interesting to me. I

didn't know that was necessarily the result for Ontario: getting more revenue. Then the issue is that there are people who cannot afford to pay higher sales taxes because other services will be subject to this harmonized sales tax. But there are ways to deal with giving money back to people who cannot afford the levy in the first place, and we are very good at working out those types of programs. So I certainly don't think that is a reason for not going ahead with harmonization.

The costs to business of having only one sales tax form to fill out and one jurisdiction to deal with would be enormous. We can certainly deal with people who need compensation, who cannot pay the higher sales tax that they're levied with. That would be a less costly item to implement because we have things like that already in place.

Mr Kwinter: I want to join my colleagues in congratulating you on your presentation. It covers a wide range of the economic areas in the province and particularly, of course, the Kitchener-Waterloo area, which is really a showcase, not only in Ontario but in Canada, for what is happening. As I say, everybody involved in it, and the chamber, should be congratulated.

I always try to be as non-partisan as I can be, but I got a chuckle out of reading your comment about your wanting to get the debt-to-GDP ratio back to the level that it was in 1989-90, the last time the province had a surplus. We've been telling the government side for six years that in 1989-90 there was a surplus, and they continually refuse to accept it. They say, "No, it didn't happen." It doesn't matter whether the auditor says it, whether the chamber says it, they see it the way they do.

Having said that, I want to talk about the brownfields legislation. I'm a supporter of rehabilitating brownfield sites. I think it's great. But there are some very serious problems with it, and I just want to share with you my experience. When I was the chairman of the Toronto Harbour Commission, we had a refinery on the waterfront. A company came forward and wanted to rehabilitate the site, but could not get financing. Nobody would fund it. The banks wouldn't touch it because they said, "If we put a mortgage on this property and you default, we have to take ownership and we're left with the liability." I wonder if you've looked at that and what you would suggest as a way to get around that.

Mr Letts: There are provisions in the draft legislation that would limit the liability. However, when we've reviewed the proposed legislation, we have also identified that even what is in the legislation doesn't extend far enough. For example, as you probably know, if there is contaminated land in a certain parcel of land, there may also be contamination to an adjacent parcel. As part of our recommendations here, we recommend that the government take a look at the draft legislation and broaden the liability provision so that it also includes neighbouring properties as well.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

Mr Doherty: Thank you, Mr Chairman, and members of the committee.

INTERFAITH SOCIAL ASSISTANCE REFORM COALITION

The Chair: Our next presentation is from the Interfaith Social Assistance Reform Coalition. I would ask the presenters to please come forward, and if you could state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

1210

Mr David Pfrimmer: My name is David Pfrimmer. I am the chairperson of the Interfaith Social Assistance Reform Coalition. With me is, to my far right, Linda Snyder, who is representing the Evangelical Lutheran Church in Canada; Susan Eagle, who is representing the United Church of Canada; and, on my immediate left, Greg DeGroot-Magetti, who's representing Citizens for Public Justice.

We've distributed our brief to you. I know you probably looked at it and said, "My gosh, we're going to be here all day." But we'll trust that you have a chance to read it. We've provided some background material to support some of the points we'll make and we'll let you look at those at your leisure. So hopefully we'll have a chance for some questions and discussion, and I think our initial opening remarks will be somewhat brief.

In appearing before this committee in previous years, ISARC has always maintained that our budget choices are profoundly moral choices. Your task is not only about balancing the books, but also about addressing the needs of people, particularly those people who are too easily forgotten and whose needs are being neglected. Poverty continues to be a scandal in this country of such abundance, but what is so profoundly troubling is that it is being so neglected as an issue by people in positions of leadership. In your recommendations, you have the possibility to make a statement and to offer a different direction. We are a province that needs a change of heart. It is our prayer that you may find in our few comments the means to help us remember our collective responsibility to those whose need is great and whose situation worsens day by day.

The following are the actions we believe will result in a provincial budget that will focus on the well-being of people, and not just on the well-being of balance sheets.

Rev Susan Eagle: ISARC believes that tax cuts are not in order when we have such a growing need to make the necessary social investments in our people. One third of Canadians know of someone who relies on a food bank, 78% of Canadians feel that hunger is quite serious and 68% believe governments have a responsibility for the solution. Citizens want governments to redress the suffering and misery of our neighbours.

Can I remind the committee of some of the income levels for people who are on Ontario Works in our province? If you're a single person on Ontario Works, you're getting \$520 maximum a month to live on, with a

shelter rate of \$325. I know average rents in London right now, for even a bachelor, are \$436. That's just to give you some idea of the struggle that people are engaged in to survive. ISARC again recommends that the government's budget be accompanied by a social forecast and, later, a social audit to tell Ontarians how the budgetary choices will affect low-income families and other vulnerable people.

Canada is the only developed country without a national affordable housing strategy. The voluntary sector has contributed many concrete proposals on how to address homelessness in this country. The federal government offers only a modest program to begin to look at providing affordable housing. We know that the private sector cannot be solely responsible for building enough affordable housing. Again, before someone suggests to me that cutting housing programs provincially causes the private sector to jump in and do their share, all our stats show us that, as the public dollars fell off for the building of affordable housing, so did the private dollars for building housing as well. That's well-charted and documented by all our analysts. ISARC recommends that the provincial government provide money for affordable social housing and put in place measures to ensure that the housing created remains affordable for the long term.

Ms Linda Snyder: Ontario Works benefit levels are inadequate to meet basic subsistence. Benefit levels do not cover the cost of shelters and municipal social services have raised the alarm that recipients cannot meet their basic nutritional needs. ISARC recommends that the government increase Ontario Works and Ontario disability support program payments, particularly the shelter allowance, to reflect the true cost of housing.

The ODSP application process must be changed and simplified to speed up access to the program. The lengthy application process leaves eligible, disabled Ontarians with no income supports for up to six weeks. Moreover, the application and appeals process is complex and confusing, meaning that many people who should be receiving Ontario disability support plan benefits are being denied. ISARC recommends that the government simplify and clarify the application and appeals process for ODSP, and that it require ODSP staff to help people in applying for ODSP.

The minimum wage has not been adjusted since 1995, although prices increased by about 10% between 1995 and 2001 and rental costs rose by more than twice that amount. Food banks have reported a rise in the number of working poor people turning to food banks. ISARC therefore recommends that the province raise the minimum wage to reflect increases in the cost of living.

Mr Greg DeGroot-Magetti: High-quality regulated child care is proven to benefit children's development and to improve the social, economic and emotional well-being of mothers. Since 1995, investments in child care have dropped by more than 16%—in nominal terms, from \$564 million to \$471 million, currently. Management Board Chair David Tsubouchi's order that all ministries cut their budgets by 5% means that the

Ministry of Community and Social Services would lose \$350 million. Such a dramatic budget cut, if implemented, endangers the viability of Ontario's social and community investments in child care, as well as other community support programs in Ontario Works and ODSP.

ISARC recommends that the province guarantee that child care spending not be cut, and that the province lay out plans to invest additional funds to meet the child care and early childhood development needs of Ontario families and their children.

Mr Pfrimmer: The moral imperative to invest in the well-being of people and of communities should be compelling enough to warrant implementing the recommendations ISARC is making.

Another practical reason, though, is that it costs more if we fail to invest in people. We've included in our brief some examples of where inadequate investments in housing and social and community services actually cost the province more money. I won't necessarily go into all of those. We would be happy to entertain your questions about them.

One question this committee and the current government must ask themselves is why they would choose to spend money on far more expensive programs, rather than make investments in the kinds of programs and services that are more cost-effective, and which would substantially improve the well-being of those who are most vulnerable, as well as strengthen the health of Ontario communities.

We look forward to the chance to discuss some of these issues with you. I want to thank you for this opportunity. Please be assured of our prayers and those of our communities for your work on our behalf.

I would also like to extend to you an invitation for April 10 at Queen's Park. Twice a year we host a religious leaders' forum, to which we invite all members of the provincial Parliament to come. This time we're focusing on the business of business—which is our business—around the role of corporate social responsibility, addressing issues of hunger, homelessness and poverty. The keynote speaker will be Mr Ed Broadbent. We hope that you can join us.

We look forward to your questions now.

The Chair: Thank you very much. We have three minutes per caucus.

Mr Galt: Thank you for your presentation. Compliments to you for expressing your concern for the less fortunate in our society. But I am rather disappointed in the direction that you're directing the blame. I belong to the United Church of Canada, and have for most of my life. I can't say I'm exactly embarrassed with it over the last six years, but I certainly have been very, very disappointed in their attitude and what has come from the pulpit.

From your presentation, it would appear that all the problems are with the government. As religious people, we have a role to play—not just the government—in looking after the less fortunate. If you want to use some

quotes, as you have in here, I think back to one that Christ said: "Give unto Caesar what is Caesar's." I don't remember seeing in the Bible that He blamed the government. He looked to people; He looked to the church to try and help the less fortunate. I suggest today that if He were to come back and be on Earth here, He wouldn't be throwing out the money-changers in our churches; He would be throwing out those in charge of mainline churches.

When I talk to churches with an ecumenical type of background, they're saying, "No, it's not government's responsibility. It's our responsibility as a church." My hat is off to those organizations that say, "It's our responsibility." My opinion, as humbly as I can express it, is that government has a role for a baseline of support for those who are less fortunate. After that, it's the church's responsibility, it's the responsibility of Doug Galt and society, of individuals, of service clubs to enhance that baseline to help those people.

I'm coming around to my question, and it relates to basically, why aren't churches stepping up to the plate rather than coming here to blame government, and why are you blaming government when you have such a golden opportunity to take the role that the church used to have?

1220

Mr Pfrimmer: Thank you for your question. I must say you're not talking to the same people I'm talking to. I think—and I don't want this to be just adversarial—that we have to understand first of all that government is about politics, and politics is about how we all make decisions together. Governments do in fact play a role. We're not saying it's all up to government, but governments have in fact walked away from their responsibilities on this score. If you don't want to take my saying that—by the way, we have also said this to members of the federal government as well, in terms of some of the issues there. But the United Nations, in reviewing Canada's performance under its compliance with the UN International Covenant on Economic, Social and Cultural Rights, gave us a poor mark and said in point of fact that we had done nothing as a country to address the vulnerable populations. In fact, they were scandalized by it and their report said so. So it's not just us saying these things and it's not just about one government, it's about all people in positions of leadership who are entrusted with a special responsibility.

Now, what are the churches doing? I would say that at the churches I see—we are seeing people who are burning out because of their voluntarism in Out of the Cold programs, food banks and other kinds of charitable services and emergency programs. This is going to be a serious problem. If you want to erode and corrupt the voluntary sector in general, and the faith communities in particular, this is the way to do it.

One study that shows the extent to which we're all failing was an OECD study. This is not a left-wing kind of group. They pointed out that in Canada, the net social expenditures—that's all public and private flows to

charitable or social purposes in the society—in fact declined by 1.5% since 1995 in Canada, in this province. In this regard, we are five points behind the United States, at 18% of our GDP; they're at 23%. There's a reason for it. I think part of the reason is the high volume of funds that are raised by private schools and for educational purposes. But we're 10 points behind the Europeans, and the Germans in particular, who are at 20% of their GDP. So we're failing in this regard.

I couldn't agree with you more that churches have a responsibility. Christian people and religious people from all communities believe that. But they are doing much, much more than I think they're given credit for by those in public office sometimes. I think we need to say that governments do have a responsibility to do this on all our behalves.

Mr Kwinter: Thank you very much for your presentation. It looks like a very comprehensive document. Unfortunately, it was handed to us just before you sat down, so I haven't had a chance to read through it. But one of the things I did notice is that you put forward the proposition that there were solutions to some of these problems that are more cost-effective than what is being done now. Could you give us an example so we can get into the record what you think is one fairly important area of where this could be done and how it can be done?

Mr Pfrimmer: Sure. I'd draw your attention to page 5 of the brief, and I'll just read from that paragraph. It's a fairly well-known study:

"Ontario could save \$570 million a year by providing comprehensive services to single mothers receiving social assistance. A McMaster University study reported the findings that sole-support parents and their children who are proactively offered a full area of social supports (including child care, recreation, skills training, employment counselling) are better off physically, emotionally and economically than those who are left to seek these services on their own. The extra cost to the Ministry of Community and Social Services of having caseworkers take the initiative to help social assistance recipients access a comprehensive range of services [was found to be] more than recovered in decreased health care costs, other social services and programs for child/youth behaviour disorders. Single parents offered a comprehensive range of services are also more likely to leave social assistance sooner."

So it's a relatively simple thing. It's just getting caseworkers to direct social assistance recipients to the kinds of services that could really give them a hand up and improve their mental health and that of their children, and also find work. In the study that was done in Hamilton, they found significant cost savings. So we could spend money really helping people out; otherwise people end up in psychiatric facilities and hospitals, children running into trouble in school and with the law and things like that. That's the kind of recommendation we would see.

We also list a couple of other studies: the children's aid society is finding that more and more children are

taken into care, and lack of affordable housing is identified as one of the reasons for taking children into care and keeping them in care longer. Putting people in shelters is far more expensive than helping people stay in their housing. Providing a rent supplement or increasing the shelter allowance in social assistance, increasing the minimum wage, these kinds of things would really help people out and give them a better chance at well-being and active participation in the community and avoid a lot of other costs that would end up being paid for. It's partly a question of, do we have smart government and provide services well, or do we pay more costs and lose out on what people can contribute to the community?

Ms Snyder: If I could just add a little bit to Mr Degroot's answer and describe my own dissertation research that was looking at employment initiatives, work preparation programs for women. I looked at the program here in Waterloo region. We had a voluntary program in Waterloo region where single parents on social assistance were assisted to go back, upgrade their education and find careers where they could support their families and lift them out of poverty. What I found after the Ontario Works program came into place was that single mothers were pushed to find the shortest route to employment, which meant that single mothers in university programs and community college programs were forced to drop out and take jobs such as night shift work in local doughnut shops. As a consequence, they may be off social assistance but they're still living in poverty, and there are other costs there that aren't quantifiable in terms of repercussions for those children of mothers working night shifts in doughnut shops.

The Chair: Mr Christopherson.

