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Mercredi 17 novembre 2004

**Standing committee on
estimates**

Ministry of Education

**Comité permanent des
budgets des dépenses**

Ministère de l'Éducation

Chair: Cameron Jackson
Clerk: Trevor Day

Président : Cameron Jackson
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 17 November 2004

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The committee met at 1531 in committee room 151.

MINISTRY OF EDUCATION

The Vice-Chair (Mr John O'Toole): Welcome. The standing committee on estimates is meeting to consider the estimates of the Ministry of Education. I'd like to welcome you, Minister, and your staff. We have seven and a half hours. A very limited amount of that time will get used today, but we'll certainly be here. The rotation is that we'll start with 30 minutes from you, Minister, and then 30 minutes by the opposition and 30 minutes by the NDP. At the end of that time, you will have a 30-minute response period. That's the cycle of events for this afternoon.

Hon Gerard Kennedy (Minister of Education): Thank you, Mr Vice-Chair. It's good to be back in estimates, in slightly different capacities than the last time we met, I think. It is a pleasure to be here with education, on behalf of the government.

The government said in its throne speech that this is its first priority, and therefore it's quite appropriate that we would be here today explaining that priority. Also, in the context of estimates, the government made a decision to positively support the efforts of public education in this province. It has done that, we think, in a responsible fashion; we have identified specific investments that needed to be made.

The context, I think, that will be familiar to returning members of the House, and probably for some of the new members as well, is that education was underfunded in this province for quite a long time. For at least the last eight years, it saw declining shares on almost every measure, such that on a per student basis, on a per capita basis and on a share of GDP, education received less priority. In fact, according to a Statistics Canada report of a few weeks ago, we were the only jurisdiction in Canada to see education that way. All our colleague provinces invested more in education and we were the only ones taking money away from student accomplishment and student support.

We have acted rather significantly in that context. There was, of course, in the year before the election, a report by Dr Mordechai Rozanski, of the University of Guelph. In that report, Dr Rozanski made very clear that there were not just shortfalls, in terms of support, but specific deficiencies. The specific deficiencies were very similar to the ones that we as a then opposition party had

put forward for investments, and they bear a significant relationship to what we have done to date.

In terms of investments, we put forward, first of all, in December 2003, approximately \$112 million immediately upon coming into government. We did that because we apprehended that some of the needs were most acute for students who were struggling the most, in particular students who—and these are circumstances that I don't think we would call inherent barriers, in the sense that there isn't any reason that a student from a low-income background or a single-parent family, or a recent immigrant, cannot succeed in education. But the barriers they have are greater than for other students. The idea of investing in overcoming those barriers on the part of the system is that it is a smart thing to do at the earliest stage possible.

There was a pre-existing grant that was much smaller, which was the largest part of our effort there: the learning opportunities grant. The previous government had decided, despite the advice they received from their expert panels, to significantly reduce the support available to the particular education endeavour of helping these vulnerable students whose education attainment has been well-proven in research to be related to the background they are coming from, and we started to reverse that, first of all in December of last year, and then we followed up with further investments when the annual grants to school boards were made.

Our overall approach has been to do, I think, in terms of the Rozanski report, both a catch-up in terms of the things that were underfunded, specifically, and a keep-up in order to make sure we don't fall further behind. That's what informed our announcements of May of this year, when we put forward most of the dollars that are under scrutiny here today. That would have to do with a broad set of investments totalling \$854 million, bringing our total investment to about \$1.1 billion.

The one component I would mention is that we invested \$100 million in special education at the end of the year, because problems with the system for identifying special education needs generated \$100 million in claims that had not been predicted. They weren't predicted by the Ministry of Education, and they weren't predicted by the boards themselves. So an additional \$100 million in claims came forward, in addition to the \$112 million that we put forward as an initiative in December, which we made available to boards in July.

We think our subsequent allocation that became effective this school year has a very considered set of objectives to attain. Some of them are not very glamorous. For example, we are putting forward dollars to help keep schools cleaner. A cleaner, safer schools grant is putting in extra resources to catch up with problems. What kind of problems are those? Well, in the province of Ontario we have an accumulated facilities deficit that is very, very significant and that needs attention. It is the result, we're told, of an inadequate amount of resources to keep up those buildings in the first place. So, in some ways, a metaphor for some of the work we have to do in education is that simple, unglamorous thing of keeping the buildings clean and safe, so that the children are in a good learning environment, but also so that we're doing proper stewardship. We really have buildings that are in worse shape today because of the economies taken by the previous government.

We have made some significant measures toward reducing that deficit and that problem. One element of it is specifically giving school operations dollars in such a manner that boards will once again let communities use their facilities. All across the province, we've had empty school fields, shut gymnasiums and classrooms perfectly suitable for community purposes not being available to the community. So part of the school operations grant, which is part of our transfer to school boards, was increased by \$20 million to permit those agreements to take place. The Ministry of Tourism and Recreation has been very helpful in facilitating the development of agreements with the boards and getting those agreements arranged, because we do understand very well that in all of our efforts to promote education funding, it's not a one-size-fits-all approach that can succeed.

1540

The Ministry of Tourism has been working that out with individual boards. We've seen reductions in the order of 90%, at least in some of the boards, in the fees they've been charging. We will be tracking the results from that investment. What we think it will result in is increased use, certainly. There will be community groups that will be able to afford the use of the schools.

For example, the Scarborough Hurricanes is a basketball team that couldn't hold tournaments in Scarborough. They actually had to go to York region or somewhere else. Last year alone, they generated \$3 million in scholarships for their members. This is a credible recreation effort that develops their students and supports their academic attainment, but they couldn't use Toronto schools because they couldn't afford them. They now can, or they will be able to under the fruition of this agreement, and they're already working with the Toronto Catholic board in that respect. So that investment is also helping. It's a permanent investment; in other words, it is money that goes to boards every year, as long as they maintain access for a nominal cost. That's the basic arrangement that's been worked out with them.

We also, in terms of some of the basic initiatives, have put forward dollars to deal with the costs of keeping up in

a general way, so for the first time, actually since the funding formula came into existence in 1997, there has been an actual, honest keeping up; in other words, every grant has increased 2% across the board, because the costs also increase for school boards.

Previously, and this is the insidious part that we have to turn around on the part of school funding, the previous government would ask boards to absorb that, and they would absorb one, two, and then six or seven years' worth of no increases in an area. What you had in the administration of our school system were people who became very good at cannibalizing one part of the system to help another. Untangling that is going to take us more than one year, but certainly we've made investments in each and every area, just to help us keep up.

We also dealt with what I think has been a very sore issue in the province for the entire time the province has taken over education funding, and that is transportation. We invested \$20 million in transportation, as Dr Rozanski asked for—at least a significant portion of what he asked for—and an additional \$13 million is a keep-up, to make sure that we can help the boards keep up with their costs.

In the context of doing that, we've put forward a funding formula for discussion. It's another element in terms of what we think is good stewardship. We're trying very hard not to make unilateral changes. A lot of what we have out there, in terms of the \$16 billion invested, was done unilaterally by the government of the day, and yet we have 72 school systems, 4,800 schools. It doesn't make sense to make those decisions without having the full benefit of feedback.

There are a series of consultations that have been undertaken on the transportation formula. We've been very honest with boards, saying, "The transportation formula looks like this now. You get a chance to, if you'll pardon the pun, kick the tires. You get a chance to look at whether or not these underlying rationales make sense and whether this is a fair funding formula." That's the first time that's been done with provincial funding, and we think at the end of the day we're going to come up with a fair, effective and adequate way of funding transportation. But that is also where we invested \$20 million.

We have put forward dollars for a salary increase across the system. Our particular approach there is to look at making sure that teachers and education workers don't fall behind. We think that's quite important. They have in years past, so there's a 2% guideline there. Inflation is running about 1.8%, and we think that's reasonable in the circumstances.

We're asking for the active support of our education workers. We have exhibited, we think, a pretty significant and consistent policy of respect toward them on a number of fronts. We need their active engagement in the things that need to be done to help education improve. We think this is another part of that engagement of respect, because the other investments we're making we think are important to have in the system today to have the impact they need to have on behalf of students.

Some of those investments include things like lowering class size. About \$90 million has gone specifically toward making the classes for primary students smaller. The impact of that has reached about 38% of the primary schools in the province. About 1,100 teachers were hired, and that can have some quite dramatic effects. There is school after school where it has ended split grades, where it has brought down averages that were once 26 down to 19, simply because that deployment of an additional teacher has a very positive, cascading effect.

The implication, we believe, will be a much better start to school on the part of those students. We would infer—I mean, there is some evidence for this in terms of previous class size reduction projects around the world—that it would pay for itself by the time the kids who are in today's grade 1 would graduate, that there is enough chance of detecting challenges, of enhancing school performance, that you would avoid some of the extra costs that you run into with students who are struggling in the future. So we will continue with that in subsequent years, but we think we have made a very significant first step in terms of reducing class sizes.

The class size reduction itself is part of a broader strategy to provide resources in support of getting every 12-year-old in this province to the state that I think everyone would agree is necessary for their future advancement, which is a high level of literacy, numeracy and comprehension.

So as we look at our investments, we attach them to some of the objectives we want to accomplish. That's probably the leading objective we have right now. We see the difficulties we have in high school. We have kids and young adults in grade 10, still around one in five, who are struggling to show a basic attainment in the literacy test, and a significant number who are struggling with their program, especially in the applied part of the offerings in grade 9 and grade 10. We really need to address the potential of those students far before they get into grade 10 or into high school. So the investment we've made on lowering class size is part of that, and so is our support for a literacy and numeracy secretariat.