Mr Christopherson: Thank you very much for your presentation. I want to underscore some of the member groups. It's quite impressive. The Anglicans are represented, Catholics, Hindus, the Salvation Army, the Quakers, the United Church has been mentioned, the Toronto Board of Rabbis, the Mennonites, the Evangelical Lutherans, the Islamic Foundation. Virtually every major faith organization is here. I've got to tell you, to listen to Dr Galt—I would almost like to send out to every faith leader in every community that Hansard that says, "You know, it's not government; it's your fault. You haven't done the job." This is the kind of thinking. At least we got some cold reality here. Usually we get a lot of rhetoric, a lot of spin. That's what we're up against: a whole attitude that government has all but no role in anything to do with the quality of life for people, especially those who are most easily forgotten, those who don't hire lobbyists and can't come in here and do PowerPoint presentations and hold schmoozing events where they can get to know us politicians. It's so outrageous.

I'll give you a difference, Doctor. You've provided no housing whatsoever since you've been in power, no social housing, affordable housing whatsoever. We provided 65,000.

Interjection.

Mr Christopherson: I listened to you. Why don't you try listening?

A lot of those houses were developed in partnerships with a lot of faith groups that came forward and said, "Yes, we're prepared to do our bit." Just yesterday we had an Anglican minister who came in and said, and here's a prime example of the role of the church and the role of government, "I had a woman with two children who was abandoned by her husband and who has been evicted from her apartment. She had absolutely nowhere to go. There was nowhere to turn." She went to that minister and he didn't know what to do, except he realized that this was the last place she could go. So he was going to do whatever he could, but he didn't hold out a whole lot of hope. What he needed was a government that cared enough to make sure there was affordable housing. So if you had to cut through bureaucracy and red tape, he could be the—

Interjection.

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Mr Christopherson: Just listen for a second. For a party that talks about having a family values caucus, where are your family values today? Where's all your compassion that you talk about today? These people came forward. The people who came forward from all the faith groups in our communities are doing everything they can, and you turn around and say to them that the leadership of all their churches—basically, you said they ought to be fired because they're not doing the job. Let me tell you there are very few people in this province who think the way you do. Unfortunately, you've got the power. If there was anything in there that needs to be pushed right across the whole province, it is that we're a province that needs a change of heart. I'll go you a step further: we're a province that needs a change of government.

The Chair: Go ahead. I'll give you a minute to reply.

Rev Eagle: Maybe there is one comment I could make, and thank you for your passion. We certainly feel passionate about the people we work with and walk with in the community. We do have an opportunity that perhaps some of you don't have, or don't make use of, to actually be out with the people in the community who are struggling to survive. I hope you will take the time to go and meet and talk with some of those folks. They can't come to you; you're quite right. They can't come to you because they're just not able, financially and sometimes even emotionally, to manage to be here to speak to you. But we have a growing number of people, and the documents show a growing gap between rich and poor in our province.

One of the things that ISARC is starting to do now is to document the number of faith organizations that are providing assistance to people, because we're finding that right across the sector we've got food banks, we've got people coming in for the benevolence fund, people needing clothing, needing rides, needing support etc. We think it will be quite a comprehensive document by the time we finish that and provide it to you.

We also see, though, that government is us, and therefore when you're saying that we need to do something, we're including you. We're including you as part of the solution and we're hoping that you are going to ante up on that and be part of the solution, because we really, truly have vulnerable people.

I'm a community worker in London as well as wearing a city hall hat and a United Church hat, so I get to see a lot of different scenarios of people struggling in the community. We had a housing project in 1995 for the Cambodian community in London that needed assistance. We already had allocation. We were practically ready to put a shovel in the ground, and that's one of the projects that got cancelled. I have since walked with many of those people as they have lost their housing, as they have gone through the shelter programs, as they have lost their children, as they have come out the other side and tried to put their families back together, and I can attest to not only the financial cost to them but also the emotional cost to them and to their children as a result of that.

The Chair: With that, I have to bring it to an end.

Rev Eagle: We're not here to bash so much as to say we'd really like you to take seriously the presentation that we're bringing to you.

Mr Chair, I know this is my last chance to talk so I would like to just ask one question, if I could, wearing my municipal council hat: at some point, are we going to get some understanding or explanation of why you changed the way in which allocation is done to municipalities so that we're now paying additional administrative costs for Ontario Works and ODSP? That was just sent out to municipalities in January. For London it's an additional \$800,000 that we're going to have to pay, after our budget has been set. I don't know what that cost is going to be for municipalities like Toronto. But we are hoping that at some point there will be some explanation offered to municipalities as to why that formula got changed and why we have additional costs.

The Chair: On behalf of the committee, I would like to thank you for your presentation this afternoon.

LONDON HOMELESS COALITION

LONDON INTERCOMMUNITY HEALTH CENTRE

The Chair: Our next presentation will be from the London Homeless Coalition and the London Inter-Community Health Centre. I would ask the presenters to please come forward and state their names for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Wendy Stone: I'm Wendy Stone, here on behalf of the London Homeless Coalition.

Mr Thomas Appleyard: I'm Thomas Appleyard from the London InterCommunity Health Centre.

Ms Stone: First I need to say I'm not a person who is polished in the political realm. I appreciate the comments you made. The submission I have is very much in the

vernacular of the people, I think, so I apologize if it doesn't meet the standard that you see across the province. However, this is spoken from the heart and on behalf of the vulnerable.

I'm here with the coalition, a group that was formed in London approximately 18 months ago to address the emergency and long-term needs of people in the city who in increasing numbers found themselves homeless or on the brink of homelessness. Within this very short period of time it became obvious that it was necessary to prepare a community plan on homelessness.

The Chair: Excuse me. Mr O'Toole, could we conduct the conversation further at the back, please. Sorry for the interruption. Go ahead.

Ms Stone: Our community plan was put together recognizing that an action plan needed to be taken to address homelessness and housing issues within the city. The coalition on behalf of vulnerable persons is also represented on local, provincial and national groups that are committed to changing policies and having affordable housing put back on the agenda.

As a newcomer to London, I am pleased to be able to speak on behalf of the coalition. It's much less of an honour to have to speak on such a basic need as housing. I've had experience in northern regions of this province. I'm well familiar with a lot of regions of this province, so I'm aware that this is not just a local London reality, although this is what I will speak about today.

London is a city of approximately 325,000 people. It's graced with all the lovely trees, rivers and things you see there and all the amenities a city can offer. One wouldn't expect that beneath this well-maintained image of wealth and prosperity lies impoverishment, hunger and desperation. London, like many cities and areas across the province, is experiencing the reality of significantly increasing numbers of people struggling to remain housed or who over the past few years have become homeless.

The community plan has identified the grim and growing reality that more and more the basic needs of people are not being met. Homeless shelters reported a 22% increase in annual admissions and all shelters have reported that there is higher need than they're able to cope with. Just one of the many local community resource centres stated that demand for emergency food kits is 50% higher than their ability to provide, advice concerning evictions and other housing problems is 13% higher than they can cope with and family support requests are 33% higher than their capacity to deal with.

The Daily Bread Food Bank, one of a number of organizations offering food, gave assistance to over 10,000 households comprised of approximately 24,000 individuals; 10,000 of those going with shortages of food were children. Local food banks are reporting that they're serving about half the need they can address, and the list goes on and on. Though shocking, it's not surprising. The policies that have beset this province in the last few years are most obvious in creating this crisis.

The minimum wage has remained unchanged in this province, with the cost of living rising by about 10%.

Cuts to social assistance: incomes have fallen by 22%, with shelter allowances grossly inadequate to the real costs of remaining housed. Reforms to Ontario Works have left many ineligible for support, although there is need. Vacancy rates have fallen steadily across the province, with twice as many rental units converted to condos than have been built. Rents and evictions have continued to increase, aided in large part by the inception of the new and misnamed Tenant Protection Act. Social and support programs have been sacrificed while tax cuts continue to benefit corporate business and the wealthy. And the pinnacle of the problem, no doubt, is the cessation of any funding directed to any new social housing development. We now find in Ontario that we have a crisis in housing of unparalleled proportion that affects the lives of hundreds of thousands of men, women and children.

Poor people are at the greatest risk of becoming homeless. It is therefore reasonable to assume that there's a direct relationship between the proportion of low-income residents in a population and the proportion of those at risk of losing housing; 1996 data for London revealed that 21,600 unattached individuals and 14,800 families at that time were poor. The poverty rate for children five and under was 24%, and for children six to 17 it was 20%. You can see the listed numbers for immigrant populations, visible minorities, aboriginal populations and the disabled.

It's also a well-established fact that the gap between the income levels of homeowners and tenants has increased. There's a difference of about 1% a year, meaning that more and more renters are likely to have severe problems remaining housed. Between 1989 and 1999, figures show that rents for Londoners increased by 25%, while between 1992 and 1998 the income of renters decreased by 11%. This is in contrast to homeowners, whose incomes continue to rise.

There is a quote by a Canadian researcher that says there is "a social need for adequate and affordable housing," that tenants simply do not have enough income to be able to meet market demand and pay the rents and are more likely to have problems remaining housed until there is more housing at lower-level rents.

For the years 2000 and 2001, all rental units in London, regardless of size, showed increases above the provincial guidelines. A 4.5% increase was shown for both two- and three-bedroom units, obviously the size families need. Single-bedroom and bachelor suites rose 4.1% and 3.2%, respectively. The effects of poverty in London are made worse by rising rents and the halt in assisted housing.

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Compounding the problem even further are declining vacancy rates. Close to 2,000 rental units have been converted to condos in London since 1995, with the result that London has lost almost three times as much rental housing as has been built in that period, with a net loss of over 1,000 units. The CMHC rental market survey for the city of London for October 2001 reveals that vacancy

rates have dropped below 2% for the first time since 1987. From a respectable high of 6% in October 1996, they now read at 1.6%. In local terms, this translates to 628 vacant units in the entire city of London.

While they have declined, the wait-list for assisted housing has climbed from 771 applications in 1995 to over 3,000 this past October. Close to 2,000 of those applications have cited dependants. While housing wait-lists can offer clues as to need, there is a far less overt and harder to count group of homeless who are not on any wait-list; they've given up—I've seen this over and over again where I have worked—knowing there's just not enough housing and the wait-lists are too long. Individuals, families, youth and consumers of mental health services are bunking in with one another for lack of housing options. Couch-surfing goes on from a night-to-night basis in order to find a place to sleep.

Disputing the stereotypes of homeless people as comprised mainly of addicts, mental health patients and criminals needing assistance and rehabilitation and, worst of all, perhaps jails, families are the fastest-growing group of homeless. These families are simply without enough economic means to compete with market value rents. If these hidden homeless actually came out in full force and were visible, we would find that we had negative vacancy rates.

As economics is the argument for the failed responsibility of government to ensure adequate housing, it is only fitting that I speak to this issue, however briefly. It should be no surprise that, on a per capita basis, people who are homeless are high-volume users of health, social service and justice and corrections services. In London, services used by homeless people range, per individual, from an average of \$1,000 per month for basic shelter and hostel services to almost \$11,000 per month for those in need of psychiatric facilities. Again, there is a list of the costs per individual on a monthly basis in London for people who are homeless using services. Multiply this by the number of people not only in London but across the province and it becomes clear that this is an expensive response to the homeless problem.

The fact that homeless people are overrepresented in so many of the most expensive services and are the sole generators of the costs of other services should be a clear incentive for this government to reduce homelessness and deal effectively with existing homelessness. A comprehensive BC study shows that dealing with homelessness after the fact is far more expensive. It becomes a situation of pay now or pay more later.

Affordable housing does not need to be seen as a cost to this province, but rather as an investment that not only creates valuable assets, such as housing, but also generates economic activity, including jobs and tax revenues. Simply put, affordable housing makes economic sense.

The city of London, among 25 urban communities, shares the dubious distinction of being tied as second worst with Toronto in its core housing need. Needless to say, it's not a popular subject, something most Londoners don't know and something about which the city would

not wish to brag. However, the London Homeless Coalition itself is committed to making this problem known, committed to waking the sleeping populace at all levels of government and committed to pursuing for Londoners clause 25 of the United Nations Declaration of Human Rights, stating, "Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services" etc. We heard in the last presentation Canada's report card from the UN.

As such, the London Homeless Coalition joins with other groups in recognizing the deliberate choices of the Ontario government to give priority to tax cuts instead of social programs. We join with others in recognizing that policies and decisions made to benefit the wealthy while reducing opportunities and services to vulnerable populations is morally and socially irresponsible.

We recognize that the government reliance on private sector landlords and developers to deliver housing that meets the needs of Ontarians is a failed experiment, with costs both in human and economic terms.

We recognize that there is an increased need for emergency shelter and service to homeless individuals and those who are at risk of becoming homeless, but that the only real solution to the problem is an investment into long-term and affordable housing. It solves many of the problems that are compounded over and over by the lack of housing.

The London Homeless Coalition, therefore, as a non-partisan group joins with our colleagues at the Housing and Homelessness Network in Ontario and the National Housing and Homelessness Network in demanding of this and any further government a commitment to renewed social spending and a renewal of provincial and federal housing programs.

Mr Appleyard: Health outreach for people who are homeless is a project of the London InterCommunity Health Centre, an active member of the London Homeless Coalition. The project is primarily funded through the community health branch of the Ministry of Health and Long-Term Care.

Our clients stay in shelters, they use Out of the Cold programs, stay with friends and family, sleep outside, sleep in vehicles or stay temporarily in cheap hotel rooms. Our ability to provide a wide range of services has in turn given us the ability to analyze the effect of poverty and homelessness on the health of this group of Londoners. We've seen the wounds on women beaten by their partners. We've seen the effects of poor nutrition on families choosing between food and rent. We've seen people collapse from exhaustion coming up against barriers to meeting needs. We've seen the effects of exposure to cold and heat on people's skin. We've seen people struggle with thoughts of suicide as they face their lives that so often seem to be without hope. We've heard stories of families being separated as parents have been unable to continue effective parenting during their housing crisis. We've joined in mourning when we've heard

the news that yet another of our clients has died. Through the Housing and Homelessness Network of Ontario, we have learned that similar stories are being told across this province in Hamilton, in Toronto, in North Bay, in Windsor, in Sarnia, in Parry Sound—and the list goes on.

We believe that the size and scope of the health project we work for is a public expenditure in a long list of public, private and charitable expenditures necessitated by the failed experiments of the federal and provincial governments that have led to the current crisis in affordable housing. This has become a province where access to decent, safe and affordable housing is virtually impossible. The crisis in affordable housing directly affects all of the 40% of people in Ontario who live in rental housing. The stories of people who are homeless are only some of these stories. They're the ones who have been, for varying lengths of time, pushed out of the rental housing market because of this crisis.