For the first time, really, the ministry will be involved and engaged in the strategies that boards use to help advance academic achievement. There have been much smaller programs in the past, but this will allow us to do a number of things: teacher training on a very wide scale. We have over 7,500 teachers who took training over the summertime as part of this initiative, another 8,000 teachers who were trained as lead teachers, which is a more significant training taking place over six days that makes them expert in the kinds of teaching that need to happen for literacy and numeracy. And 8,000 is on the way to 16,000 teachers. We will have two in every school: a lead literacy and a lead mathematics teacher in primary and also two in the junior division coming up, to make sure that every school has, in fact, the teaching leadership it requires and that they'll be involved with the rest of the staff. So every single primary teacher is going to get upgrading in terms of training and every single

school will have four individuals who get intensive training as part of what we're looking at.

So basically, around the province, we'll be very focused on giving students their best shot of being able to move forward. It is something we can enable from the government. We can also piggyback a lot of existing efforts on the part of school boards. Again, if there's an axiom for what we're doing, it is that there is diversity out there and that one size doesn't fit all, and that's a road to error and, frankly, wastefulness in terms of how we can approach some of the things we want to have happen.

The literacy and numeracy secretariat will ensure that we respond according to the needs of individual boards. There will be an effort made to outreach to boards, to look at how their students are achieving, to look at the plans they have for how well they're doing and what they intend to have happen, and there's some ability to respond in a customized way.

We think our obligation is to make sure every student succeeds. That doesn't mean we're obliged to treat every student the same. They have to have the same outcome. There are a lot of different paths there. There's a lot of individuality on the part of the students and of their circumstances. Part of that is the communities they live in and the resources available. There's a big difference from the schooling experience that can be offered currently in the north versus rural versus suburban and urban. If we're going to be able to make sure those are similar successes, we've got to allow each of those areas to meet their needs accordingly and not try and—if I can put it this way, we're not making them fit the funding formula, we're making the funding formula fit the needs of those students.

So you'll see that as a consistent outcome and certainly as an intention on the part of the dollars we're deploying this year. There are specific dollars that are allocated to the literacy and numeracy secretariat. We are also moving forward with an initiative that is probably the toughest single legacy item we have. I think it is unfortunate that we didn't have progress in literacy and numeracy for the last three years, essentially; there was no going forward on the tests that were taken provincially. This year there is some progress for the first time.

1550

But a more outstanding problem is the increased number of school leavers without diplomas. The double-cohort year that was so well talked about in this province, I think, was mainly assessed initially as a problem for those university- and college-bound students who would be competing with the last round of the grade 13 classes, that there would be double the competition for spaces. Well, it turns out that that did happen, but the students really kind of outsmarted the problem: They went early and they went late, and they basically adjusted. By and large, it looks like they, and the university-bound students in particular, will have been able to get into an institution in similar numbers. For the college-bound, it's a little bit mixed right now, for a reason I'm about to tell you.

But the people who in the past would have gotten high school diplomas didn't. The school leaving rate, according to Dr Alan King at Queen's University, has gone up from 22% to 30%. That means we've got 48,000 students without a diploma. That's 12,000 more than there would have been under the last system. We think that's significantly problematic. The last government had two prior reports from Dr King. They knew explicitly that this was likely to happen, and yet there were no real significant adjustments made in order to facilitate success for these particular students.

There is now a student success program underway. It's too early—we'll know in about a month's time how well our interventions have worked and what early impact we'll have on that number. But I would put to you, and I would not expect a lot of disagreement, that even 22% is too high a level of students not getting at least a diploma, not getting some education attainment that they can then use. If you look at the job market, you'll find very clearly that the jobs for anyone with less than a high school diploma are drying up very quickly. In 2003 to 2004, there was something in the order of a 26% reduction in the growth in those jobs. I'm not talking about the total number of jobs, but the growth is very, very minimal relative to, for example, the growth for university or college graduates.

One of the related issues, though, for what we refer to as curriculum casualties is that we may not have, according to Dr King, the same number of people going to college. A lot of these people are not just people who would have got their high school certificate but would have ended up going into college technical programs and being a skilled part of the workforce. Because this problem was not addressed despite the significant warnings that went off in the system, that is a very real possibility. In fact, some of the application numbers to colleges this year suggest that that effect is indeed underway.

So it is our intention to lower the dropout rate, to do that first in the context of helping the students who are already in the system and even those who have just left it. We don't think we should give up on those students. They shouldn't be victimized simply because they were in the wrong place at the wrong time. There is a variety of things we think we can do even if they go beyond the traditional school system. We're looking at that. There's a GED program in terms of being able to get your high school afterwards, there is work we can do with our community colleges, and we're looking at a broader strategy. But I think you can understand we first focused on what we could do with the ones who came back to school, and a large number did. Last year, an extraordinary number of students kept trying to get their credits. So we were in a position to be of some help to them. We have student success coordinators at every school board around the province. We've been able to get new and innovative programs going, and we're going to further that effort this year with some specific investments we're making. It's an ongoing element that we would like to see developed, though, into a full-blown different role for the high schools of this province.

So we're starting with the crisis we were left, but we're moving away from that into where I think we would want to be in any event. Even if this problem had not become exacerbated, we would want to be in the business of getting a good outcome for every student in school. The days are well gone when we could say, "Well, if half of the kids go to college and university," which is our number, "then that's good enough." We can't do that any more. We can't afford to have students not reach their full potential.

If you look at the competition that's out there right now globally, it's all based on education. Look at the jobs that are going to, for example, some provinces in India that have done a fabulous job of educating their residents. They're getting not data entry jobs but data analyst jobs off of Wall Street, and no doubt some off of Bay Street. If we want to be able to keep an education advantage in this province, we have to address some of these underlying trends very directly.

What we see happening, and what we're starting to invest in this year, is a development toward keeping 16-year-olds and 17-year-olds who haven't attained their diploma in learning situations for longer. The principal way we're going to do that is by coming up with new kinds of programs for apprenticeships, co-op programs and a whole range of things that we think are already in pretty good evidence in this province but need to be expanded and need to have commitment from the provincial government.

We're in discussions with employers—and we'll soon take it to a public level—around an alternative diploma. There are students who can attain a lot academically under the current system, but they may not get the 30 credits they are seeking for a variety of reasons, but we can accomplish something in a work experience setting that should be creditable. This is something that should be able to stand them in good stead.

If we can change the outlook on the part of employers and probably as well on the part of families—I mean, one of our biggest challenges in Ontario today is that most parents want their kids to go to university. That's laudable. We want parents to be ambitious on behalf of their students. But the numbers come in something like 81% expect their son or daughter to succeed at university. Ontario is the most successful jurisdiction at putting students into university, even today, and it's 28%. So we can't be saying to the balance between those two numbers that somehow they're not succeeding. That's something we're going to have to work on.

If you go to some other jurisdictions, Europe, for example, there is a different expectation on the part of parents. It's more balanced; it's 30% and 40% that will expect that.

We want to drive for the highest education attainment possible. If we can improve on 28%, we're certainly going to do that, but somewhere within that we've got to realize there are students who are not reaching their potential, who may not be getting their high school diplomas, but they'll also not be getting very much

traction in their employment and their other aspirations. We think something can be done about that. We have the facilities in terms of our high schools to take care of some of the things where we would normally wait till somebody was 21, 22 or 23, becoming unemployed, and then the current federal system would offer them some kind of training opportunity. We think that can be done much more effectively in terms of looking at students reaching their potential, some of it academic, some of it work-related, while they're still in school.

There are other countries that are much better at this than we are, and we think we can make that change. Next September will be an expansion of our efforts in that regard. We do have significant efforts underway right now. Some of it is reflected here in the estimates. Some of it is reprofiling; for example, dollars the previous government put forward for what's called a teacher advisory program, which was put in with good intentions, I think. It cost in the order of \$56 million. Somewhere in the design something went badly wrong. In many schools that I visited, students were being offered half an hour a week to sit down with a teacher—it may not be the homeroom teacher; it could be somebody else; it may not be a teacher they even knew very well—with group of 20 or 30 students to talk about their aspirations for their lives.

I don't remember my teenaged years that well, but that just doesn't sound that plausible even on paper. Sure enough, you'd be there in the middle of winter, you visited the TAP class, they'd just be getting their coats off and starting to talk and half an hour would be up. Despite a lot of effort around the province—and it's gone on for six years. I've been in gymnasium after gymnasium, assemblies and so on and I've had high school students vote on whether TAP was a useful experience. I think there was one student in Owen Sound who voted for it and was roundly booed by everyone else.

The point here is that this \$56 million could be used instead for remedial assistance, a variety of things. We've put that out there to the school boards, and we're hoping to conclude discussion about that this year in terms of how it could be better used in favour of students. So we're putting some of those dollars to work.

We're expanding our vocational facilities. They've also been let go for quite some time. There's \$20-million worth of renovation that we're going to be doing for our technical facilities. There are some good facilities out there, but really we're not in that game to the extent we once were. Vocational has not been, in recent years, something that is for children and young adults who have aptitude for that. It becomes more of a place to send students you don't know what else to do with, and that can't be. We've got to be able to give that program legitimacy.

There was some effort last year to address some safety issues in some of these. You may remember the shop class that you were in. It's probably still using the equipment that you did when you were in school, because that's how dated some of the facilities are that we have—

not that people in this room are that dated. It's a situation that we think is one part of an approach that says to students—because we have to change parent attitudes, we have to address employers so that they will be involved. We need a tremendous amount of co-operation from employers, and I have to tell you that the initial feedback the Premier and I are getting is very, very strong.

1600

The C.D. Howe Institute says it very clearly: The only economic policy in Canada is its education policy. That's what we control that can make an intrinsic difference to the quality of life for our society and for our economy. There are other things that people talk a lot more about, but it's clearly there that we're going to get the enterprising, that we're going to get the kinds of people who are going to be valued by employers, large or small, or are going to become employers, large or small, by dint of their own efforts.

So that's the kind of thing that we have very much started to put on the rails this year. It's going to take a shift in the schools themselves. The students are going to have to want to do this and the schools are going to have to see this as part of their role, because somewhere in the last dozen or so years there's basically been a streamlining of schools toward university- and college-only preparation. There is not really a strong program for reaching the rest of the students, so we're kind of building on some of the efforts, but there is still a lot more to be done.

So I think that we have put forward performance dollars into the system, as well as dollars that will help it to have stability. Certainly, we believe that progress depends on peace and stability. While we're here in estimates—and I certainly believe in the estimates scrutiny and welcome it from you in a few minutes. And it is about the dollars. I think there has to be a place you answer questions about the dollars you put forward.

Probably our major accomplishment in education didn't cost us anything. We've got a fair amount of enthusiasm taking place in our schools. We see parents having a higher degree of confidence in the schools they're visiting. They see some of the changes taking place, whether they're the smaller class sizes or a cleaner hallway.

Next year, we're putting out \$2 billion for repairs. It's taking that time for boards to get their proposals ready, but we are going to pick up some of that deficiency for the first time. So we're expanding the renewal dollars for school repairs very significantly. Currently we pay about \$340 million per year, and we're going to put a one-time \$2 billion on top of that in order to help catch up some of the places in your communities that simply aren't at the standard we would want them to be at. We can't say there's a higher value in education and we can't be convincing about that with students if they are in facilities like, for example, Nelson Mandela School here in Toronto. It's a terrific name, but it doesn't deserve to be on that building. There are rusty staircases; there are

washrooms for the JK kids where water comes periodically pouring through. Certainly, these needs have to get addressed, and that's part of what we're planning to do. This year, we made some small start with that, doing some energy retrofitting in buildings and so on, but boards are lining up very enthusiastically on what we can do with that.

The mix here is student achievement going forward in the context of a rounded investment, picking up on some of the problems, and building some of the confidence that we need, because education is no longer a matter just for government and school boards; we need the enthusiasm of the public to make it happen as well.

The Vice-Chair: Thank you very much for your opening statements, Minister. Now the opposition will have 30 minutes to make their statement and/or present questions.

Mr Jim Flaherty (Whitby-Ajax): Thank you, Chair. The operations budget for the ministry this year is \$10.6 billion? Is that right?

Hon Mr Kennedy: As you'd well know, that is the amount allocated by the provincial treasury to the Ministry of Education, not including the resource from local property taxes, which is about another \$6 billion.

Mr Flaherty: So \$10.6 billion and the government is planning to go to \$12 billion three years from now in 2007-08, is that right?

Hon Mr Kennedy: Our plan is to invest, total, about \$2.6 billion more over the next three years but, again, you're dealing with a portion of the total investment, which is that part coming from here. You have the number before you in estimates, and we don't have fully precise projections for the next four years in terms of that portion. But basically, it's about \$2.6 billion on last year's spending.

Mr Flaherty: Have you looked at the Minister of Finance's fall economic statement, where he says that Ministry of Education operating spending is projected to increase from \$10.6 billion in 2004-05 to \$12 billion in 2007-08? Is the Minister of Finance wrong?

Hon Mr Kennedy: No, he's not wrong.

Mr Flaherty: That's fine. That's all I need, thanks.

Hon Mr Kennedy: But, again, it all depends on what he's putting forward. In other words—

Mr Flaherty: He's talking about the operating spending in the Ministry of Education. It's quite clear what he's talking about. You know what he's talking about; I hope you do. I certainly do.

Hon Mr Kennedy: I can certainly explain the difference to you, but only if you're interested. This is your time.

Mr Flaherty: That's fine. Then he says the per student funding will increase by more than 14%.

Then he talks about—I hope you've read this—enhancements for capping class sizes. I'm going to ask you about that a bit. The Minister of Finance says there is \$90 million for capping class sizes in 2004-05. What is the ministry's estimate of the total cost of arriving at the hard cap that you say you want to arrive at?

Hon Mr Kennedy: The total cost of the hard cap is about \$375 million. We have invested \$90 million so far, and we're still having discussions. There's a committee meeting throughout the fall with school boards around how it can best be implemented. We have different circumstances in different parts of the province, and we're trying to look at what those implications are. The final costing will be affected by those discussions, but that's the number I can give you right now.

Mr Flaherty: All right. So that will be a hard cap in every school in Ontario at 20 students from junior kindergarten to grade 3, is that right?

Hon Mr Kennedy: That's correct.

Mr Flaherty: All right, a \$375-million grand total.

Hon Mr Kennedy: Right.

Mr Flaherty: That will be as of 2007-08?

Hon Mr Kennedy: Yes.

Mr Flaherty: How was that calculated?

Hon Mr Kennedy: In what respect?

Mr Flaherty: By the Ministry of Education. How are you calculating the \$375-million total cost for a hard cap of class sizes at 20 students from junior kindergarten to grade 3 in every school in Ontario by 2007-08?

Hon Mr Kennedy: It's being calculated based on the number of teachers required and the space implications. Those are the two variables.

Mr Flaherty: How many teachers?

Hon Mr Kennedy: I don't think we have a total number of teachers to offer to you right now. It does depend a little bit on the deployment.

Mr Flaherty: How can you calculate a figure without the information? How many teachers?

Hon Mr Kennedy: We'll get you some of the underlying things for that calculation. I'll have those brought forward. But I just want to say to you that we're working with a range of variables. The \$375 million is, we think, the most likely of those scenarios.

Mr Flaherty: Why do you think that?

Hon Mr Kennedy: Simply because of the way we've looked at the question. The question has two parts to it. One is how many teachers are required. That's a relatively straightforward calculation based on what we know about existing class sizes.

Mr Flaherty: How many?

Hon Mr Kennedy: I'll have that exact number brought forward for you.

Mr Flaherty: Even an estimate. My goodness, Minister, you're here before the estimates committee giving a figure of \$375 million. Presumably it's been calculated somehow. What's the calculation?

Hon Mr Kennedy: Again, I'll have that detail brought forward for you. I'd be happy to get it to you before we conclude today.

Mr Flaherty: It's not a detail.

Hon Mr Kennedy: Mr Flaherty, it is. I'm telling you that we're still in the process of talking in detail to the sector. Until that's done, there is no detailed costing that can be put forward, because it's still in progress. I made that clear to you earlier.

Mr Flaherty: Would the ministry then provide the exact manner in which the ministry calculated—I assume the ministry calculated this figure of \$375 million.

Hon Mr Kennedy: Again, we'll bring forward for you the detail that we can. It will, I think, include a number of teachers. But I will tell you, because it's important for the accountability we want to put forward, that we are still working on final estimates, in conjunction with school boards, of what it will take to do that. I cannot give you a definite number of teachers until we've concluded that.

Mr Flaherty: Well, you come with a definite number, Minister, but now you're saying to the taxpayers—

Hon Mr Kennedy: That's my job. Mr Flaherty, I'm giving you a number. You're asking the number we would stand behind. With a number of assumptions built into it, that is a number.

Mr Flaherty: What's the arithmetic?

Hon Mr Kennedy: The arithmetic for a significant portion of that, about \$300 million, is the number of teachers it would require, which I've offered to bring forward for you and that you can examine at your leisure.

Mr Flaherty: Three hundred million dollars for teachers.

Hon Mr Kennedy: The balance of that is the capital required to create spaces.

Mr Flaherty: Plus capital. Will the ministry provide the calculations for the \$375 million?

Hon Mr Kennedy: Again, what we can do is give you some of the elements that go into this. The ministry is in the process of finalizing an estimate. They're doing that with a committee of the school boards.

1610

Mr Flaherty: Chair, I think the committee's entitled to know how this is calculated.

The Vice-Chair: There has been a question put. Minister, are you responding by saying that you will provide—

Hon Mr Kennedy: I will provide to you what the ministry has by way of this, but I'm cautioning the member and the committee not to expect that there will be a full and final detailed costing, because we're still in the process of doing that and, therefore, I'm not in a position to provide it. But in terms of a working estimate, we've brought in an estimate as a new government. We've had its assumptions examined and, subject to the other discussions that we're having, that estimate is holding firm. There may be changes, and we'll be happy to share those once we've done our consultations.

Mr Flaherty: The Ministry of Education was asked the cost of that hard cap at 20 students for junior kindergarten to grade 3 before your government was elected. They costed it at \$1.63 billion. Is that correct, Minister?

Hon Mr Kennedy: Well, when I came to office—it's good that you would bring that up, Mr Flaherty—I asked the ministry, "Could I see that estimate?" and they said that none was provided; that it was simply a calculation done, based on assumptions given to them by the then

minister and minister's staff. So there is no study. I want to be clear on this point. There is no study to put forward that figure. It seems to have been something of a political figure that was used by the then government. So \$1.63 billion has no study to support it as relating to the cost.