The Ontario Ministry of Finance in July 2000 estimated that the province's population is to increase by approximately 3.8 million people over the next 30 years. If renters remain at 40% of all households, this means 18,400 units of rental housing need to be created each year only to keep current levels of the housing squeeze. Over the last few years, the private rental housing market has created fewer than 2,000 units in Ontario and, as you've heard a couple of times now, these aren't even keeping pace with demolition: 1999 saw a net loss of 631 rental units.

The attempt at relying on the private market to create new rental housing has failed and it will continue to fail. Private developers have been clear that the creation of affordable rental housing is simply not profitable. The expenses associated with the creation of apartments have been estimated at as much as \$130,000 a unit. Covering the costs associated with this would be \$1,400 a month. Renters' income in 1999 averaged \$23,000 in Ontario, suggesting the average renter can afford to pay \$580 a month on rent if using the guideline of 30% of income on rent. This consultation heard from the fair rental housing association on Monday and they said they had absolutely no intention of building housing costing \$600 per month. If there were ever a place for government to step in, this is it.

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I'd like to talk for a moment about social housing. Dennis Culhane is a professor of social welfare policy who studied the New York shelter system. He studied families leaving shelter for housing to determine what made a difference in terms of whether they would return to shelter or not. He found some surprising things. He found that the presence of an addiction in a family leaving shelter did not make any difference, significantly, in whether they returned to shelter. He found that the presence of a mental illness in that family did not make a significant difference as to whether or not they returned to shelter. He found that the quality and the number of services that the family could access made absolutely no difference in whether that family ended up returning to

shelter. The only thing that made any difference was whether or not that family moved into subsidized social housing. For the families that did move into social housing, only 5% of those families ended up returning to shelter. For those who did not receive a subsidy, 40% returned to shelter. This is an American study, but certainly the staff of the InterCommunity Health Centre would be able to assure you that this is exactly what is happening in London, this game of people moving in and out of unaffordable and indecent housing.

Also, Mr Culhane's study raises important questions about funding priorities. Absolute homelessness was named as one of the reasons for changes to the Mental Health Act, increasing the possibility of people receiving psychiatric treatment against their will. Absolute homelessness was named as one of the reasons for requiring people receiving social assistance to receive addiction treatment.

Massive expenditures are being made for services for people who are homeless: outreach workers, housing advocates, shelters, soup kitchens, lawyers, physicians, social workers, drop-in centres, safe storage facilities, addiction treatment facilities, community mental health centres. Mr Culhane's study suggests that these will do absolutely nothing to address homelessness. Subsidized social housing makes a difference.

Newly elected Premier Mike Harris in 1995 cancelled 17,000 units of co-op and non-profit housing that had been approved for development. In the first three years in office, the Harris government cut over \$300 million, more than a quarter of the budget, from provincial social housing spending. In 1998, the costs of social housing were downloaded to municipalities. In four years, the government went from spending \$1.1 billion on social housing to spending nothing.

After doing the math across the province about more renters and fewer rental units, we need to ask where people are going. They are in the list I gave you before: they're packed into overcrowded shelters; they're on the streets; huge numbers are staying with friends; they're staying in vehicles or they're ending up in jail or in hospital.

In August 2001, the federal, provincial and territorial housing ministers met in London, where they were met with effective pressure from groups, including the National Housing and Homelessness Network and the London Homeless Coalition. The federal-provincial-territorial affordable housing framework was announced and signed a few months later. This was a commitment of the federal government to spend \$680 million over five years on new affordable rental housing, with matching dollars from provincial sources. We understand that Ontario and the federal government are currently negotiating this bilateral agreement of \$245 million each, which would fund about 10,000 units in Ontario. I'll remind you of the earlier number that said that 18,400 a year would be needed.

Ontario has so far only committed \$20 million. The province is instead looking to municipal, private or hous-

ing providers' matching dollars. While we agree that the federal government must provide leadership on this issue, Ontario must participate as a willing partner. The government of Quebec has set an example by setting \$105 million as their part of the agreement. By off-loading costs to housing providers with an equity component, we're concerned that co-op and non-profit providers will be prevented from participating, even though not-for-profit providers have built and successfully managed the bulk of affordable housing in Canada in the past 30 years. We strongly encourage finance budgetary processes to put funding for new social housing supply through this framework as an absolute priority.

In conclusion, we join with the inquest jury of the murder of Gillian Hadley in identifying the lack of affordable housing and insufficient social assistance as key areas where the provincial government must immediately act. We join with the United Nations in condemning the provincial government for breaches of international law.

We join with mayors across Ontario, who declared homelessness a national disaster and called for the development of a fully funded national affordable housing strategy for people of low, moderate and middle incomes. A fully funded strategy will cost Ontario approximately \$900 million. We urge you to push the federal government to act quickly on their role in this and for you to be ready at the table to address the current lack of affordable housing and the accompanying disaster of homelessness.

The current state is very dangerous for Ontario, but we also recognize that, with projected increased population and increased depth of poverty, things could get worse. Ontario remains the richest province in one of the richest countries in the world. These investments we call for today are significant but affordable. We urge you to act quickly. Thank you very much.

The Chair: On behalf of the committee, I would like to thank you for your presentation this afternoon. There won't be any time for questions as we've used all the time.

MOBILIZATION OF SOCIAL SERVICES

The Chair: Our next presentation will be from the Mobilization of Social Services. I would ask the presenters to please come forward; if you could state your name for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Michelle Windley: My name is Michelle Windley. I'm from Windley Eli, which is my own personal business, but I sit as a volunteer for the MOSS committee. With me today is Kathryn Dubicki. She is here on behalf of OASIS, which is one of the main organizations forming this group.

We're going to try to keep this brief because I'm heading out on vacation, so we'll keep it light. We're not here necessarily to ask you for money, which may make us a little bit different from other people who are here today. We are asking for the government to assist us with

some solutions and being a little bit creative in how some of the transfers of funds are being made to these organizations.

We'll start with telling you how we got where we are and then we'll conclude with what we're looking for from government in this organization.

The organization got together in 1998. I joined the organization as a volunteer because my expertise comes from WSIB claims management and funding management on behalf of employers in Ontario. My company goes out and assists for-profit companies in managing their WSIB costs effectively. A member of this group came to me and said, "We've had something happen. Is this right?" What happened was that the government, for a very extended period of time, put a cap on how quickly the WSIB could raise their premium rates to employers. In the late 1990s that cap was removed, and the focus of the WSIB was to balance their budget and get rid of their unfunded liability. I think most of you will be aware of those points.

In doing so, a target was set for taking the unfunded liability and retiring it. I think initially we were looking at 2014, but I believe that moved along and they may be ahead of their target at this point in time.

When that happened, the not-for-profit groups that we represent, which is about 380 agencies, were encased in two rate groups which were optional coverage. The rates were about \$1.40 per \$100 of payroll. It was a reasonable method by which they could safely cover their employees. The employees of these agencies tend to be put in relatively high-risk situations based on the people they are out there servicing. The groups are dealing with people with mental and physical disabilities, with our youth who are under care, under protection. They tend to be a relatively high-risk group. So a lot of the agencies opted into WSIB coverage because it was an affordable method of covering their employees.

When the cap came off, there was an absolutely dramatic increase in the premiums for these agencies. We also know that funding at that point in time, in about 1998, was relatively static from the government. All of a sudden an additional \$14 million was required to pay the WSIB fees, but there wasn't an additional \$14 million coming out of funding to offset the expense to these agencies.

At the same time, the WSIB put into place a program or a departure fee that said, "If you opt out of WSIB because you can't afford it or because you don't want it any longer, you have to opt out and fully pay what we think is your share of what's owing to the board." So we have a whole group of agencies that can't afford the premiums or the new premiums from the WSIB and, at the same time, they can't afford to pay the departure fee. So it was a Catch-22.

The group got together and the first place we went, and I want you to be aware of this, was to the WSIB and said, "What can we do? Here's the situation, here are the groups, here's what we need done." The board has been very receptive to this group and has put some things in

place to assist us. But some of the things they've put into place are very short-term or temporary solutions. They're still actively working with us. They realize we are going to the government and saying, "How can you help us? How can we resolve this issue?" We're very aware that it's something that can be resolved, I think, in a very positive manner for everyone. We understand the board's criteria for funding and, at the same time, we understand the government's position with funding, but we think somewhere in between, there is a positive solution.

1300

So far, the WSIB has given us some breaks on our rates. They've included it in incentive programs for increased safety in the workplace. All of the agencies I've dealt with throughout this project are very tuned in to increased safety in their workplace. The difficulty with that is that with safety comes money. That's not my theory; that's actually the board's theory. The board put in experience-rating programs years ago to recognize the cost of safety in a workplace and to reward companies who put safety first. When we were in our Catch-22, the board was saying to us, "We need you to improve your safety. If you improve your safety, your claims costs go down, your rate will go down." I think it's a fantastic concept. The problem is, how do we do that? Where do we get the money to do the improved safety?

We came up with some programs and we worked with the board and they supplied people and we did get the rates reduced. Right now, the board has in place a moratorium on collecting any outstanding debt from these rate groups. So all the money owing for departure fees or for unpaid premiums at this time is on hold.

About a year and a half ago, we ran into some difficulties because the WSIB has the right to seize the assets of the 380 charitable organizations and, in fact, a notice or a writ of seizure had gone out to one of these agencies during the course of this process. Fortunately, the people we're in contact with made sure that the situation was rectified, but it's only, once again, a temporary solution, because the debt is still there to the WSIB.

We're here today to basically say that we're looking for advice and we're looking for assistance, but we have a couple of ideas as to how some of that assistance or how these agencies can generate the funding they need to pay their premiums, without necessarily extra funding from the government. I'd like to quickly touch on those.

Inside the handout that we gave to you today is a thing called a tool kit for social services. This was put together by members of the group. One of the issues for them is that right now, when you're funding a social service agency, there are a lot of stipulations as to how that money can be used within that organization. There are some difficulties that go with the rules and regulations that govern that. On one side, I recognize the need of government to make sure that money is effectively being used and it's being used for the purpose for which it was intended. At the same time, the agencies that I've been directly involved with through sitting on boards and other

things do a fantastic job in managing their money. When they do a really good job of managing their money, what happens at the end of the year is the money, or the surplus, goes back. So we're doing a great job, we've come up with ways to save money internally and everything's going great, we've saved money, and it goes back to you. So they can't use those funds to offset things like the increase in WSIB premiums.

Our tool kit talks about things like that. Interest rates are phenomenally low to purchase a property right now versus paying rent on a regular basis. So if we purchase a property, the asset becomes the property of the organization, which in essence becomes the property of the government, really. But you also see an end to the cycle of constantly paying rent. Bank interest rates are lower than vehicle leasing rates. Dollars saved by purchasing can be re-flowed and readdressed and can take away some of the human resources pressures we're feeling. If an agency closes, the property becomes the government's; it doesn't go anywhere else. Expense depreciation allows for the replacement of a reserve fund for capital replacement. There are quite a few things listed here. That request is asking for a lot of flexibility from the government. We also believe that can successfully be done.

There's one other method in which we can reduce some of the rates and take the pressure off these agencies, and that's to go back to the WSIB—and I guess it's with the government's blessing—and say that maybe in the circumstances of these particular rate groups, we don't need to retire their portion of the unfunded liability by 2014. Maybe we can amortize their debt over a longer period of time, thus reducing what their premiums are.

When I started, I said to you that this was an optional coverage area for agencies. Right now, based on the numbers that I have, \$20 million went directly from the agencies to the WSIB in the year 2000. A number of agencies do not have coverage. I'm going to estimate—and maybe Kathryn can help me—maybe 50%?

Ms Kathryn Dubicki: It's around 50% at this time because of the opting-out policy that was available.

Ms Windley: About 50% of the agencies don't have coverage. As we sit before this committee, the WSIB also has a committee out there reviewing who and what should be covered in the province of Ontario. Having had numerous meetings with Ian Welton on behalf of this group, I know that the WSIB's mandate right now is to expand the coverage in Ontario. The exceptions will be a lot fewer than what are currently experienced in this province. If that happens, then we're looking at a flow of about \$40 million directly from the government to the WSIB. None of this money supports programs. It does protect the workers, which is a great thing, but it does not support the programs these agencies are running.

That's basically where we're at. We're looking to negotiate and have some assistance from government in giving us some flexibility—and I say "us" as a royal statement—in how we manage our agencies and how we use our funding, and allowing us to be a little bit more

creative, saving the government money and, at the same time, allowing organizations that are represented by MOSS to pay things and to deal with adjustments in things like WSIB premiums. So every time there's a change out there or a new expense, they don't have to run back to you to say, "OK, there's a new expense. We need more money." Let us deal with the money that we're getting and use it effectively.

The Chair: Thank you very much. We have two minutes per caucus.

Mr Kwinter: Thank you very much for your presentation. I have been sitting here listening, and I'm trying to figure out what it is that you want us to do. You are obviously having problems with the various agencies that fund you. I assume most of it's coming out of community and social services.

Ms Windley: And corrections.

Mr Kwinter: They have guidelines that say, "Here are the things you can do and here are the things you can't do. Here are the things we're going to pay and these are the things we're not going to pay." You want some of those things changed and adjusted. This committee does not micromanage that ministry. It's very difficult to try to comprehend. I understand your problem. I'm just saying it's very difficult for us to make recommendations that, in effect, as I say, micromanage the ministry. That's where I have some difficulty.

I think you've done a great job in dealing with the WSIB and in trying to get them to make accommodations and to take into account the difficulties that you're facing. I commend you for that and I commend you for your activities, and I wish you luck. I just find some difficulty in coming to terms as to what recommendations we can make, other than a general one that all agencies should take a look at their client groups to make sure they're dealing with them fairly and equitably.

Ms Dubicki: I think it's more around the basis of business practices globally, in terms of business practices for agencies that receive funding from governments. Most of the items we've listed here in the tool kit are good business practices that any private industry out there would be following as a way to increase their profits and increase their dividends to their shareholders. What we're asking is that these sorts of tools be allowed to non-profit agencies as well. We're finding that these sorts of restrictions are global across funded agencies. They're a financial aspect, and they're just good business practices that we want to try to get for ourselves, as transfer payment agencies.

Mr Christopherson: I concur with Mr Kwinter's comments about how it's difficult for us to deal with small matters here. The only suggestion I really have for you—and the best you could hope for today, to be very blunt—is that maybe one of the government backbenchers might be prepared to take this issue on, do some work and get back to you and give you a sense of where you can go. I guess my question to you would be, what's going to happen if you don't get this resolved? Where are you in six months, one year? Where does that leave you?

Ms Windley: It leaves us sort of where we are right now, which is in a holding pattern. It's complex in that the WSIB can't sit forever with the debt and just leave it out there. They're a business; they have business practices. So they've got all this money in a holding pattern that they're not collecting from external agencies.

A worst-case scenario, if we don't come up with a solution or we don't come up with a funding solution or a new deal with the WSIB, is if the board wishes to exercise their right, they would close agencies basically by asking the agencies to divvy up the money that's owed. I don't think the intent of the board—it certainly hasn't been in my discussions, so I'm not going to pretend it has been—is to do that. It's bad PR and they know it, so they're not going to go running out there and start closing social service agencies. At the same time, it's hanging out there. These debts are still the responsibility of the agencies that hold them. It's an area that I think there are simplistic answers for. We just need to get to them.

Getting back to the question of why are we here—well, I guess we got an audience, didn't we? In really simple terms, we just informed a group of you what the issue is and, because it is a politically motivated issue, it certainly doesn't hurt us that you hear it. So we're here. We're going any place we can to have someone listen. Once again, I've spent four years on this committee. It is volunteer time for me. I think it can be resolved, and I'd like to see it resolved.

Mr Christopherson: I wish you luck.

Mr Hardeman: Thank you very much for your presentation. I agree with the members opposite that the actual issue with the WSIB is something that's going to have to be solved internally with the association and with the WSIB, and I would hope that it can be resolved. As you explained it, it's very much going to be government money in both cases, regardless of how they do it. It would seem to me to pay it out directly would make more sense than to go through the foreclosure process and then pay for it. It just doesn't make any sense that we wouldn't come up with a solution to it. I just have one question on that. On the opting out, what happens for coverage, what happens for the protection of the workers we're opting out on?

Before we go to that, I wanted to touch a little bit and have a question on the other one—and maybe it's the same topic. It's the question on opening up the envelope for better business practices, for purchasing instead of leasing, which is a better business deal. How would you suggest that we put some type of control in, that it isn't just sending money to social agencies and they can spend it any way they like, as opposed to providing services?

Ms Windley: We can answer that.

Ms Dubicki: What's generally happened in the past, if we've been able to make a specific deal to do those sorts of things, is that the ministry and the government have been named in deeds as part owner. Should any property be sold, they're listed on that deed so they need their

approval to go ahead with that. That's protection that has always been provided in the past.

Ms Windley: Even though you allow some latitude, that doesn't reduce the level of reporting to government that's required. I've looked at the reports they send in. The detail in the financial statements that go in to social services or corrections or whoever is looking at it, that level of communication and open-book policy doesn't necessarily have to change. It's a matter of just giving some latitude with respect to where the money goes and how it gets there.

You're right, and I'm glad you made that point. It is just money going from government to government. We're not talking about an issue involved in us spending it. It's a direct transition, going back and forth.

The Chair: With that, I would like to thank you on behalf of the committee, and may you have a nice holiday.

This committee will recess until 2:45. Lunch will be served upstairs.

The committee recessed from 1314 to 1425.

TOGETHER IN EDUCATION

The Chair: Good afternoon, everyone. We're going to start a little bit early. I appreciate the co-operation from the group Together in Education, who are willing to present a bit earlier. On behalf of the committee, welcome, and please state your name for the record. You have 20 minutes for your presentation this afternoon.

Ms Patricia Cannon: Good afternoon. My name is Patricia Cannon and I am the president of the Ontario English Catholic Teachers' Association of Waterloo and chair of the group called Together in Education. This is an all-affiliate group representing 5,500 teachers, including elementary, secondary and occasional, both public and Catholic, in this region. My associate is Warren Grafton, CEO, elementary, and special education teacher of the blind.

We have grave concerns about the funding for education on many fronts, as some of my colleagues will have pointed out today. These include: a general lack of money to appropriately address the cost of support staff necessary to run schools; schools are deteriorating for lack of custodial care; students' and teachers' needs are not being addressed for lack of sufficient secretarial help; and many students are not being reached because there are not enough educational assistants hired to meet their requirements. Then, there is a great general underfunding that forces boards to have half-time, twinned and teaching principals, which puts a huge strain on staff and students in their schools.

Insufficient and out-of-date textbooks: you'll hear a great deal about this in a presentation to come a little later. With the massive changes to the curriculum over the last several years, schools have had to make huge purchases of texts to meet those changes. Budgets at the school level simply do not include enough money to cover books in all areas, if indeed a text actually exists

for the courses listed. Many classes are sharing old, shabby texts and in many cases teachers are photocopying part of the books, just to give the necessary information to the students. This in itself is a problem because there is not enough money to cover the photocopying.

The high cost versus the questionable value of the testing programs taking place in the province is also a concern. The dollars spent on the bureaucracy to develop, monitor, mark, evaluate, report and maintain these tests for grades 3, 6, 9 and 10 could be much better spent if applied directly to classroom expenditures so that additional resources, both human and material, could be utilized in the schools.

There is a lack of funds to continue programs in the arts and specialty areas. Boards can no longer fund special outdoor environmental classes and there are no longer any board-run conservation area or farm classes. Guidance, music and art teachers in elementary schools are almost non-existent.

As local affiliate presidents, we were all fortunate enough to be given time today to speak, so I'm not going to review these things in any greater detail. But we do want to concentrate on a couple of other areas. One of our main concerns is special education. Warren Grafton will give an overview of the problems we see in this area and how monies could be more effectively managed to get the best return for students in the classroom.

1430

Mr Warren Grafton: My name is Warren Grafton and I am an itinerant teacher of the blind and visually impaired with the Waterloo separate school board. I won't stick strictly to the document you have in front of you, but I do want to address some of the issues in it.

Special education per-pupil funding: the government has increased the expectations of parents around special education students within the province and within our system. In doing so, the government has put pressure on school boards to provide services to all students who have any needs, whether those students meet the criteria for the individual support amount or not. Right now, the SEPPA funds do not meet the necessary level of funding to meet the needs of students who are not ISA-supported.

The ISA funding in itself is also very problematic. The ISA funding is problematic in a couple of areas and one is in dollar value. The ISA funding is set at \$26,000 for ISA 3. That \$26,000 is based on 1996 dollar values. This is 2002. If only with inflation at 2% over that time period, the ISA funding for ISA 3 levels should now be \$29,280 per student. But that dollar value recognizes the costs only of educational assistants. It does not recognize the cost of speech and language pathologists, behaviour consultants, itinerant teachers such as myself, psychologists or those other people needed to document the ISA process. The personnel in those areas are remunerated at a higher level and thus, with \$26,000, are not covered in that. I'll get into the dollar value a little more in a couple of minutes.

The other problem is that ISA funding is not live; it's not real time. Currently, the Waterloo separate board has 119 students who have recognized ISA claims, but since the ISA funding is frozen at the 2000 level, we don't have funding for those 119 students. In our board there are approximately 300 students who are ISA-claimable. But that doesn't allow for several students within our board who are new to the board or in the early years or just in the process of being identified. Just being in this process, they are also in need of support. We cannot leave these kids in regular classrooms without support. I am suggesting that the government and the finance ministry look at creating a temporary claim for ISA, a probationary claim in which those students who are in the process of being documented can receive funding on a probationary basis until the ISA documentation is done.

The documentation in and of itself is very problematic. As a teacher of the blind and visually impaired, the documentation for my students is, generally speaking, straightforward. I'll go through a little bit of what it takes to document my students. If I have a student who comes into my system and the optometry reports indicate that this child is legally blind, the first thing that happens is the special education teacher will give me a call and ask me to come out and do an assessment on that child. I go out to the school and do an assessment. That assessment may take two or three visits because I have to go in and assess the level of visual functioning for that student, I have to look at their classroom situation and observe what they're doing in the classroom and then I have to go back and do a media assessment, ie, is this student going to be a verbal user, a print user or possibly a Braille user?

If my assessment of the student indicates there's a possibility they may be a Braille user, I then have to go back and call the provincial school and have a representative, a resource teacher from the provincial school, come out to the school and do an assessment for media in terms of Braille or print. Once that is done, I then have to proceed to get the required equipment if the student is a Braille user. That means I have to do an ISA 1 claim, an individual support amount for equipment. To do that, I have to then call another person from the provincial school to deal with equipment assessment. I get the equipment assessment done and then I have to proceed to do the purchase orders etc in order to get the equipment into the school and in place.

All told, on average, to do a claim for a Braille-using student who's new coming into the system, it will take approximately 40 hours of my time—one week of my time for one student simply to document the need. Right now, I have four low-vision students I am assessing for equipment, and it's simply an equipment assessment; it is not assessing any other needs within the classroom. Each one of those students has taken 20 hours of my time for equipment assessments alone, and I am only halfway through that process.

If we look at that in terms of dollar value, using the government's own figures back from 1996, at a teacher cost of \$56,000 per year and assuming a 40-hour week,

to do one assessment costs about \$2,886. That's a pretty basic assessment; vision is a fairly straightforward assessment. Behaviour, learning disabilities, other assessments and profiles require a great deal more time, some of them up to 80 hours to assess one student. If one assumes that a board has 300 ISA students who need claims, and one has to document those claims, then assuming the maximum of 80 hours, it would cost up to \$865,000 for my board to assess its ISA claims in any one year. That's 15.5 years of educational time, 15.5 people who are not in the classroom and are not supporting children. The ISA process, in terms of documentation, is very problematic. If one goes back and says that 80 is the maximum—80 is probably what the average behaviour student requires; a vision student may require 40, so let's look at an average of 60 hours for assessment. Then it drops to 11.6 years of personnel time, or \$649,000 per year, just to support an ISA claim.

In our board, we have fewer than 100 special education and itinerant personnel. That means that over 20% of the staff in our board are currently involved in simply doing the paperwork to support ISA claims—20%. Two of every 10 special education teachers may never provide program for those students. All they are doing is assessing and writing reports. That does not include doing individual education plans, transition plans, report cards, programming or lesson plans. If one looks at the documentation needed to do that, clearly 50% or more of the staff in special education is involved in paperwork, paperwork that is a waste of time and money when you have increased the expectation of the parents to provide programming for their children, programming that they have every right to expect, programming that they have every right to expect this government to fund.

This ISA process, this special education process that has been developed in the last few years by this government, has turned special education into a numbers game. I'll make it very clear to you: we can play it. If you want to play it, we'll play it, and we're getting better at it. Back in year 2000, this board had 60% approval of their ISA claims. This year we put 120 new claims forward, and 119 of them were approved. If you want to play a numbers game, we'll do it. We'll do it at a cost to the student, because that's what it's going to cost. It's going to take personnel out of the classroom and out of delivering program to students.

I'm very passionate about this. The children I serve need my support in the classroom. They do not need me sitting in an office doing paperwork.

Ms Cannon: Some of our other concerns deal with other areas in the classroom.

Pupil-teacher ratios are a big concern. The current 24.5 for elementary and 21 or 22 for secondary does not reflect the needs of students in many areas. In elementary schools, this ratio comes about by averaging all classes in the school, and then all schools in the board. It does not address the problems that exist when a JK class could have as many as 29 children in it in one school, and a grade 8 class could have as few as 22 in another. In some

schools, to keep the primary classes down to a reasonable size, say around 20, the upper classes must then have 31 to 32 in order to average it out. In secondary, there are many classes over 30, and some classes with over 35 students assigned, all in order to support some of the very unique classes that can only run with eight to 10.

1440

The matter of space in an early years classroom is another major problem. With the larger numbers that are in many of our JK classrooms, there is frequently not enough space for them to play and do the exploring of materials and activities. Simply getting such a large group of three- or four-year-olds dressed for winter outside play would take a greater part of the day. Supervising that many young children alone is a health and safety risk as well, yet many teachers are struggling to make it work, often to the detriment of their own health.

Funding should reflect appropriate levels of staffing for different grade levels rather than being lumped together in an aggregate average. I've included a suggested class size guide for caps on these grades: 18 would be an acceptable limit for a JK classroom; the primary grades, 20; junior intermediates, 23. In high school, the senior grades 9 to 12 in academic could probably support 30; the applied classes, 25; and a number of the senior classes that require special needs would be in the area of 16. If staffing were funded at this ratio, students' needs would have a greater chance of being met and their progress enhanced through more individual attention. This would indeed meet the goal of putting students first and improving student progress.

There are budget inadequacies. Many things can no longer be provided to students in the school system because of insufficient monies to school budgets. Many parents are getting long lists of supplies that must be purchased every year, everything from pencils and notebooks to calculators. Some also ask for fees to cover special art classes because supplies for the projects are too costly for the school to provide.

According to People for Education's 2001 tracking report, 75% of secondary schools are charging fees for labs and classroom materials, things such as special programs, workbooks and photocopying of texts. Ms Ecker has declared that it is illegal to charge these fees for core areas of program. In reality, there is no money to fund these areas out there on their own. So what would you have us do? Just what bus would you decide not to run in order to fund those costs? What class doesn't get the phys ed they need? The list goes on and on. There is simply not enough money provided in the current funding model to cover the current curriculum or the resources, both human and material, that we need to make a school run well.

Two-tier funding is developing. One of our greatest concerns is that when costs are downloaded on to the students and their families, you start to develop a two-tier system in the schools: those who have no trouble covering the extra costs and those who will never be able to do so. It also shows clearly in the ability of a school to

have successful fundraising endeavours. A school community in a higher socio-economic subdivision will most likely be able to raise far more money through a fundraising activity. Poorer inner-city-type schools tend to remain so, as their efforts to raise money are hampered by lower incomes and more working parents with less time to get involved. So even the fundraising is not a successful answer. Education should have universal accessibility for all, but it's not happening. The continued disparity is growing daily.

Many teachers are supplementing their classrooms to the tune of millions of dollars across the province, the average teacher spending just under \$600 per year, as shown in a recent survey done by ETFO. Their report cited a total of \$65 million being spent by teachers in the province. This is up from about two years ago, when it was reported in a survey prepared for OECTA that the average was around \$500 a year. Teachers are buying everything from classroom library books to pencils, notebooks, arts and craft supplies, stickers, rewards, games, toys etc, even clothes and food for some of their students. They have not only become major supporters of the education system through these donations; they are also filling in for the welfare funding and counselling as well.