Mr Flaherty: No one said "study" except you, Minister. It's a calculation. Would the ministry please provide the committee with the calculation of the cost of the hard cap done before your government took office?

Hon Mr Kennedy: Sorry, is this the same thing I offered to give you?

Mr Flaherty: Would the ministry please answer that question? What was the calculation? If they can't do it right now, it can be done later.

Hon Mr Kennedy: I've already offered to provide that to you, but again, it will be a calculation. You referenced your own number from the previous government. I'm just telling you that I asked for that study or I asked for the basis for that and, essentially, there is none.

Mr Flaherty: Perhaps I haven't been clear. No, you didn't say there was none. You said there was no study, Minister.

Hon Mr Kennedy: No, I'm telling you there is none for the previous number.

Mr Flaherty: Listen, I don't want to quibble with you. Was an estimate done, was a calculation prepared, and would you provide it to the committee? This is before your government took office in October 2003.

Hon Mr Kennedy: I was advised that your previous government had asked for that number but that it was done according to parameters that the then government provided. The answer is no. I asked for it and couldn't get any piece of paper.

Mr Flaherty: I'm sorry, the answer is no to what? You won't provide the calculation?

Hon Mr Kennedy: The answer is, I couldn't get any calculation or any detail.

Mr Flaherty: I'm not asking what you could get. The deputy minister is sitting beside you. Will you provide the information or not?

Hon Mr Kennedy: I'm telling you, as minister, I was very surprised that the previous government would use that number publicly and yet have no basis for it. It is surprising.

Mr Flaherty: Will the ministry provide the information to this committee on behalf of the taxpayers of Ontario or not?

Hon Mr Kennedy: Which information, Mr Flaherty? You're talking about the information that you had?

Mr Flaherty: I'll do it again. Listen carefully, Minister. I'm asking you for the calculation done by the Ministry of Education of the province of Ontario of the cost of the hard cap to cap class sizes at 20 students from junior kindergarten to grade 3, prepared for the previous government before your government took office in October 2003.

Hon Mr Kennedy: Mr former minister, as minister, I asked for that and was told it didn't exist.

Mr Flaherty: I didn't ask you what you asked for. I said, "Would the ministry?"—if the answer is, you don't have it—

Hon Mr Kennedy: I would say, through the Chair, the answer is very clear-cut. He's asking whether or not I can provide the calculation. I'm telling him that, despite his use of it and the use of it by the previous government, I've been told by the ministry it doesn't exist.

What that means and who actually came up with that number, I can't tell you.

Mr Flaherty: All right. I'll be satisfied with that answer if the answer from your ministry is that it does not exist—in writing, please, to the committee. Is that satisfactory, Minister?

Hon Mr Kennedy: I know we're honourable members. I'm happy to give you whatever we can from the ministry about the circumstances under which that number was derived. I was curious myself, and I'm happy to give you, in writing, their answer, but I will stand by my answer. As an honourable member, I will ask you to accept that answer.

Mr Flaherty: Thank you. That's fine. You weren't there at the time, Minister. I'm not doubting what you're saying; I'd just like to see it from the ministry.

We have another number. This is from the cost breakdown of the Liberal platform promises prepared by the Ontario public service, the so-called 60-page document, still dealing with capping class sizes. This was broken down for the Ministry of Education: year 1, year 2, year 3, year 4. Year 1, \$300 million, not \$90 million; year 2, \$640 million; year 3, \$900 million; year 4, \$1 billion. Are you familiar with those estimates, Minister?

Hon Mr Kennedy: No, I'm not. I believe you're referring to something that was created by the Ministry of Finance. I asked whether any studies had been done, and they said those were just notional numbers they'd put down. Again, there is no basis—those figures were plugged numbers that they put forward in anticipation of a new government coming in. I can't say what went into them because there is nothing that is available on that score.

I will note for you, Mr Flaherty, since you raise it, that the same document talks about a range between \$500 million and \$1 billion and, I think, shows the nature of the figures you're dealing with. They are not someone's findings; they're not someone's detailed calculations; they are simply a guess at what might be involved in that. If you want to spend a lot of time on the fanciful numbers, that clearly fits the category, just like your \$1.63 billion does.

Mr Flaherty: I'm interested in your opinion about your ministry's work, but your ministry did some work—

Hon Mr Kennedy: The ministry did not provide those figures.

Mr Flaherty: You think it's fanciful, but I beg your pardon. We already know—

Hon Mr Kennedy: I want to correct you, Mr Flaherty. The Ministry of Finance provided those numbers.

Mr Flaherty: Minister, I'll save you a lot of trouble. We already know that various ministries provided information to the Ministry of Finance, including the Ministry of Education, so don't pretend—

Hon Mr Kennedy: I appreciate your proficiency with that, but I asked the question directly when these erroneous numbers came up, and they were not provided by the Ministry of Education. I just want to correct you, for the record.

Mr Flaherty: We'll let others judge what's correct and what isn't, and we'll see, over the next few years, what's correct and what isn't about the cost of the hard cap. You may be absolutely right; you may not be.

What I'm asking for, on behalf of taxpayers, is to have the information brought forward to the estimates committee of the Legislative Assembly with respect to the work done by the Ministry of Education to try to cost this program over the next several years.

Hon Mr Kennedy: Again, what I would offer to the committee is detail about the \$90 million that we've put out there: how that was costed, how we're anticipating that. I've also offered to the committee that, as we refine an estimate, that information will also be available. Those will be responsible numbers. Those will be the kind of things that would really satisfy the public interest in terms of how the dollars are being spent. I can't do much around the supposition that the previous government made or, indeed, the particular document that you're working with, which has been disavowed by the financial officials who wrote it.

Mr Flaherty: Why are you objecting to disclosure, Minister? The question is simple. If you want to say no, fine. But the question is this: Will you produce the work that was done by the Ministry of Education in order to provide the Ministry of Finance with information upon which that ministry determined—guessing or otherwise—the numbers they used in the 60-page document that was obtained pursuant to the freedom of information legislation in the province of Ontario? Will you produce it or not? If not, there are other places where it can be discussed.

Hon Mr Kennedy: Again, through you, Mr Chair, the answer to the question is that the Ministry of Education did not provide supporting material to the Ministry of Finance for that number; it was derived within the Ministry of Finance. I want to be very clear and on the record on that.

If there was other information, I would be happy to provide it. If the member wishes to request information that is the work of the ministry, we'll be happy to provide that as well.

Mr Flaherty: Will you confirm then in writing that the ministry has no such information that was provided to finance? I'll be happy to have that. If what you say is true, you won't have a problem doing that.

Hon Mr Kennedy: We're happy to provide you with some assurance that what I just said is true, sure.

Mr Flaherty: The capital cost of the new hard cap on class size is based on the calculation of how many classrooms?

Hon Mr Kennedy: Again, I will provide you with some detail, to the extent that we can. The capital part is the part that is most in discussion right now. There has been no separate work done on that because we're in the process of a capital review on the part of the ministry. There is no separate work being done. The ministry looked at certain assumptions to see whether that would hold as an estimate for the purposes of forecasting our costs, but there are significant elements of this that have to be worked out on the capital side.

Mr Flaherty: Do you have any idea, over the course of the implementation of this program to conclusion in 2007-08, are we talking about 1,000, 2,000, 10,000 or 300 classrooms? Do you have any idea?

Hon Mr Kennedy: We have right now, to give you an idea of the variables that are at work, 90,000 empty class spaces in the elementary system. Those 90,000 spaces are in a variety of configurations. Working out the exact plans requires us to take that into account. So what we have there—\$75 million—is the result of several models looking at a variety of classroom numbers. But we have to work closely with the school boards to get the precise numbers that would allow us to say, “It’s exactly this number of classrooms.”

Mr Flaherty: I didn’t ask you for an exact number. Do you have any idea?

Hon Mr Kennedy: I think we’re looking at—for example, the costing is based on debentured amounts. As you know, that was the system your government set up. Actually, I’ll provide you with that in writing, if it’s all right, maybe by the time the next round of questions comes around.

1620

Mr Flaherty: Thank you. In the Results Ontario document your government published, it is said that class sizes were reduced in the early grades this year for about 1,300 schools. How is that calculated?

Hon Mr Kennedy: The schools are all required to provide reports on how they were going to utilize dollars, and so that’s essentially a tally of the boards’ reports.

Mr Flaherty: Could you provide the estimates committee with the breakdown of that calculation and how that 1,300-school figure was arrived at?

Hon Mr Kennedy: We can provide you with—sure—a listing, by board; would that be sufficient?

Mr Flaherty: Thank you.

Hon Mr Kennedy: Good.

Mr Flaherty: All right. Moving on to student safety, Minister, as you know, you indicated in the Legislature, in response to my questions, actually, that you would bring in amendments to the Education Act with respect to volunteers and making sure that volunteers’ backgrounds were checked before they were permitted to work with children in the schools. I brought in a private member’s bill about that; I think it’s Bill 143. Since your ministry has been working on this issue, has the costing been done?