Why are we expecting the very ones who are delivering the service, teachers doing teaching, to actually pay for the supplies to offer it? We don't expect a doctor to purchase the instruments and bandages and technology to actually carry out an operation they're going to do on you, you don't expect an employee to bring in materials to the factory and add to a product line in a manufacturing company, yet teachers have subsidized education for years. The government, recognizing this particularly generous trait, has allowed it to continue by refusing to fund actual real needs in the schools. Teachers have always enjoyed providing extras, special things for their classes, but you can see from the above list that many of these materials are things that should have been provided by the system itself, and therefore funded by the government.

Money better spent: recertification for teachers in its present form is an extremely costly way to keep track of the professional development of teachers, in more ways than one. Covering mandatory-type areas could best be handled by restoring the five PA days that were removed from schools a few years ago. Financially, a huge, costly bureaucracy has to be set up to provide, monitor and track all the courses that teachers are now required to take over each five-year period. As you are no doubt aware, studies have shown that in any given year, over 90% of teachers are involved in some type of professional development. They direct their own learning and take courses that are pertinent to their needs at that particular point in their career.

A simple requirement would be for teachers to record the PD they have completed over a year and submit that list to their local board for verification. This would satisfy the need for accountability, would allow for self-directed development to occur, and would be extremely

cost-effective. It would also be supported by the international research done by the Ontario College of Teachers in 1999. Think of all the money that could be saved by not hiring all that extra staff for the college that would no longer be necessary. Think of the money that would be better spent in the classrooms in our schools.

I'm sure the Ministry of Education has also heard from many sources that the government's plan to do performance appraisals on a three-year cycle is simply undoable. Current administrative staff would have to spend all their time doing just these appraisals to accomplish the schedule set by the government. Several alternative plans were submitted that outlined five-year cycles that were more reasonable in their expectation. Monies that would have been spent on additional administration for the appraisal tasks could then be assigned to schools, ensuring that each publicly funded school had a full-time principal to take care of the needs of the school, a full-time custodian to keep it clean and safe, and a full-time secretary to keep it organized and running smoothly.

Education—a funding crisis: it is truly time to realize that education funding is in crisis, not the false crisis that Mr Harris had declared education was in when he took over. In the inaugural address from our chair of the board, Diane Moser outlined the situation for the Waterloo Catholic District School Board: "From 1994-1997 we lost \$17.5 million in funding. Since then we have received back only \$12.9 million. ... During that same time our enrolment has risen by 7%, meaning we're expected to do much more, with much less." She continued by pointing out that transportation costs are rapidly rising, yet funding levels are now lower than they were in 1991. No increases have been given to cover real inflationary costs. No additional funds have come from the government to cover these real costs. It is clear that board costs and government funding are truly out of sync.

Another frustration for all boards is the lack of knowledge about what the funding levels will be for subsequent years, leaving them in the untenable position of trying to negotiate collective agreements with their employees with no understanding of how much money they will have to pay for appropriately negotiated settlements.

Warren pointed out earlier that the Waterloo Catholic District School Board spends far more, to the tune of about \$1 million, in special ed over what is funded through the government funding model. The Waterloo Region District School Board spends about \$3 million more. These children are in our classes and are in need of the support, yet the funding in no way reflects those actual needs identified in this area.

Throughout our presentations today, each president has pointed out a variety of areas where more appropriate spending is necessary, as well as where large amounts of money could be better spent. We hope the recommendations listed at the end of this presentation will be acted upon. Teachers and all educational workers have been supporting this system for a long time, and we are tired

of being vilified for bringing these legitimate concerns to the public eye.

The Chair: I would ask you to wrap it up in a minute, as you are four minutes over time already. Thank you.

Ms Cannon: I think it is very important to let you know that it is only through the exemplary efforts of the educational staff that you currently have and their dedication to the children in their care that any of your educational reforms are taking place. In spite of the constant changes that have plagued the system, the lack of appropriate funding in all areas and the continued attacks on the professionalism of teachers, your educational employees try to make this faulty system function because they care about their kids and they basically don't want anything that they are involved with to fail. Because of this, Together in Education would like to make the following recommendations to the committee. They're outlined on the last page. I sincerely hope that you will take them to heart.

The Chair: On behalf of the committee, I would like to thank you for your presentation this afternoon.

1450

ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION, DISTRICT 24

The Chair: Our next presentation will be from the Ontario Secondary School Teachers' Federation, District 24. I would ask the presenters to please come forward and state your names for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Mr John Ryrie: Thank you very much. We appreciate this opportunity.

My name is John Ryrie. I am currently district President of the Ontario Secondary School Teachers' Federation, District 24—Waterloo. I represent approximately 1,300 teachers, 500 support staff and 25 speech-language pathologists, attendance counsellors, social workers and behaviour consultants. Sharing this presentation today with me is Dayle Whittaker, who is head of the science department at Bluevale Collegiate in Waterloo.

Let me get right to it. Mr Ernie Eves recently indicated that as a measure to address the chronic and debilitating textbook shortage in Ontario's schools, he is prepared, if selected leader, to put \$68 million into textbooks. This sounds like a lot of money, but there are two million students in Ontario's elementary and secondary schools. This means Mr Eves is prepared to provide \$34 for each Ontario student for badly needed new textbooks.

This grade 11 math textbook that I have in my hand costs \$60. This grade 9 English text I have in my hand costs \$38.50 and the companion book that goes with it costs \$25. This grade 11 science textbook this year costs \$65 but next year will cost \$82. And so it goes for the 16 subjects grade 9 and 10 students take and the average of 7.5 credits per year that all high school students take. So this means that Mr Eves is either prepared to buy half a

textbook for grade 11 science students and ignore all the other subjects and all the other grades, or he is prepared to put \$4.25 toward the purchase of a textbook for each grade 9 subject and ignore all the other grades, or he is prepared to purchase maybe one thirtieth of a textbook for each secondary student who needs 30 credits to graduate from high school. Thirty-four dollars spread out over 30 credits is \$1.13 per credit. From virtually any vantage point, except perhaps that of being a beggar, \$1.13 is no solution to the textbook woes that beleaguer our high schools and our elementary schools. In a sense, Mr Eves appears to be saying to Ontario's young people, "Here's a cup of hot chocolate, and have a nice day."

Dayle will further elaborate on the textbook issue in a few minutes. but it's a good place to start. What's wrong with the textbook funding to us highlights what is wrong in general.

From an educational point of view, the present government has got the funding of education backwards and appears to have done so since 1995. Since 1995, the philosophy has been: if we cut, schools and boards will become efficient; if we cut more, they will achieve even greater efficiencies; if we cut more, everyone will adjust to impoverishment and find a way to cope; and if we cut even more, everyone will either recognize what a privilege public education is and fully commit themselves to the skeleton that is left, or they will go elsewhere and stop being a burden on the public purse. It's at this point you hear echoes of the Victorian period and Dickens: "Are there no poorhouses? Are there no prisons? Are there no private schools?"

This approach, to us, has been illogical and counter-productive from the word go. The overall consequence—and you've heard it repeatedly this week, because I was listening this morning—has been that boards have compromised on their spending on computers, behaviour consultants, secretaries, custodians, repairs and maintenance, and on and on it goes. Even the cabinet notes last fall recognized that school boards need \$6.8 billion over the next five years to essentially prevent them from falling down, and 20,000 students are now on waiting lists for special education support that they need but can't get, which Warren highlighted in the previous presentation.

Yes, boards have scrimped on textbooks. Our board, like many, has taken the position that you can't maintain the quality of your schools by trashing your front-line employees. It's a little bit like owning an old car: sometimes you can limp along for a few more months or years with what you've got and put off purchasing a proper replacement. It's a matter of priorities and putting people ahead of things and getting by, but eventually you can't put off the crisis.

To tell you the truth, I don't think it's any good for you to say that school boards have made a choice, as we've heard repeatedly, in choosing not to spend all of their allotted funds for textbooks on textbooks. They don't have a choice when they have to bus students and the funding model doesn't provide, and they don't have a

choice when they have to pay for heating and electricity and the funding isn't enough. Their hard costs don't disappear. To give you a concrete feeling for this, I found out yesterday that as of January this year, two months ago, when our board renewed its contract for heating, its heating costs have tripled. The funding model doesn't take that into account. So what we need is a restoration of the removed funding.

Let me try to put it this way. In the last few months we have heard repeatedly—I think we even heard this morning—that Ontario is spending almost \$14 billion on its schools and the province has never spent more money on education. Mr Eves has said this. Janet Ecker and her aide Scott Brownrigg have said this. You can see the reference on page 15. This is nonsense. I have here a copy of the document put out by the present government in 1995. Seven years ago, this document said, on page 11, "Ontario spends \$14 billion a year on primary and secondary education." That's from the Common Sense Revolution document that was printed up at the beginning of 1995.

Let's take that argument, that \$14 billion, and accept it. Inflation has been running at about 2% since then. If you take a calculator and you go 14 plus 2% plus 2% and you do it seven times, you end up with a figure of \$16.08 billion. It sounds to me like maybe we're \$2 billion short of what we once spent. We're not lush in government support, as some would suggest. We have more students and we have aging buildings. We're not keeping up with developments in computer technology or the trades. Some of our machines in our tech shops were built in the 1960s.

Since you have come to Waterloo, I will outline Waterloo's financial history, because it is very intriguing. As you will see from the chart on page 6, if you would very quickly turn to that page, in 1990 our board had just under \$6,000 to spend on each of its 50,000-plus students. In 1993 it marked a high point. It's the second column from the right. For 1993 you see a figure of \$6,750. In the last complete year that ended last June, the board had \$6,445.94 per student to allocate to student needs. Now, if you just use raw dollars, forget about inflation, it's easy to see that in the last seven years the board has not even had enough money to keep pace with enrolment. From 1993 to 2000, the enrolment goes up while the per pupil revenue goes down. Enrolment is up 8.6%; per pupil funding is down 4.5%.

But it's even more revealing if you go back to 1993 and then estimate the impact of inflation. If you use 2% inflation as the figure, you discover a rather startling fact, as is shown on the next page, page 7. The Waterloo Region District School Board, if it were funded the same way it was in 1993, would have 25% more money instead of the 3.7% it actually has to repair its schools, provide special education help, offer adequate busing, buy textbooks, properly staff its schools with secretaries and custodians, fund athletic and artistic programs, replace worn-out equipment and musical instruments and upgrade its computer resources. It would have a staggering

\$74 million more at its disposal to support students in all facets of their schooling. Even if the board had half of the amount—let's assume that in 1993 we were a little rich—if they had \$37 million, you'd be solving all the problems our board currently has, and then some. We would probably be creating new programs to help kids.

Not surprisingly, compared to other North American jurisdictions, we have dropped to the bottom of per pupil spending. If you factor in the low Canadian dollar, at 63 cents, the Waterloo Region District School Board, at \$6,445.94 per pupil, ranks second to last, behind Mississippi, Alabama and Tennessee. I have the article on pages 16 and 17 for you to look at later. Ontario spends less than Quebec or Manitoba. It's virtually a disgrace.

But if through this budget process the province wants to save some money and maintain some integrity in the area of educational support, I would suggest to you that you agree to ditch the glut of standardized tests that now face our students. They are not educational. They do not improve student learning, which is what all these reforms are supposed to be about. It has taken me a while to actually fully understand this. No student can see how he or she was marked, or get anything but a computerized comment. In fact, I wonder how many of you know that EQAO is using a pencil-less method to mark student math answers. Markers during the most recent grade 9 math assessment, many of whom were not teachers and had no specific background in math, looked over student work and then reached a consensus of what it was worth. That was it. That was the sum total of what passed as marking. If I did that on every English test and assignment I marked, you would rightly accuse me of inadequate assessment and probably view such marking as arbitrary and superficial.

More importantly, what kind of learning experience is this for the students? Good pedagogy, good teaching, is rooted in ongoing, timely feedback and support for specific weaknesses. What is a student of math supposed to learn when he is told months after the fact that he achieved a level 2 and is, in the view of the province, unsatisfactory? What are you supposed to do with that information? I don't think a student can do anything with it.

I ask this question as a parent: what would I do or think in the following situation? We're going to have this situation. My daughter is passing English, perhaps has passed two or three courses in 9, 10 and 11 ministry-approved courses, but can't get a high school diploma because on two days out of 760 she was deemed to be a standardized failure by virtue of not getting a passing grade, in fact of not achieving a floating passing grade that was determined after the test, not before. When the grade 10 literacy test was done the last time, the mark turned out to be 62 in one and 63 in the other and the kids didn't know that before they went in. This is not a learning experience or even a diagnostic experience. This is a ranking experience, a labelling experience and a branding experience. It's a public relations exercise and it

is terribly expensive—we're talking millions and millions of dollars.

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And just in case you think this testing is where the rest of the world is headed, I have with me a copy of the February issue of the American School Board Journal. In very bold letters on the front cover it says, "Right Task/Wrong Tool: Today's standardized tests are not the best way to evaluate schools or students." As usual, Ontario is committing millions to a policy and a process that we have inherited from our southern neighbours that is severely flawed and a waste of precious tax dollars. Let's ditch it and put the money where it is truly needed—in schools for students or in special ed, as was said earlier.

I am reluctant to apologize if I sound upset and angry. Teachers and parents and educational leaders of all sorts have been saying for years that education is an investment—in lives and the future. Schools are not gold reserves, fit to be mined for tax cuts for profitable companies or wealthy citizens. They are the foundational social structure for the entire province, and they deserve to be funded, and funded properly, from the bottom up. Even maintaining the status quo will amount to a further cut, as we are going to have more Ontario students next year, and everything school boards buy is going to cost more, not less.

I urge the committee to be deeply sceptical of any assumption that more tax cuts are the highest priority for Ontario's taxpaying citizens. In four words, I don't think so. We don't need \$2 billion in further tax cuts, we need social investment.

I have outlined a few of the larger issues that we wanted to bring forward today. Dayle Whittaker will provide you with a concrete sense of what it feels like to be a science head and a teacher in one of our local schools.

Ms Dayle Whittaker: As John mentioned, I'm the head of science at Bluevale Collegiate here in Waterloo. I also sit on the school's textbook committee and budget committee. As such, I would like to share with you a snapshot of the textbook crisis this government's lack of funding has placed us in. On page 8 is an overview of the funding we received versus our required textbook expenditures for this year.