Hon Mr Kennedy: Well, there’s a range of costs involved because volunteer screening is being performed

at a different cost by different police forces around the province. What I would say is that the cost, unfortunately, has a range from \$12 up to \$90 per individual. It is why we’re still working on a broader set of legislation. I would say that there are two problems. One is that we have a large number of boards that are already using a volunteer screening program. We are prepared to make that the standard across the province, but we are trying to make sure we understand the implementation issues, because it does represent a cost. The other element here is that that isn’t going to be sufficient. When we look at the Robins report, the screening is about a certain level of criminal offence, and we believe also that there has to be a means by which we would pick up persons whom your government exempted; for example, other staff, like education workers, were exempted when it came to sexual abuse incidents, and there has to be a way of doing that—

Mr Flaherty: I’m very familiar with—

Hon Mr Kennedy: Well, I just want to say to you that you voted down my amendments—your government did, in every single case—to do this at the time.

Mr Flaherty: I don’t want a political argument. I’m asking you for the calculations, Minister. This is estimates committee. You can make the political argument somewhere else.

What are the estimates for the costs of this volunteer screening program? Would the ministry please provide that to the committee?

Hon Mr Kennedy: Because we’re still talking to school boards, we won’t be able to provide you with an estimate for the total, in costs, of all school volunteers; we may at a later date, but that doesn’t exist at this point. We have some experience in those 22 boards, and when we have that summarized, we’ll be able to make that available to the members of the committee.

Mr Flaherty: Where did the \$12 to \$90 per individual—

Hon Mr Kennedy: Well, those are the individual charges, but it’s different to know exactly how many volunteers it would apply to, exactly what criteria would be in place and if we’re looking at provincial criteria, because based on some of the experiences, we want to be very careful not to create more problems by bringing this to bear. So again, in order to get a cost estimate, we need to know exactly how many people it will apply to, and that’s something that’s being worked on with the school boards right now.

Mr Flaherty: What percentage of the transfer payments by the Ministry of Education to the school boards goes to salaries, benefits and pensions of teachers?

Hon Mr Kennedy: Speaking just to the salaries and benefits, it’s something in the order of 70%.

Mr Flaherty: Of course, the school boards are negotiating now with teachers, who are working without contracts. What is the cost, then, to the ministry, that is, the taxpayers of Ontario, for each 1% increase in compensation for teachers?

Hon Mr Kennedy: For teachers and education workers, it's about \$114 million dollars for a 1% variance.

Mr Flaherty: And is that \$114 million per annum?

Hon Mr Kennedy: That's right.

Mr Flaherty: What figures have you used when the Minister of Finance said that the Ministry of Education operating spending is projected to increase from \$10.6 billion in 2004-05 to \$12.0 billion in 2007-08, as he said in his economic statement a couple of weeks ago? What percentage have you used over 2004-05, 2005-06, 2006-07, 2007-08—four years.

Hon Mr Kennedy: Two per cent and then, provisionally, 2.5% and 3%.

Mr Flaherty: Is all of that enveloped in the grants?

Hon Mr Kennedy: I think that from your previous time as chair of the education committee you would know there's an envelope that goes for salaries as part of the foundation grant. There are also five or six other grants that also contain salaries. The biggest one would be special education, for example. So that in increasing the salaries, it is nominally enveloped, but like much of the funding formula it depends on a number of other rules as to whether it really has to be spent in that exact category. So there isn't, I think you realize, a particular envelope for salaries that applies to them all. They instead show up in a variety of these envelopes.

Mr Flaherty: Just so I understand, you anticipate 2% in 2005-06 or 2004-05?

Hon Mr Kennedy: Both.

Mr Flaherty: And in 2006-07?

Hon Mr Kennedy: It's 2.5%

Mr Flaherty: And 2007-08 is 3%?

Hon Mr Kennedy: That's correct.

Mr Flaherty: So we have a total increase in operating spending by the ministry of about \$1.4 billion, according to the Minister of Finance, over the next several years to 2007-08. Have you done the calculation, or can the ministry do the calculation, of what the anticipated increases will cost at the 2%, 2%, 2.5% and 3%?

Hon Mr Kennedy: It's just over \$1 billion.

Mr Flaherty: Just over \$1 billion?

Hon Mr Kennedy: Yes. Again, you're going to compare apples and oranges if you look at what the statement says, because you're looking at the portion that comes in a certain number of years—I think he's talking about three years—not going back a year, in terms of the deal that's already underway. So we'd be happy to provide you with that. In total, there's \$2.6 billion in new spending in education, the bulk of which, \$2.4 billion, is in the years that you were asking about salary figures.

Mr Flaherty: The Minister of Finance goes on in his statement to say, "Per student funding over the same period will increase by more than 14% to nearly \$9,100 in 2007-08, or over \$1,100 per student." Can the ministry provide the calculations that give rise to that 14% conclusion by the Minister of Finance in the Economic Outlook and Fiscal Review?

Hon Mr Kennedy: Sure, very simply.

Mr Flaherty: Special education funding clawbacks: One of our school boards, the Durham District School Board, and other school boards as well, have written to you, Minister, as you know, and to the Ministry of Education about being able to spend the special education reserves. Specifically, the Durham board allowed—I'm sorry, the special education advisory committee chair asked that they be allowed to use existing reserves to meet students' needs in the upcoming year. That's in a letter dated October 1, 2004, to yourself. Is the plan to permit these various school boards, the Durham school board and the Halton Catholic District School Board, for example, to use those reserves to serve special needs students this school year?

Hon Mr Kennedy: The boards are able to use reserves that we provided for. In fact, they're twice as generous as reserves that existed for seven out of the eight years under the previous government; that is, they're allowed to have 2% of their total spending as reserves and they can apply that as they see fit. A very large surplus was generated for boards two years ago when the previous government sent money out so late in the year that some boards couldn't utilize it. That surplus has now been subject to new, more responsible rules so that it has to be spent in the local area. But if it's above the 2%, it will reduce the allocation that year. Every single file will receive funding; in other words, every single approved student who has been vetted is getting funded. But the surpluses are going into a provincial fund that then will be applied for by individual boards for individual students who have very high needs.

Just to reiterate, every board has been asked to spend their surplus, and they're also allowed to control independently another 2% of their total spending, not 2% of their surplus, as a matter of making good use of these dollars that were sitting in bank accounts. I think about 38% of the \$200-million increase provided by the previous government went to bank accounts, some \$76 million in the years 2002-03. We are obviously trying to make sure those dollars support students, and we've encouraged, through a direction to the boards, that they do exactly that.

1630

Mr Flaherty: So they can they spend the money?

Hon Mr Kennedy: Again, they can spend the 2% of their total amount that we've stipulated can exist in their reserves going forward.

Mr Flaherty: Minister, they didn't spend the money because there was a review going on. So they held the money in trust, and they feel they should be able to spend the money for the needs of special education students in Durham region. So do I, quite frankly, and I think the other members from Durham region feel the same way. You're saying they cannot.

Hon Mr Kennedy: With respect, sir, you're contradicting your own government, because your government qualified those dollars for ISA 2 and ISA 3 students. The money was not spent for ISA 2 and ISA 3 students. We are funding every single approved case under the system

your government set up. Every single one gets current dollars. There is no need to spend additional dollars for those particular students. The money that was generated by poor cash flow management by your government is being used instead for some of the emerging cases, because, frankly, the system your government had set up had a lot of holes in it. We're going to enable other students to receive ISA 2 and 3 funding.

The idea that education is a funding game somehow, which I think you're endorsing, is simply not something that appeals to us. These dollars are meant to be helping our ISA 2 and 3 students, who are the students who have, as you know, the highest expressed needs. One of those students generates either \$12,000 or \$27,000 each by way of grants. These dollars are meant to help them. We're going to deal with the needs in the province in a very significant way. A 65% increase in the last two years has gone toward the needs of these students, and we're going to continue to make sure these monies get spent on their particular needs.

Mr Flaherty: Thanks, Minister. I only have a couple of minutes. I'll tell the special education advisory committee in Durham region that they cannot spend the money, that the answer to their letter is no, because that's the accurate answer.

Hon Mr Kennedy: Well, we'll respond to their letter in due course, because just hearing you, Mr Flaherty, you're not answering accurately. They do get to spend the allowable surplus, which is double the money they had under your government. They get to keep it and they get to design their purposes for it. But the large bulk of money you deposited into school board bank accounts—

Mr Flaherty: We'll let them decide about that.

Hon Mr Kennedy: —has to be spent responsibly. That's something I thought you might have been interested in doing, but apparently you've changed in opposition.

Mr Flaherty: We won't sit in judgment on that; we'll let them decide. We'll let the parents of special needs students in Durham region decide about the fairness of your view.

Hon Mr Kennedy: Well, thanks to this government's taking responsibility, they've received 65% more dollars. You made them wait for six years. Six years you sat in cabinet and wouldn't fund those cases from Durham region and every other one that were approved, time after time.

Mr Flaherty: Is it the intention—

The Vice-Chair: There's one minute left.

Mr Flaherty: There's only one minute left. Have you costed the promise to fund schools for success over the next several years? Has the ministry done that? In the 60-page document it was, oh, \$115 million, \$300 million, \$600 million, \$730 million. Have you done that work?

Hon Mr Kennedy: Excuse me? I'm not sure which document you're referring to.

Mr Flaherty: "Funding schools for success": that promise that your government, today's government, made when it was seeking to be the government.

Hon Mr Kennedy: Yes?

Mr Flaherty: Has the ministry costed that plan?