As you can see, the ministry only provided funding for the core courses: math, science and English. That amount, for one school, is approximately \$24,000. If you look below, the cost for math, science and English textbooks required was \$39,000. Before we bought another book for the entire school for this year, we were already short \$15,000. We did not even receive enough money to put a textbook in three core courses: math, science and English. Add to that, if you look below that, the cost for other grade 11 textbooks, \$16,000 worth. These are new curriculum textbooks required by you who implemented the new grade 11 curriculum—and there was no money provided for any of these courses. The rest of the school, for every other level, to replace lost or damaged

textbooks—\$18,000. We received \$24,000 initially in funding and it just didn't cut it.

In science we deal with cause and effect. Here, inadequate funding for textbooks is the obvious cause. But what are the effects? On page 9 I've listed some of the effects. These perhaps are not the obvious ones and that's why I'd like to share some of these with you. First of all, we were only able to purchase some new curriculum textbooks. I'm going to focus on the science needs because, obviously, that's my background. On page 10 I show you a chart from the science association for Waterloo county that lists all of our schools. As you can see, in grade 11 this year we introduced six new courses. Only in the academic stream, the university stream, were the schools able to purchase textbooks, although limited. None of the college, university/college or workplace courses were able to have new textbooks.

Mr Ryrie: There aren't even any, are there?

Ms Whittaker: I'm getting to that.

As well, because we weren't allowed to purchase sufficient textbooks to even service the courses that we offered, the publishers very keenly put CD versions inside the jacket of each of these textbooks, so some schools were forced to have some sections of courses getting CD versions of textbooks instead of hard copies. It was no surprise to me that I had a colleague at the school come and approach me, begging to borrow two hard copy textbooks because her son was one of the ones who only got the CD version and there turned out to be lots of problems with reading those CD versions.

We were only able to purchase the very minimum of textbooks. As a result, it became a very sad day in Ontario when I had to ask the teachers in my department to go out to these textbook sessions put on by the publishers and pick up as many examination copies as they could. Why? Because this year they were not going to get a textbook for personal use, because every single textbook that I was able to buy had to go into the classroom. I'll be honest with you, those were full of errors and, in some cases, I had to put some of those textbooks into the class because a textbook with errors was better for a student to use than no textbook.

Some schools were forced to blend old textbooks with new textbooks. It is this government that has mandated the new curriculum and it should be this government's mandate to provide us with the textbooks we need. You cannot expect us to teach new curriculum with 15- to 20-year-old textbooks. Our kids deserve better.

You may have noticed on the chart on page 10: "Not available," "Not available," "Not available." How many times does that occur? The fact of the matter is that the publishers, in the grades 9 and 10 years of new curriculum, recognized very quickly that this government was not going to provide adequate funding for us to purchase textbooks at all levels. So the publishers have chosen to cater to the university stream. Where you see "Not available," that refers to there being no textbook available. The publishers are not even putting out textbooks for us to use with our college, university/college or

workplace courses at this time. So these courses are having to be serviced with a combination of old textbooks.

As well, another problem arises from that. It's just this year that Nelson has come out with a grade 10 textbook that is more suited for an applied level grade 10. I'm sure you've heard about failure rates in grades 9 and 10. Part of the problem is that we were forced to use academic level grade 10 textbooks. The reading, the presentation, the focus of an academic level course is different from our applied level course. Nelson has just this year come out with a new textbook for the applied level grade 10s that would be better suited and focuses on what the intentions of the applied level courses are. However, we don't get any funding to buy new grade 10 textbooks. There is no money right now to go out and buy a textbook that is more suited for an applied level course because it's too late. We got our funding for grade 10 last year, although there wouldn't have been enough then anyway, or the year before.

Next year, the picture doesn't look any better. On page 11 at the bottom—

The Chair: You have one minute to wrap it up.

Ms Whittaker: This is just the sciences. Notice here, we're going to offer eight new courses next year; three of them will have textbooks available, five of them will not. None of our college level programs will have a new textbook to go with it.

I want to just wrap up very quickly by having you also note the cost of replacement now. There was a special deal last year for textbook purchases: 65 bucks. In order for me to buy more textbooks this year: 82 bucks. No more funding for me to do that.

The Waterloo region board took a lot of heat earlier this year because the kids did not have adequate textbooks. What did they do? They offered us a loan. You can refer to the memo to the principals' association on page 12 that says, "Yes, we're going to give you some monies to buy these textbooks but they are loans. It's going to come out of your schedule A for next year." To add to that, on page 13, you see a memo from a math head in Elmira who for the first time is showing a deficit because he's had to buy textbooks out of his math budget.

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In science, if I have to buy textbooks out of my science budget, it means there are not going to be labs happening in these science programs, not to the extent that science needs. Science courses are lab-based courses.

I would like to wrap things up by saying that next year we will implement the last of four years of new curriculum. But make no mistake, all four years of new curriculum can never be fully implemented until there is a textbook in the hand of every student in every course, but not at the expense of other programs.

The Chair: With that, I have to thank you on behalf of the committee for your presentation this afternoon.

THAMES VALLEY
DISTRICT SCHOOL BOARD

The Chair: Our next presentation will be from the Thames Valley District School Board. I would ask the presenters to please come forward and identify yourself for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Joyce Bennett: First of all, thank you very much for the opportunity to be here. I'm Joyce Bennett, chairperson of the Thames Valley District School Board. Brian Greene is superintendent of finance, Graham Hart is a trustee and vice-chair of the Thames Valley board, and Bill Bryce is the director of education for our board.

On Tuesday, March 5, we released a special report on the funding pressures facing the Thames Valley District School Board. This is the document you've been given this afternoon. This special report begins a process of public consultation on the 2002-03 budget that will continue with a series of four meetings held on March 25 in different regions of our huge board.

I'm not going to go into a lot of the detail that's in the report, nor is our presentation going to be very lengthy. We thought it was important that we would give you an opportunity to ask us some questions perhaps on the specifics of the document.

I would like to say that it is clear to us that provincial funding is inadequate to meet the needs of our students. This challenges our opportunity and our ability to provide comprehensive, supportive programs for our students. Despite the serious budgetary pressures that we're under, however, we're committed to ensuring students' success and well-being. We are engaging the community in the public discussions around the budget pressures so that we can get their help to support student learning.

At the same time, we are enlisting their help to solve the funding crisis facing our board, because without increased provincial funding, we'll be forced to make cuts to programs and services. You'll find a list of what's at stake in your document. This will mean fewer learning opportunities and less individual support for our students.

We're also encouraging the public, anyone who is concerned about the impact of these pressures, to contact their MPP or the Minister of Education, Janet Ecker.

To determine the \$14.3-million funding gap, which you see at the bottom of the first page, we looked at the four areas of the greatest pressure on our board. They are transportation, school facilities, special education, and salaries and benefits. We calculated the difference between the amounts we expect to receive from the province in each of these categories and what we need to spend just to maintain what we're doing today.

The government's approach so far to addressing the funding challenges has been to provide one-time funding or flexible amounts. The reality is that these ad hoc funding grants do not come close to addressing the significant pressure that we face. The funds allocated to the model have not kept pace with inflation. You've already

heard that in the couple of presentations I've listened to this afternoon. We just can't pay for 2002 programs and services with 1997 funds. This is not a unique problem. Recently, the Ontario Public School Boards' Association reported that half of Ontario's school boards will be in a deficit situation in the 2002-03 fiscal year.

Before I turn the microphone over to trustee Hart, who will discuss several critical funding issues, I'd like to address up front an assertion that arises from time to time. It's often suggested that the financial difficulties of boards would be solved if they would only get rid of some of that administrative fat. The government was very clear that the prime purpose of amalgamation was to reduce the administrative costs, and to that end they set maximum amounts that boards could spend on administration. Given the government's public stance on this issue, we can only presume they set those amounts as low as possible.

In Thames Valley we've always been below that line for central office administration. We're right on the line for school principals and vice-principals and well below the line for program consultants. Money from the area of program consultants has been moved to classroom expenditure areas in the funding lines. I would also like to note that on the other side of this issue are the concerns that are expressed to us from parents who have students in the system and they don't have sufficient administrative staff to contact to help them with student needs.

Ladies and gentlemen, public education is an investment in the future, and we need your help to improve quality education in Thames Valley.

Mr Graham Hart: I just want to talk briefly about the four significant pressure areas that we've identified.

I'll mention transportation first of all. The difficulty in transportation is that we're still dealing with a 1997 model and it's only been adjusted for enrolment. It simply does not meet our needs, so the gap that we've indicated here in our board is \$3.6 million on an annual basis. This is an ongoing, continuing problem. Part of the deficit that we're carrying from last year is because of the shortfall in transportation. With one-time funding with regard to the energy crunch, we got a little bit of money, but again it always falls short of what our actual needs are, so we desperately need a new transportation model. The difficulty with the student-focused funding we have at the present time is that, yes, it improved equity, but it hasn't gone far enough. We need to address some of these issues around transportation with a better model, a better way of giving funds out to boards to deal with.

The second area I want to talk about is school facilities: the same sort of difficulty, and included in this is energy costs. I guess as a business person, what I don't understand is, if the cost of energy—natural gas—to heat a school is a certain amount, why doesn't the government fund the full amount? Why do we end up at the end of the year with a deficit that we carry to the next year? We expect to get further additional funds because it's general knowledge that energy costs have increased. Again, the

funding formula does not address those needs and we're now in a situation where we can no longer move funds from one underfunded envelope into another underfunded envelope, because all envelopes are now underfunded. We have to address the areas such as problems with regard to energy costs.

The third one is special education. I'll just give a quick overview. My difficulty with special education—we've always had a shortfall. The reason is because the funding formula is one-shoe-fits-all. It's a use of demographic percentages and enrolments to determine how many special-needs students you would expect to have in a particular board. In some boards, Thames Valley being an example, we have significantly higher than the provincial average of students with special needs. Maybe it's medical facilities that attract families to the area. Whatever it is, we need a special education policy that looks at students' needs. The difficulty, then, with the fact that we always have a shortfall in special education is that we aren't meeting those particular needs.

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The other thing with regard to special education is some of the cuts we've done in the past with regard to the support staff we cut: educational assistants, psychologists, learning coordinators and so on. What it is beginning to produce for us is what I call a two-tiered system of education. Many parents who need to get these assessments are now going to the private sector. They get the assessment done, and so consequently they move up the line. Then what happens is, the people who aren't able to purchase that kind of assistance for their particular son or daughter don't move ahead so quickly. So you're beginning to introduce a two-tiered education system. The concern we have is that if you continue along the kind of line you have, with the level of funding that we've had in the past, you will make this situation worse.

The fourth area I just want to touch on briefly is teachers' salaries and benefits. In Thames Valley, as well as throughout Ontario, we want the best-quality education for our students. Our difficulty now is that our level of compensation for teachers is in the bottom 30% of boards across the province. We cannot attract the kind of quality employee we want in Thames Valley if we're not funded at a level that allows us to compete. Frankly, we can't continue to find other areas of the budget to make up for these kinds of gaps.

I think in Thames Valley, as Joyce said earlier, we have done a very good job of concentrating expenditures in the classroom. We appreciate many of the initiatives of this government with regard to classroom spending and focusing our attention to those particular areas. But at the same time, we cannot continue to enhance student learning if we're not given the funds to continue along those lines. I'll just give one example of that: last year, we had to cut our literacy program. We thought it was a very important program because it helped to support the literacy program we had in a variety of schools. We've now cut that program. Our concern is that down the road

we won't know the effect of cutting that program until it begins to be a problem at the grade 10 level.

My concern is that we talk about an investment in students, in education. I don't think often the public realizes how long-term the investment in education is to get a return. As Dianne Cunningham recently mentioned, why is literacy a problem? If you look at the OECD comparisons, Ontario is doing extremely well and compares very well with the rest of the world. I want to remind you that the investment in literacy that you saw in the 15-year-olds writing that particular test really reflects what was invested in education six, eight, 10 or 12 years ago—what we were doing in the primary divisions and so on of our schools. So I'm very concerned that we're beginning to use comparative data, a snapshot situation, without realizing that education is a long-term and significant investment.

I'll leave it at that, Joyce, unless you want to add something more. If there are questions, we'd be glad to deal with them.

The Chair: Does that complete your presentation?

Ms Bennett: Yes, it does.

The Chair: We have two minutes per caucus. I'll start with Mr Christopherson.

Mr Christopherson: Thank you for your presentation. It's interesting. I'm not sure what Janet Thomson is here to talk about, but four of five presenters this afternoon are talking about education and the crisis that exists in different parts of education. That's not that far off from what we've seen in every community we've been in.

This is going to be an interesting discussion. I wish there were actually a couple of more minutes with the government, because you've really done an excellent job of setting up a perfect scenario that makes it hard for them to use the usual wiggle strategies that they do to avoid dealing with the real issue.

They often like to talk about administration. Whoever mentioned that hit it right on. They throw that out everywhere, that there's too much fat in the administration. You are either on the line or below their unilaterally imposed line in every major category of administration expenditure, so that doesn't work.

I'm sure some of your staff aren't that thrilled with this figure, but in salaries and wages, you're at the bottom 30%, so they can't argue that you've just given everything away to the big, bad unions that came rolling in and beat up you and the children to do that.

In the areas you've pointed out where you've made cuts, like literacy—even this government has said that literacy is a big issue—they're going to have a tough time saying that you've made poor choices.

Speaking of choices, it's not as if they have no money. They've got over \$2 billion to give away in tax cuts, which they're planning to go ahead with, and so they've made a priority choice.

I guess I don't really have a question for you except to say I'm going to be interested to see whether they can tackle you head-on on the key issue, and that is, who's at

blame that there isn't enough money: your management or their funding?

The Chair: Thank you very much. Mr O'Toole.

Mr O'Toole: Thank you very much for your presentation. Indeed, it is a good summary of some controversial issues we hear about. I might say respectfully that I was a trustee for quite a few years, and my wife is a teacher and my daughter is a new secondary school teacher, so I live with it. In fact, I consider myself a lifelong learner. I could always preface by saying that, arguably, since I was a trustee in the early 1980s, the arguments really haven't changed at all. The OAC curriculum—they've been talking about that since, you know. So none of these arguments are new. They're all the same.

It's quite a bit more gelled into a single voice, I might say. The administration argument and the curriculum argument was started by David Cooke, the Royal Commission on Learning. So as a director of education—absolutely none of this is new. It's a decade new, at a minimum. So we've sort of established that.