Hon Mr Kennedy: Again, I think you might be confusing some wording or there may have been two meanings. There's a student success program in high school that is currently receiving funding of about \$75 million directly, another \$20 million for vocational, and then we're trying to reprofile about \$56 million on the TAP program that failed. Those are the dollars that are committed to it currently. I think, though, if you're referring to the election document—is that what you're referring to?

Mr Flaherty: No, I'm referring to the 60-page document. You can have a look at it for yourself. I thought you would have looked at it. I would like to know the funding for "Funding schools for success," "Better student achievement," and "Mandatory learning to age 18."

Hon Mr Kennedy: If I could for the sake of the record, Mr Chair—

The Vice-Chair: Just a little caution here. Given the limited time for these actual hearings on education, if members have questions, they must be tabled with the committee and the clerk prior to the end of the hearings today. There are clearly some outstanding questions here. Again, Minister, you've indicated that a few of the responses would be submitted to the clerk. Those will be distributed to the members of the committee.

With that, in your next response you can probably elaborate either in your own time or when your rotation comes around to respond to some of those questions.

At this time, it goes to Mr Marchese: 30 minutes.

Mr Rosario Marchese (Trinity-Spadina): Thank you, Mr Chair. First of all, Minister, after Jim, I feel almost obliged to be nice. I was hoping to be a little harder, but now I'm hiding.

Hon Mr Kennedy: I thought he was being nice. I'm sorry. Did I miss something?

Mr Marchese: That's good. I'm glad to hear that. Was that the case?

Hon Mr Kennedy: Yeah, that's how I experienced it.

Mr Marchese: I'm glad to hear it. It was just me, then.

I want to talk about a couple of issues. I want to start with the transportation money that you alluded to. You're familiar with your document, obviously.

Hon Mr Kennedy: The exhibit you're holding up is one page from a document that's a draft transportation formula, and that is one page showing a scenario if the—

Mr Marchese: Gerard, I've got a couple of questions. Hold on.

Hon Mr Kennedy: I just want to make sure. I can't actually see from here, so is that what you're talking about?

Mr Marchese: It says, "Table 1—Projected Transportation Allocations."

Hon Mr Kennedy: Does it say "Draft" at the top? I think it says "Draft Funding Formula." Is that what it says?

Mr Marchese: No, no; I want to tell you what it's called.

Hon Mr Kennedy: Mr Marchese, I just want to know, are we dealing with the same page? Does it say "Draft" on it?

Mr Marchese: No.

Hon Mr Kennedy: Are you sure at the top it doesn't say "Draft"?

Mr Marchese: Maybe you've got another copy that says "Draft."

Hon Mr Kennedy: What we published said "Draft" on it.

The Acting Chair (Mr Wayne Arthurs): Minister and Mr Marchese, it may be easier for Hansard if we have one member at a time, please.

Mr Marchese: Do you think, Mr Chair?

Hon Mr Kennedy: Well, I'll make an assumption that that's what it is.

Mr Marchese: We're going to get to that, Gerard, don't worry. But this is called Equitable Allocation Through a New Funding Model for Student Transportation in Ontario. I just want to ask you about this phrase, "equitable allocation." How did you come by naming this document Equitable Allocation Through—there must be a rationale for it.

Hon Mr Kennedy: I've got to say that the naming of that came from the ministry itself. It wasn't something that I'm familiar with the origins of. If you'd like, I can inquire.

Mr Marchese: That would be good.

Hon Mr Kennedy: "Equitable allocation," anyone?

Mr Marchese: Gerard, maybe it's not a good idea.

Hon Mr Kennedy: We'll find out for you. I don't know. I'm not sure what the words themselves were chosen for.

Mr Marchese: The reason I have a problem with that title is that the Tories used to use those kinds of titles. I used to say, "Whatever the title says, think the opposite." That's what I used to say. Some of the Liberals used to say the same thing after I started doing it.

I was concerned about this document being called that because, as I look to it, it doesn't appear to me to be too equitable. Under your new funding system, about half of the boards win and half of the boards lose, and many of those boards lose a lot. Is that true?

Hon Mr Kennedy: No. Just to be factual about it, first of all, every board wins in the sense of getting more dollars this year. What we're discussing and I'm very happy to discuss is a draft scenario that would put forward what could happen over the next number of years to have an objective funding formula. So in terms of equitable allocation, I will stand behind those words, despite not having chosen them. It is going to be equitable and objective, and I'm happy to get into as much detail as you want about whether this is and what we've received by way of feedback in the meantime.

What I would say is, in the draft you have front of you, it proposes that over a number of years, two thirds of the boards stand to get more money. One third of the

boards would stand to get somewhat less money, but only for one reason: if, at the end of the day, they are proven to be less efficient than the other boards. The funding formula tries—it only tries, because it's a draft; it's the best effort that could be made, with the boards' input. This has been worked on for over a year.

Mr Marchese: Gerard, you're going to be able to answer those questions—

Hon Mr Kennedy: So two thirds are up; one third, it's proposed, would go down over time. I've got to be very clear, though: That's very much a draft, and there's already another draft that's been put out to the boards.

Mr Marchese: OK. You see, this is the problem I have, because you're talking about it, and this is a discussion paper, you keep on saying. But isn't it true, as you're saying, that you're phasing in the funds this year for those boards that are receiving increases?

Hon Mr Kennedy: What we did was use—we said we did not wish to implement the funding formula without a year of discussion. Instead, we used it as a directional instrument so that boards that were to see very large increases got modest increases from us. Boards that were not seen to be increasing at all got 2%. The maximum was as high as 12%. Yet under that model, you'll see that there are boards projected to get as much as 40% or 50% more dollars eventually, should that model actually come into existence. So that's the difference. We really just use it as a bit of a guide. It is not the same as implementing the formula, because there are huge gaps between in all cases, and we did not reduce funding for any single board. Every board got at least 2%.

Mr Marchese: Gerard, if it's a guide, how could it be a discussion paper if you're already implementing the new funding model?

Hon Mr Kennedy: Only because we felt that we could discuss the vast majority of the implications and still use some of this as a guide. We took a very limited position in terms of what could be done.

We had two choices here, Mr Marchese. We could have waited and done nothing for school boards, like the last government did for seven years, or we could take the best work that had been done and use it as a way to help boards. I'm not telling you that that's the ideal answer, but it is the best thing we could do to start helping school boards. It helped us put \$33 million more into transportation around the province. It was the fairest available means at the time, but it is still a draft.

1640

Mr Marchese: I hear you. I hear your rationale. I look at the sheet and I see that it's not as equitable as it says, so I've got a problem with that.

Then I look at that sheet, and I say, "Hmm." Some boards are getting increases right now—and you're putting forth a rationale as to why that is happening—and some boards are going to get decreases. Many boards, as you know, are planning for that. So if boards that are receiving increases get funds this year, in your view, doesn't it make sense that the boards that are getting cuts will be changing their service delivery this year to prepare for those cuts?

Hon Mr Kennedy: I wrote to the boards on two occasions and asked them especially not to do that. There are two possible outcomes. One is that boards can become more efficient. For example, boards that are not working with their coterminus boards are probably not going to be as efficient. The funding formula takes into account that idea, so if they're not doing it, they could start to do that and still not cut services whatsoever.

Alternatively—they have already been doing what this alternative implies, which is sitting down at the consultation sessions we're holding and trying to get us to understand where the formula isn't being fair or, to use the word that you're interested in, equitable. Therefore, the formula itself will change. I can tell you that there is already consideration being given to quite a number of changes, so that's under way.

To be very clear, because I think it is an important point you raise, no board should be making decisions yet based on this funding formula in terms of reductions because—

Mr Marchese: But Gerard, you will understand—

Hon Mr Kennedy:—too much of it is taking place. I've also clarified that for a number of boards directly.

Mr Marchese: Hold on. I'm trying to ask you a couple of questions—

Hon Mr Kennedy: Yeah. You wanted an answer—

Mr Marchese:—because I remember you were a buddy of mine here on the other side, trying to deal with Minister Witmer, and you were as engaging as I'm trying to be. Give me some time. I've got a lot of questions. You'll be able to answer.

Hon Mr Kennedy: Just give me a sign. Just do this and I'll stop answering. If you've got what you want, then just do that.

Mr Marchese: Exactly. This is what we're dealing with. I know you're saying that's not what we're dealing with, but this is what boards are dealing with in terms of money they're getting and money the boards are going to get cuts on, that they're planning for. That's the only document we have that's public, produced by your ministry, that we're dealing with. So when you're saying to boards, "Don't do it," it's a bit complicated, because what you promised when you came in was to reinvest in transportation. Instead, this model talks about redistribution.

Hon Mr Kennedy: No, whenever you want me to answer, but there are a number of things you're saying that I would like to address.

Mr Marchese: Sure. Don't be too long, because I have a few questions. Go ahead.

Hon Mr Kennedy: Basically, it isn't about redistribution, because there's an additional \$20 million already invested and another \$13 million for a keep-up element. So \$33 million more is in there. When you say redistribution, the fact is that this formula addresses the fact that the last government neglected for seven years to put it up.

Mr Marchese: I understand that.

Hon Mr Kennedy: The point being that there has never been an equalizing between boards. We're obliged

to do that, and we should be doing that. Some boards were locked in at inefficient levels, and some were locked in at very tough levels after their amalgamation.

Mr Marchese: I hear you.

Hon Mr Kennedy: I think everybody, including the boards, has called for a transportation formula. This is the first draft version of it. What you're saying is, "Well, it's on paper," because we're showing some respect to boards. We're not trying to hide from them what this could do.