The transportation system—and you could respond if there's time. I'd like to know if in working with your coterminous board—there's special funding for boards that work coterminously. I don't believe there should be a transportation system for each board.

Special education: we heard earlier of students, per assessment, \$80,000. Do you think that's appropriate, and are they qualified to do the assessment? Eighty thousand dollars. Give it to the family. They'll figure it out, I can assure you. I really wonder if what you've heard today convinces you that the current model is sustainable. Every student is special, as a parent of five children. When I was a trustee and chaired the special-ed advisory committee and was on the provincial committee, they never assessed until about grade 4. There were no IPRs done. Now they're all done. Is it sustainable?

I guess my final one, and I'd like a response to this one: do you support the current technique of denying student teachers the opportunity to practise teach in your system? I would like an answer to that question. That's one more tactic.

The Chair: Mr O'Toole, you've used all the time. Mr Kwinter.

Mr Bill Bryce: We do not deny student teachers in our system. That is an incorrect statement.

Mr O'Toole: Thank you. Good for you. I respect that.

Mr Kwinter: Thank you very much for your presentation. We've heard this everywhere we've gone. I'm going to be making more of a statement than asking a question, but you may want to comment on it.

What I really resent is that the government is currently running ads in *BusinessWeek* and the *Economist* talking about the fabulous advantages of investing in Ontario, and one of the things they highlight is the educational system, this wonderful educational system. I can tell you, if any executive came here and listened to what was going on in these hearings, they would run, because the basis for their employees, the basis for attracting their

executives to come to a jurisdiction, is they want to make sure their kids get a good education, they want to make sure they get good health care, they want to make sure the environment is safe, and every day we hear statements to the contrary.

It isn't your issue, but the group that appeared before you—and I know about this because I've just been involved in it. It was testing. This testing is a joke. The people who are being hired to do the testing are from Drake personnel. There are people marking those tests who have never been in a schoolroom, never been in a classroom, and are not educators. They are just being employed because they need bodies to do it. These tests are being used to try to evaluate and justify what is going on. That money could be far better spent investing it in classes and in the support systems.

The last thing I want to talk about is the special education funding. Let's be realistic. There isn't enough money available, particularly with the prospects of having anywhere from a \$3.3-billion to a \$4.5-billion shortfall this year. But if there's one area that has a severe impact on everybody, it's special education, because it isn't just the child; it's the parents and what they have to do with it and all of the debilitating repercussions of having to deal with this issue when it's not being properly addressed in the schools. I don't know whether you have any comments on that.

1530

Mr Bryce: I could comment on the testing, because I have a daughter in grade 4 who just wrote the grade 3 test a year ago. Her teacher did a tremendous amount of positive work to help her and the other students learn. She was in tears when she found out she could not get the test back. Her quote to me was, "Daddy, how will I know what I didn't know?" That was from the mouth of a nine-year-old. The teacher did a tremendous job. But by not getting the test back, she couldn't learn from it. All she got was a mark. That is something, as I say, from a nine-year-old—and I wasn't prompting her. That's what she said to me. I think the teachers are doing a tremendous job, but we're not getting the learning from those tests that the feedback would generate in the minds of students. I think that's a very correct statement.

The Chair: With that, I have to bring it to an end because we've run out of time. On behalf of the committee, thank you very much for your presentation this afternoon.

JANET THOMSON

The Chair: Our next presentation is from Janet Thomson. I would ask the presenter to please come forward and state your name for the record. On behalf of the committee, welcome. You have 15 minutes for your presentation.

Ms Janet Thomson: Hello, I'm Janet Thomson and I am the chief negotiator for 3,200 elementary public school teachers in Thames Valley. I come to you not only as a representative of many teachers in this system, but I

come to you with a special education background—because that’s what I do when I’m not doing my chief negotiating role—and also from some of the parents and the concerns they have expressed to me through spec ed and various other areas.

To give you an example, I’ll start with the resources. Yes, textbooks have been shared. In my own school, we share textbooks among two or three classes in areas such as English, math and history/geography. There aren’t enough textbooks. There aren’t enough materials.

As well as the low end of the spectrum, I teach the gifted students. I had four students taking the grade 9 math course in grade 8 because of their gifted status and their abilities. They had to share materials. They did have textbooks from the high school, but one component out of eight is a section on the graphing calculator. The high school could not give us one at all. I managed to get one through our board at a cost of \$150 to the board, but I also had to purchase one of my own for the students to share—two calculators among four students—to do that part of the curriculum.

I have a budget of about \$500 per year for my special ed students in this school. That has to cover everything. In fact, it covers the testing materials that I use to test the students prior to them going to psycho-educational testing. It may buy the odd material, ie a few learning materials, but it doesn’t buy the basic minimum that I require for my students. So I’m sure you’re well aware of the problem of materials out there.

The second area I’d like to deal with is class size. In my role as chief negotiator, I have been involved in the class-size district committee since the beginning of the amalgamation portion. I have noticed that, in some areas, our classes have significantly increased in size. We use a built-in ratio, which includes the 24 for the primary grades and the 24.5 average aggregate across the system. But we build in the prep time. We have had to increase the factor we use to allocate our classroom teachers, so we are very close to that 24.5 average. It’s just horrendous, because we are a combined city and rural board, so therefore, we have schools that cannot triple-grade. But we’re getting close to having to do some things that are not beneficial for our students in those areas. For example, we had one kindergarten class this year in one of our rural schools—a combined JK and SK—of 30, and it took us several months before we could break that down. Those students had to suffer in a class of 30 because we did not have the additional support and teaching staff to accommodate them.

In the area of staffing, as I’ve indicated, we don’t have enough staff in the regular classroom. That has been looked at significantly. We do a tremendous amount of work to try and keep some of our primary classes lower, but the compensating factor is that some of our junior and intermediate classes are regularly in the 30s in order to do that in schools.

In the area of special ed, there appears to have been an overall decrease in availability of special education help to our students, and I speak from personal experience.

Not only is there a decrease in the number of special education teachers available in our regular classrooms for the students, but also the number of students is growing significantly. They also have a significantly increased demand for paperwork. I used to be able to do an individual education plan in about a half to three quarters of an hour, and do revisions as needed regularly. My new IEP takes me two hours per student, and I have to do that four times a year for each of the 20 to 25 students I deal with.

That is not to say we shouldn’t do that. I do ongoing work with the program, but added on to that has been the ISA funding this year. My colleagues are struggling to get all the paperwork together. I have had several calls in the last couple of weeks saying, “You know what? The students are suffering because we’re having to do all this administrative paperwork, and to what end?” Yes, we need to generate the educational assistance staff because they are essential for the special ed program to be effective, but there is a significant amount of administrative work in compiling them. A few years ago, it took me between five and six hours to do one student for an ISA file, and I know the hours have grown since then.

There has also been a decrease in the type of special ed programming. In Thames Valley we’ve tried to amalgamate and to offer services across the valley. I know that in my specific school, I have a number of students who do not fit into a regular classroom. They would normally go to high school in Woodstock. The only school that would make sense and would meet their needs, because they’re generalized learning disability students, is to go to London for high school, which means a lot of them get on the bus at about 6:30, a quarter to seven in the morning. They finish around the same time as their friends, but they get home at about 4:30 or 5 at night and then proceed to do their homework. But they have received significant success when those programs are available. It just means they’re forced to ride the bus for a couple of hours in order to meet their needs. The parents have appreciated this special program, but some parents have been worried about the long time the students have to spend on the bus and wish the school board could afford something. In this day and age, with costs rising—it’s horrendous what it would cost to put a high school in Woodstock, but it would certainly help a number of students in our area if they could have the type of program they receive in London.

The one area for teachers, apart from the salary, that has come to a crisis is benefits. I have been engaged by my colleagues to do a comparison. I compared 18 elementary boards in the province and what they received for benefits and the cost of those benefits. In the initial funding model, we were allowed \$6,000 per FTE for all benefits, statutory and negotiated. The next year there was a slight increase of 1.95%, which meant it went to \$6,117 per FTE for all negotiated and statutory benefits. We tried to play by the rules. It doesn’t work. We were significantly in excess of that FTE for our statutory and negotiated benefits and there is no way, when the cost is

going to up by 10% and 15% by the industry in negotiated benefits, for us to keep going when we're getting a 0% increase in this area.

We are one of two boards that reached a crisis point last year. In talking with fellow chief negotiators in southwestern Ontario and across the province, it's beginning to roll into their areas. They have significantly been borrowing dollars from other areas to address the issue of benefits.

1540

In the area of salary, we have received a modest increase in the last few years, but it has been eroded by the escalating costs in the area of benefits. So our teachers last year really did not see any salary increase, so to speak, because they were paying back the deficit because of the benefit crisis and the dollars not available to them. That has become a major issue in the Thames Valley area.

The last area I want to talk about is school closures. In Thames Valley in the elementary level we have had five closures in the last few years. That has greatly affected the ability to offer programs to some of our students in an appropriate setting. We know that in Woodstock alone we closed three elementary schools. We moved these students into other schools. The other schools they have moved into will be reaching maximum capacity within the next couple of years and there will not be room in Woodstock to house all those students, fail the exception of putting additions and portables in.

This is a growing issue, and I know my colleagues to the north in Avon Maitland are struggling with that issue, as are Bluewater and a number of other areas. The only way that they can get additional funds in the facility area is to address the issue of reaching closer to the 100% maximum capacity. That has been a grave issue for a lot of parents. They do not want to see their children shuffled off and transportation costs increasing because their students have to be bused significantly far away from their home community.

I thank you for the opportunity and I welcome questions.

The Vice-Chair (Mr Doug Galt): Thanks very much for the presentation. We have about a minute per caucus.

Mr O'Toole: Thank you very much, Janet, for a very genuine presentation spoken with a great deal of sentiment and sincerity. I have heard and am supportive of eliminating the red tape in ISA funding. I heard it last year and I have heard it this year. Our original commitment was to do two things. It was supposed to be portable funding. Once it's identified there's supposed to be some kind of grow-in and move with the student. That simply hasn't happened. I'm disappointed that we have not followed through. It would save what was brought up earlier, some significant amount of paperwork, rather than student services. So I can assure you and commit to you that I will most definitely follow up on that for what that commitment means.

The area of school closing—and I was a trustee—is not a new issue. I think the issue with respect to school

sizing and footprints is that there are different kinds of grants emerging. The remote and rural grant specifically has changed as a result of members like Marcel Beaubien and others, because it is a concern. I have that in part of my riding. It's very prescriptive in the act, certain sizings for a principal and all the rest of the kinds of classifications, structural issues. So if you can speak outside the box, like I'm doing now, I'm comfortable trying to represent those concerns. I am available, I am interested and want to try to do what we can do in the system to fix the system of education when it comes specifically to school closings. Small schools in my riding are extremely important and I stand up for them, disregarding the government's strong footprint. I appreciate your presentation today.

Mr Kwinter: Thanks for your presentation. As a negotiator, you would have an idea of what's happening to the teaching population in your board. Have you found that teachers are leaving the profession with early retirement and just wanting to get out because of these problems? How is that affecting what you're doing?

Ms Thomson: What's happening is that in Thames Valley alone we've had a turnover of 200 teachers on average for the last three years, and it continues to look like that. We have new teachers coming into the system, but some of those new teachers are finding it extremely difficult with the limited support that's available to them. I say that our board has been exceptional in providing resources, but the types and demands of children that you're dealing with have significantly increased the job. Some of them are leaving after the first year or two because they can't deal with the pressure that's going on. We are noticing that a significant number of people when they hit the 85 factor are gone; there's no question about that. They're not going to stay any longer than they have to.

Mr Christopherson: Thank you for your presentation, Janet. By virtue of you talking about education, that means every single presentation this afternoon has been about education. I have to confess that at the end of two weeks—we've got one day of hearings left tomorrow in Barrie—it's hard to believe the government members have managed to dodge and dance and avoid dealing head-on with the issue of the fact that all of these crises that exist in education are a direct result of underfunding. It's their formula. They're the ones who have made the decision.

I want to focus a bit on your special ed teacher. I've got to tell you, as a result of what we've heard in our hearings, the status of special education in the province of Ontario is nothing short of an absolute disgrace. It's just disgraceful that we're treating some of our most vulnerable children in the fashion that we are, and yet, when you listen to them, all they'll talk about is bragging about their tax cuts and how well off their corporate friends are.

If I've left you any time at all, can you give me a sense of what it's like in your classrooms, where you've got children who have challenges, who require special

attention? You said you have gifted also. Then there's the balance of the kids. We've heard about the disruption in classrooms and the fact that it's not just hurting the kids who need the supports, but it's affecting all the kids in the classroom. What's your personal experience?

Ms Thomson: What we've tried to do in my own school—and this school is very dependent on what's set up—is I try to emphasize working on the English and math component. Because we're a JK to grade 8 school, I have students at virtually every grade level, so the students come to me rather than me spending time roller-skating around the school. We have two half-time special teachers and one EA. We all have half a dozen children, anywhere from three to four children each we're working with, which may be 12, 13, 14, 15 students, and we're running three different programs simultaneously in the room. That's to address the identified children. That's not to even address the children who are working through the system who need the additional support. That's where my teachers are screaming for additional help, because those children are going to be identified. It's taken some of my children—and it's not because we can't do it—two and three years to be identified simply because of the backlog. I have one student who was put on the waiting list last year and he has yet to be tested this year because our psychometrist and psychologist are needed to update assessments for the ISA funding.

The Vice-Chair: Thank you very much. On behalf of the committee, we appreciate you coming forward and making the presentation.

The next delegation is the University of Waterloo. It's my understanding the next delegation is not present at this time. They should be here very shortly. We'll recess until they arrive.

The committee recessed from 1548 to 1554.

DAVID JOHNSTON

The Chair: If I could get your attention, please, I'd like to bring the committee back to order. Our next presentation will be from the University of Waterloo. I see our two presenters are comfortably seated. Could you identify yourselves for the record, please. On behalf of the committee, welcome.

Mr David Johnston: I'm David Johnston, president of the University of Waterloo. My colleague is Dr Amit Chakma, our vice-president, academic, and provost, who is a chemical engineer. I want you to know we have a good engineer managing the operation of the university.