Two things: it would only be implemented over several years—we've said that from the beginning—and again, those numbers are in the process of changing. Every board is at a consultation this week and next, and they're going to learn that and have that reinforced. So there should be no changes until they see the final.

Mr Marchese: You see, the problem I'm having is that if it was a draft discussion or discussion paper, you wouldn't be putting out this page. You wouldn't be putting out a page that says some boards are going to get money—

Hon Mr Kennedy: Can I respond to that very directly? Because boards asked us to. Boards said, "We're not going to pay attention until you tell us what this could mean for us." That is the way the government has consulted in the past. They say, "Well, here's some blank paper and some crayons," but they don't say, "Here's what we really intend to do."

This was the best model that could be developed by the boards themselves working on a committee, some 20 of them working together, and then we put this as the explicit thing. But we said, and we tried to put a bigger warning sign, perhaps, "Don't use this yet. Help us make sure it's the right formula."

Mr Marchese: OK. I got you.

Hon Mr Kennedy: That's a better way to do education funding.

Mr Marchese: Do you think your cuts are going to affect the delivery of service for some boards in some way or other, in terms of the way they're planned?

Hon Mr Kennedy: No, because we are saying that one of two outcomes can happen. Either they can improve their service to make it more efficient and still deliver the same levels of service, or a very high level of service, or we'll change the formula to make sure that it meets their needs.

We're working quite industriously right now—seven meetings with all the boards this week and, I think, early next week another round will be completed—and it'll be as good a formula as can be made for that. That is our commitment.

Mr Marchese: I talked to the Ottawa-Carleton Catholic board about a week and a half ago, and they've had a lot to say about this. Maybe they'll be happy to hear you say that the changes will be made; I don't know. But so far, this is what they've said:

"Trustees with the Ottawa-Carleton Catholic school board are working hard to convince the government not to cut \$10 million from the board's transportation budget in the fall of 2005.

“Trustees were outraged last June when the Ontario Ministry of Education released a discussion paper on a new funding model that proposes to reduce the board’s annual transportation budget of \$21 million to \$11 million for the 2005-2006 school year.

“If this transportation funding model is approved, it will devastate the level of service our board currently provides for our students....We may not be able to provide bus transportation for students after grade 2.

“We could see children as young as 8 or 9 years old having to take OC Transpo to school,” she said. “We don’t see that as appropriate at all.”

You’re here in this picture, Gerard. You’re right there.

Hon Mr Kennedy: Yes, I see right there.

Mr Marchese: Part of what they also said is that they feel somehow cheated in this whole process and that the way they were consulted doesn’t appear to be the way you say they were consulted.

So they’re planning for cuts, and in fact most of the other boards are planning for cuts, because they don’t know what the heck you’re going to do the following year. And while it’s possible they’re putting pressure on you the way Ottawa Catholic board is doing, that you might change your mind, they don’t see it. Quite frankly, I don’t see it, and I’m afraid.

The way I see this model is this—

Hon Mr Kennedy: I’m worried that you’re afraid, Mr Marchese. You shouldn’t be afraid.

Mr Marchese: Help me; exactly.

Hon Mr Kennedy: Let me help you. Here are the funding figures—

Mr Marchese: Hold on, Gerard.

Hon Mr Kennedy: Let’s give them some credit.

Mr Marchese: Yeah, I know. Hold on.

Hon Mr Kennedy: Let’s give them some credit. In that board—

Mr Marchese: Gerard, remember, this is our time.

The Vice-Chair: One person at a time, please.

Mr Marchese: At the moment, with this model, I don’t see additional dollars for every board. What I see is—because I know your 2%. That’s how you cleverly get away with saying, “They’re all getting a 2% increase.” You’re cleverly saying, “Everybody is OK because they’re getting a 2% increase.” This is OK for now. But at the moment, with this current model that you put out, the boards are planning for cuts next year. And those who are going to enjoy increases—they got money this year for money they’re expecting next year. They got money. It’s hard for me not to think it’s a plan when they already got money now for something that you say is a discussion paper. Because if it’s a discussion paper, no one should be getting any money. Would you agree with that?

Hon Mr Kennedy: No, I wouldn’t, because it’s very clear that the safety and the effectiveness of students travelling to school has been compromised by the fact that the previous government didn’t have a fair way of funding transportation.

Again, Mr Marchese, I’m surprised that you would endorse the idea of waiting. It takes time to build a responsible funding model. What you’re saying to me is, “Do nothing. Don’t help these boards.” We felt that we had an obligation to help them. So all the boards got funding. The board you’re referring to received \$400,000 more this year than they did last year. That was responsible. Because even if we learn, at the end of the day, that there are more efficiencies that could be obtained by that board, it will take some time to get there. They can plan to arrive at those efficiencies, but we will make sure that—when we talk about cuts, we’re not talking about cuts to services. Services can be provided more efficiently. For example, the coterminous boards can work together.

Mr Marchese: I understand the whole notion of coterminous boards.

Hon Mr Kennedy: But do you agree or not agree? Otherwise, you’re alleging something here that isn’t supported.

Mr Marchese: But, Gerard, I’m not the minister; you are, you see. Here’s the problem. Am I for safety or not? What a question. Am I advocating do nothing? No. You were the one who said you were going to increase transportation for every board.

Hon Mr Kennedy: We did.

Mr Marchese: No, you’re not.

Hon Mr Kennedy: Thirty-three million dollars this year, and every board got some of it.

Mr Marchese: No, Gerard, you got it all wrong. This Ottawa board is saying that they are operating efficiently. They’ve been doing it for years. What you’re saying to them—

Hon Mr Kennedy: Well, then they’ll be able to justify the changes in the funding model.

Mr Marchese: Gerard, what you’re saying to them, not to me, is that they’re inefficient and that you’ve got to cut in order to make them more efficient, and if they can become more efficient—presumably because they’ve been so for so many years—they might get some money.

Hon Mr Kennedy: The Ottawa-Carleton board and I have had a couple of meetings on this, I think since the article you’re quoting from, and they’re also meeting this week with the ministry. They have a representative on the committee that designed this model in the first place. So when you say there was no consultation, I don’t understand that.

At the end of the day, the Catholic board and the public English board do not co-operate on transportation in Ottawa. We think they should. We’re sure that if they do that, they can provide a high-quality level of transportation.

Mr Marchese: I’ll be very happy—

Hon Mr Kennedy: I just want to see, because you’re alleging something different, and I think—

Mr Marchese: Sorry, what am I alleging?

Hon Mr Kennedy: You’re alleging that the cuts will happen to student services. I’m saying to you very clearly that there’s a scenario in Ottawa where the two boards

collaborate and they're able to provide a high level of transportation and not cut any services to students. I think that's what you were asking.

1650

Mr Marchese: Gerard, I don't know what the heck you think I'm asking. That's not what I'm asking. I'm not advocating cuts to services at all. I'm advocating that you put the money you said you would put for all boards. Not all boards are going to get increases is what I'm suggesting to you. The comments you're making, we'll be very happy to bring them back to every board as we discuss it with them, because I'm telling you, these people are not very happy. I'm telling you as I go around, the trustees are not very happy, not just on this issue but many other issues. But I'm happy that you're strongly defending this, I'm happy you are, because as I go around, I'll be able to tell them what you're saying.

Hon Mr Kennedy: No, what I'm defending is the process. I've said before, about that piece of paper you have, which comes with at least 30 pages of explanation—

Mr Marchese: This is not a piece of paper, this is your document. It's a public document.

Hon Mr Kennedy: Right, but it's interesting that you hold up that one page out of 40 pages in the document—

Mr Marchese: So what's pertinent about the other pages?

Hon Mr Kennedy: What I said to people previously is that the only thing I can say about that formula is it's objective. I can't say if it's accurate yet, I can't say it's fair, but if you look at that, it applies—the same formula—

Mr Marchese: Gerard, how could you not say—

Hon Mr Kennedy: —does the same thing to every board.

The Vice-Chair: One at a time, please.

Mr Marchese: Gerard, this document is called "Equitable Allocation." Are you saying you can't say it's fair?

Hon Mr Kennedy: Because it's a draft, and it has to be tested in the real world. Time after time the last government didn't test the formulas and found out they didn't work, so now they're being tested.

Mr Marchese: Gerard, that's OK, I understand. But why would you call this document "Equitable Allocation," if it's a draft? Why would some boards get money this year, if it's a draft? I don't understand. Explain that for my benefit.

Hon Mr Kennedy: Again, we felt that there was a case to be made that boards had fallen behind in general and that there were specific boards that were further behind, and this effort—and I don't want to take up more of your time—measures a lot of things; it's about measurement. It tries to say what boards are really hurting out there. If you look at what boards spent on transportation you can see they all had deficits, so we moved on that. You didn't want us to move, we moved on it.

Mr Marchese: Gerard, no, no. If it's a draft, it's a discussion paper, is it fair in your mind, or logical per-

haps even, that some boards get money right away? Because, in my mind, having been around for 14 years and as a school teacher I say, hmm, if it's a discussion paper, then we don't make recommendations right away in terms of how they're implemented, because presumably we want to give people an opportunity to see the numbers, to discuss them, to give you feedback, to say, "Gerard, I don't know about this. You might be on the right track." That's what I, as a teacher, someone who, I would argue, is somewhat logical in his thinking—do you think it's illogical, my thinking, or do you think you're at fault in some area?