We're delighted to see you here. Thank you for doing us the honour of holding your sessions on our campus, and thank you very much for giving us the opportunity to appear before you today. Amit and I have prepared some notes. If it's helpful, we'll leave with you this document, which is just speaking notes. We're not here presenting a brief on behalf of the university. These remarks are our own views with respect to the budget consultation process, and if it would be helpful for us to amplify in any

way on these views following today, we would of course be delighted to do so. Our presentation will focus primarily on the Ontario university system. We'll cite examples from what we know best, the University of Waterloo, but I think the points we make are applicable to the entire Ontario university system.

I believe we're in a crisis situation—I use that word advisedly—and if it's not resolved soon, we put at risk Ontario's future economic and social well-being. Let me focus on just two major issues that are of paramount concern. One is the double cohort challenge. Put as directly as we can, in our view the current plan for tackling the double cohort challenge, which hits us in September 2003, is inadequate, and unless immediate actions are taken to rectify that situation, the system will not be able to handle the students, thereby stepping back from what has been a very important tradition in this province, from the time of Premier Robarts and Premier Davis, of a place in Ontario colleges and universities for every qualified, capable candidate.

Secondly, the more difficult concept, the quality of education at the university level in Ontario: our universities are hurting badly, and we simply must find the will to reinvest in universities, which have so much to do with civiness, the civility of the knowledge-based society.

How did the crisis develop? Let me just make a couple of points. University funding in Ontario has been declining for over a decade. For the last six years, Ontario has stood last—that is, 60th out of 60—in North American jurisdictions in changes in its operating grant per student. Between 1995-96 and 2000-01, Ontario funding has in fact declined by 3%. Alberta's has grown by 14%, state funding on average in the United States has increased by 36% and California's has increased by 76%. So we ask ourselves, what does California know that we in Ontario do not?

What has exacerbated this unacceptably low funding level per student is to provide full funding for all students currently enrolled in the university. At the present time here at the University of Waterloo, about 10% of our students pay tuition fees, but we do not collect an operating grant from government for them. They're the so-called unfunded BIUs. It was our effort to anticipate the double cohort enrolment increases two or three years ago. Those students have been admitted, but they don't attract an operating grant, and we're typical of Ontario universities. Currently about 10% of the students at the undergraduate level in Ontario universities are unfunded in terms of operating grants; that is, they pay tuition fees but there's no operating grant for them. Since 2001 we have had assurance of full average funding for the double cohort students. However, the actual growth was underestimated, as often happens in planning exercises, and the current funding allocation results in new students in this year being funded at half the full funding promise. So that \$1 has been discounted to about 50 cents.

Secondly, in the three-year multi-year funding for those double cohort students, there was no inflation adjustment. We all understand that inflation is something

we don't want to deal with and that we'd like to wring out of the system. But universities have cost-of-living increases of about 4% a year, not the typical 2% to 2.5%. Because so much of the materials, books and equipment we buy is in US dollars, we have to deal with the exchange rate, and a good part of our operations have to do with energy prices and so on. So 4% is a more appropriate rate for us.

Finally, the numbers of students are coming in greater quantity than anyone had anticipated. For the coming year, September 2002, rather than a 10% increase in applications, we're currently looking at a 15% increase. So there's another 5%.

1600

What's been the effect? One very immediate effect is that in the current year, the year that ends April 30, we have had a 3.5% budget cut, and in our budget presentation just made to our Senate finance committee this past week, which will go to our board in April, we're looking for a further 2% cut. So in a two-year period that's a 5.5% cut. We had a 15% cut in 1996 with the crisis of that year. These are very difficult matters to handle.

Secondly, we are an extremely efficient university system. There is simply no fat left in the system to squeeze out. A commission on investing in students was appointed under the chairmanship of Jalynn Bennett, who reported a little over a year ago now—a careful study. I think the bottom-line conclusion of Miss Bennett's report was that the Ontario university system is a very efficient one indeed.

We would like to take more students in the double cohort, and in fact we are planning for it. Our university will have increased its undergraduate enrolment by about 30% from September 1998 to September 2003, which is a pretty healthy increase, and its graduate student enrolment by about 35% in that period of time. But we can't do any more than that under the present funding regime.

What we suggest is the following:

First, to deal with the double cohort challenge, the immediate challenge—will there be a place for bright young people in 2003?—provide the full average funding, as was originally promised, at actual numbers as opposed to planned numbers. Secondly, recognize that there are cost-of-living or inflationary pressures—in the university system they are about 4% a year, and not only for the expansion related to the double cohort and increased participation rates, but also to deal with that 10% of students currently in the system who were brought into the system in anticipation of the double cohort, who pay tuition fees but for whom there are not operating grants.

Secondly, we've used the corridor funding system, where each university has been expected to take a fixed number of students and is paid an operating grant for those but not beyond those. Revise that to allow the university system to determine what the optimum student

intake is and then fund the student increases with net new money, thereby providing an incentive to expand.

Thirdly, recognize that it's not only operating costs but capital funding for additional classrooms, residences and other physically related infrastructure. The Super-Build funding carried us some distance down that road, but it has not provided the kind of capital infrastructure for the additional numbers we now see coming into the system.

Looking beyond the immediate challenge of the double cohort, we suggest a few other strategies. First of all, let's have an objective of moving Ontario from the 60th out of 60 position in North American jurisdictions in changes in operating grant per student to A Roadmap to Prosperity, which said Ontario will be the best jurisdiction in North America in which to live, work, play and raise a family. If we're serious about that aspiration of being the best, we simply must find the way to invest in higher education and research, which is a motor for so many other things, including raising prosperity so we can afford our health system, repairs to our roads and so on. I would suggest that over the next decade our aspirations should move from the 60th out of 60 position into the top quartile, into the top 15 systems in North America, so that we can indeed establish Ontario as the best place in North America in which to be.

As we deal with the double cohort, we should focus especially on graduate student funding. We need to educate the professors and the highly skilled workers for industry who will help us over the next decade. In Ontario we expect that the entire cohort, about 13,500 university professors, will have to be replaced in the next decade, and across the rest of the country the entire cohort will have to be replaced in the next 16 to 17 years, in part because the echo of the post-Second World War baby boom is moving through that entire Canadian system—in Ontario we have the double cohort to exaggerate it a bit—and in part because our participation rates have gone up. They are among the highest in the western world; we should be proud of that. We're recognizing that a smart society is one that educates its people to do very well.

We currently have in place, at the initiative of this government, a wonderful scheme of a \$10,000 match for each \$5,000 a university can raise by way of private money to fund \$15,000 scholarships for graduate students. That's a wonderful initiative, and we're working very hard with our alumni to ensure that we meet those matches.

Continue the reinvestment, which this government has led so well with the Ontario Research and Development Challenge Fund, the Premier's Research Excellence Awards and the Ontario Innovation Trust.

Enhance public-private R&D partnerships, as represented by the Ontario Centres of Excellence. The best initiative in higher education and research that I've seen in the last 30 years is the Centres of Excellence. They began here in Ontario. They spawned the Canadian Institute for Advanced Research, which Fraser Mustard

started here in Ontario, and they have now been followed by the federal Centres of Excellence in other provinces across the country—an Ontario creation that's been enormously successful.

Introduce income-contingent repayment plans for Ontario students' university loans, so that as they incur those loans they will be expected to pay them back through their tax remittances based on their income. And if they don't meet a threshold because they are a social worker or a pastor in a church, then be prepared to forgive those loans.

Let universities and students manage supply and demand. Allow universities, their students and their governors—and bear in mind that governors are publicly appointed as well as appointed by the university—be responsible for establishing tuition fees on condition that each university ensures that a financial aid package is in place so there are no financial barriers for qualified students. Put that responsibility on the university. There will be some public monies for it, like the OPAS system, and the universities will raise private monies as well to ensure there are no financial barriers.

A reasonable year-by-year cap on increases in tuition fees would be appropriate to avoid sudden shocks. About three years ago our university established a forward-looking tuition policy which said the increase will be no greater than 10% in a given year for the regulated tuition fees and no greater than 15% a year for the deregulated tuition fees. That was a cap to ensure there was no shock.

Invest in earlier outreach programs to encourage lower-income students at an early age to aspire to university attendance.

Fully fund co-operative education, which costs a university like the University of Waterloo about 15% more to run—we don't receive any operating grant for that, and we don't charge an extra tuition fee. We're the largest co-op university in the world. Sixty per cent of our students earn their degrees by studying for four months and then working for four months. Our engineers are 100% co-op. It's a very cost-efficient system. Many students emerge debt-free at graduation. They enjoy a starting wage premium of about \$7,500 a year over their regular stream peers, and they carry that premium right through their working lifetime; that is, a student who comes out of our institution with a co-op degree will start at, say, \$37,500 a year, and a student in a regular stream at \$30,000 a year, and that premium remains with them through their working careers and of course is taxed.

But we've got this unfortunate penalty that the reason co-operative education is not more widespread than it is, number one, is that when you hit a recession, as we have recently, you have to work pretty hard to maintain your co-op employer jobs, your partners. Number two, it costs about 15% more to operate the university on a three-term, through-the-summer program and have duplicate sections of courses available to students when they come for the four-month study term, having been off on their four-month work term. We also have a personnel corps of almost 50 people who arrange the placements and

oversee them. That is actually paid by a \$400-per-term fee that the students themselves pay, but that too is an essential feature of making co-op work. You have to ensure that the employers are your partners in an educational adventure and that you work with them year upon year.

Finally, let the global community know that Ontario is the best place in the world for higher education and research. Encourage recruitment of international undergraduate and graduate students. Scour the world's refugee camps for bright people looking for promise and bring them here to pursue their dreams in Canada and help to create a more prosperous and more civic society. If there's any one thing we know from the so-called knowledge-based society, it's based on helping talented people become more talented and contribute to their society through their talents.

Mr Chairman, thank you very much for giving us the opportunity to be with you. Amit and I would be happy to respond to questions and to provide any other information or ideas you might find useful.

The Chair: Thank you very much. We have two minutes per caucus, and I'll start with Mr Kwinter.

Mr Kwinter: Thank you very much. I want to commend you for the reputation of this institution. You should be proud of it.

You've outlined the problems, and you say you're not going to be able to deal with some of these things unless you get this additional funding. My question is: what happens if you don't get it? How are you going to deal with it, and what are the repercussions of that to the university?

Mr Johnston: Number one, our university simply will not be able to take any more students, and therefore they won't have a place; second, the quality of the education we offer will become poor; third, the environment for our professors and staff will become poor and they'll go elsewhere.

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Mr Kwinter: So this is really a matter of, if you don't get it, you've got a real problem.

Mr Johnston: We have that problem now, and it's all universities in the system. There is not the possibility now, with the current mechanisms in place, to provide places for the students who arrive in September 2003.

Mr Christopherson: Thank you for your presentation and for hosting our hearings today.

I'm assuming, since you've used the word "crisis" and you've acknowledged that we're dead last out of 60 jurisdictions in terms of funding for universities and colleges and your desire to see us in the top 15 and your concerns around the double cohort, that if you could be instantly made the Minister of Finance, this would become at least one of your top priorities.

This is dangerous—politicians should no more than lawyers ask questions they don't already know the answer to—but I'm going to ask anyway and it's going to be interesting. If you had your choice, would you cancel tax cuts to pay for it, or are you one who agrees with the

government that the tax cuts are so overwhelmingly important that even if the university remains underfunded, that should still remain a priority?

Mr Johnston: My answer will not be quite as crisp as you would like, but I would go back at least to 1996 and if I could to 1993 and 1990. We have been on this decline for 10 years. Somehow we have managed to introduce substantial tax cuts, which are very welcome, and managed to eliminate our deficit, which is very welcome, and we have managed to respond to a crisis in the health care system at the same time. But I think we've said, "Universities, you're good folks and we believe in you, but you simply have to wait." I think that was a mistake. I think if I had a choice today between a dollar of tax cut and a dollar of investment in higher education and research, I'd put that dollar in the latter on the theory that it would return to me in three to four years' time in a more productive workforce and a much more substantial research output.

Mr Christopherson: A lot of people in a lot of areas would make the same choice, which would just about negate the whole program they had. Thank you, though. I appreciate your honesty.

Mr O'Toole: Just a couple of questions.

I'd just like to kind of refute—I want to put on the record that in last May's budget statement, and I'm going to read it directly, "I'm pleased to announce the largest investment ever made in Ontario's post-secondary education system." You're well familiar with that.

Mr Johnston: Sure.

Mr O'Toole: You know, Paul Davenport and Prichard wrote it; they definitely had the minister's ear.

Mr Johnston: Yes.

Mr O'Toole: And you're saying it's not enough?

Mr Johnston: Yes.

Mr O'Toole: The \$1.8 billion that's invested under SuperBuild and all its partnerships is creating 73,000 new spaces. The government has made a commitment—not to be confrontational; it's the tone of my voice. But we have guaranteed a place for every willing and qualified student, in partnership, of course, with the increases you have outlined.

What more could we do? Is there some other creative thing here? Because there are huge pressures. Mr Christopherson and Mr Kwinter have heard that. In health care, they want about \$5 billion more a year. So—

Mr Johnston: Honest and important observations. Let me respond to them.

Number one, SuperBuild was very important. We were down this morning with Mr Flaherty announcing a \$4.1-million contribution to rebuild a school of architecture in Cambridge. It's very important. What that did was help to deal with some of the double cohort coming forward, but not all.

Mr O'Toole: No, it's phased.

Mr Johnston: Yes. It will provide spaces for 73,000 students, but we're looking for a lot more than that, both undergraduate students and then graduate students and research.

Secondly, that comes after a freeze on capital construction in Ontario universities for about six or seven years. There was big catch-up element.

Third, at the present time, this university competes with MIT, Harvard and Princeton for talent. Our funding is one tenth, on a per-student basis, of those universities. Harvard has an endowment of \$22 billion. It's going to take us a little while to raise the private money to match that. But our funding in all the Ontario universities is about one half of that of a good public university in the United States, and that's our competition too. So my answer very clearly is, yes, we must find a way to invest more if in fact we're going to compete with those institutions on a North American basis for talent.

SuperBuild was a wonderful first step. Some of the research funds are a wonderful first step. We've got a long way to go.

The Chair: On behalf of the committee, I would like to thank you for your presentation this afternoon, and it was certainly a pleasure to be here.

Mr Johnston: Thank you very much.

The Chair: I don't have any announcements. This committee will adjourn until 10 o'clock tomorrow morning in Barrie.

The committee adjourned at 1615.

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