Hon Mr Kennedy: No, Mr Marchese, because again, we wanted to do something more for transportation. We didn't want to implement this model because we think it had to be tested and it had to be sent for every board's scrutiny—

Mr Marchese: But Gerard, answer my question, because you're not answering it.

Hon Mr Kennedy: —but we had to have a basis for helping boards out there. So what we did was not accept the model as a whole; we simply accepted the very basic premise that it identified correctly some of the differential between boards and we met some of that differential. What I would say to you by way of justification, because you've really implied that it wasn't the right thing to do, we wanted to get the \$33 million as fairly as possible into the boards and erase some of those deficits and put some more safety—

Mr Marchese: I understand you. I hear you.

The Vice-Chair: Just one moment, please, if I may interrupt. I just want to say, Minister, with respect, you will have a 30-minute response period and Mr Marchese should really use his 30 minutes appropriately, and interjections here and there with one person speaking, that's great, that's fine.

Mr Marchese: I don't mind, it's just a way of engaging. He used to do that with the minister. I don't mind it, really, because eventually we'll cut each other off. I know, I hear you.

I'm not implying, I am telling you, that when you call this an equitable model, it's wrong, factually wrong. I'm not implying—

Hon Mr Kennedy: What would you change, Mr Marchese?

Mr Marchese: I'm not the minister. I'm saying to you that when you go around—

Hon Mr Kennedy: But the boards have that chance.

Mr Marchese: Hold on, Gerard. You're the minister, you drive the limousine and you get the extra wages, not me. When you go around saying, "It's a discussion paper," and some boards are getting money—

Hon Mr Kennedy: Less wages than them, you know, but anyway it doesn't help.

Mr Marchese: Sorry?

Hon Mr Kennedy: Less wages than the last guys, but yes, I get your point.

Mr Marchese: Right. But you feel good about that, right? Because you don't need the money, right, Gerard? This is really great.

Hon Mr Kennedy: Oh yeah. Tell my kids.

Mr Marchese: So I'm saying—I'm not implying—I'm actually saying to you that when you call it a discussion paper and boards are getting money this year and other increases next, it cannot be a discussion paper because a discussion paper implies it's out there for people to debate. Am I having a difficult time communicating that?

Hon Mr Kennedy: No, you're being clear, and you're clearly wrong. Basically, the formula is not being applied in full. It has been used as a directional element. The alternative you would offer, I guess, is that we'd have no fair direction for increasing funding, which we clearly wanted to do this year and did do, or that we should implement a formula that we didn't think was ready. In the alternative, I'm happy to hear one from you, but again, subject to your judgment here, we are simply saying to boards, "Here are additional dollars," and then, "Here is a draft formula that will beget some other dollars."

Mr Marchese: You're repeating, Gerard. You're repeating it.

Hon Mr Kennedy: As are you, but I'm just saying I don't understand why you don't see that as a reasonable proposition. I'm sorry I can't find a better way to express it, but it essentially is saying to boards, "We're getting you the dollars in the fairest way we can now." But it's the equitable thing; it's an aspiration of that formula. It isn't finished yet, but it should work to the extent we did this year.

Mr Marchese: That's great. So when you went to the Ottawa trustees, were they happy with you about this thing? Were you able to convince them, as you are brilliantly convincing me, that this is just a discussion paper?

Hon Mr Kennedy: I think what we were able to get from Ottawa trustees and from other boards—the draft formula isn't the answer they're looking for—is their willingness to work with us. They've never seen this before. Previous governments—

Mr Marchese: They were sort of smiling and chatting with you about how great this discussion paper is and all that.

Hon Mr Kennedy: They basically at least—and they've written letters and worked with the committee. They have their own staff person on the committee, and they have worked hard to come up with a good—everyone wants a good funding formula for this province.

Mr Marchese: Yes, they do, especially those who are getting cuts next year.

Hon Mr Kennedy: But they do want to see a fairer formula. They've asked for it for seven years.

Mr Marchese: Yes, particularly those who are getting cuts this year, because they were not expecting cuts, they were expecting increases.

Hon Mr Kennedy: The fact is, though, that one board is getting paid a lot more than another board with the same number of miles to cover, the same number of kids to pick up and all these other things. So I'm just saying—

Mr Marchese: Not a problem. I'll go back to Ottawa again—

Hon Mr Kennedy: I don't understand why you don't think we should fund them fairly, equally. That's what we're trying to do.

Mr Marchese: No, but don't worry about me, Gerard. When I go back to Ottawa, I'm going to try to convince them of your logic, and I hope I can help you out.

Hon Mr Kennedy: We're working on them too, so maybe between us.

Mr Marchese: I'm going to help you out when I go back to Ottawa.

Let me tell you about Durham, because boards are beginning to cut service, such as surplus seating and change in the qualifying distance. In the Durham District School Board, 600 to 1,000 families had at least one child cut out of the bus service. Mothers leave one child on the bus and drive the other child in the car behind the same bus. And what do you say to them again about those cuts?

Hon Mr Kennedy: That they shouldn't have made them. They shouldn't have made any cuts this year. In Durham we have given them more money for transportation, and, frankly, they should not be making any transportation cuts when they have more money to spend on transportation. We've made that expressly clear and I've offered to come to meetings in Durham. Again, I met with that board as well. We had a discussion with the two boards there on the transportation formula.

Mr Marchese: OK, very good, Gerard. I thank you.

On October 18, the Durham District School Board voted to reopen the transportation policy and take a second look, because your spokesperson told the Star that the transportation model is just a draft, which you're just saying now. Now the ball is back in your court, which you're telling us. So will you reverse your decision to cut their transportation funding for 2004 to 2006 so that they can deliver needed services, or what is it that you expect from them?

Hon Mr Kennedy: There will be a transportation formula for next year, and only at that time will we know how much money each board will get. I know it's difficult. We are having an open and honest discussion with boards, and it's healthy, it's good to have. But boards shouldn't act prematurely until that discussion is concluded. We're listening hard to all the boards that are affected, but at the end of the day, in February, they will know in plenty of time to plan for the next school year what level of service they're going to have to be able to support.

Mr Marchese: So what you're saying to them is, "Listen, you're getting a 2% increase and this is only a draft. Don't worry. Wait until next year and we'll see"—

Hon Mr Kennedy: Also, Mr Marchese, just to remind you, we're telling boards, "If there is at the end of the day a funding formula that we are convinced is fair and that we're able to implement with that assurance and there are still boards that are negatively affected, we will phase in those negative impacts over a number of years."

So it will be well within the ability of boards to plan and cope. And we'll also provide the ability for them to become more efficient. There are a number of things we can do to make sure that students aren't negatively affected.

Mr Marchese: The Ottawa board trustees told me that you came back after you realized you were getting clobbered on this—for good reasons—that you or your ministry staff said they might be able to phase it in.

Hon Mr Kennedy: No, no. We said it from the beginning, from the very beginning. It's not fair to say otherwise.

Mr Marchese: From the beginning, OK. When we go back we'll chat with them about whether you said that in the beginning or not—

Hon Mr Kennedy: Please do.

Mr Marchese: —because it didn't strike me as something they knew about in the beginning.

Hon Mr Kennedy: Well, with respect, Mr Marchese, it is what we've done.

Mr Marchese: We'll talk to them, because I like to be clear, you see.

So you're saying, "Let's wait. This is only a discussion paper, and if at the end of it we conclude that this is fair"—I'm assuming this can't be the end of it because you're so convinced somehow there are problems, that if it's a discussion and—

Hon Mr Kennedy: There will be significant changes, is what I understand.

Mr Marchese: There will be significant changes?

Hon Mr Kennedy: That's right.

Mr Marchese: From this?

Hon Mr Kennedy: Yes.

Mr Marchese: On the basis of what kind of rationale or reasoning, or on the basis of what, so that I understand?

Hon Mr Kennedy: It's in progress, Mr Marchese, but all of the boards are being shown some of the ideas that have been accepted and changes—it's a too-complicated formula, but it seems to be necessary that we actually look at the grades of roads and the cost of transportation from a variety of standpoints: dispersion rates in terms of how spread out kids are. I don't want to take up your time with a description, but the committee is welcome to the background for this. It should be public information.

1700

Anyway, at the end of the day, there are some things that boards have pointed out that have been, at least in a draft form, taken on by the ministry, and they started to look at what different models it would have. So we know there are changes that are going to happen, but we're not done yet. We're in the middle of that consultation. I think that's fair for us to complete it.

Mr Marchese: You see, when I travel around the province, I want to be able to tell the trustees, "Look, there are changes being contemplated. The minister is saying a lot of things that might be helpful. Please don't plan for the cuts, because there are some things that could

be good for you down the line." Is that what I should tell them as I travel around the province?

Hon Mr Kennedy: You should, and I believe they're at the meetings, hearing that for themselves this week. Not every trustee you'll encounter, but every board, we believe, is at those meetings getting an update on some of the work in progress. I will tell you, because this is complicated and because we want to get it right, it'll take us till probably February to finalize.

Mr Marchese: So I'll tell them not to worry: "Don't implement any cuts now. Don't plan for cuts, because anything could happen."

Hon Mr Kennedy: If a board is out there and they look at the dollars that are being allocated and they say—I'll tell you, not many have yet—"You know, that's fair. That's an amount of money we can work with, and we can be more efficient. We're going to enter into a co-terminous agreement, and we're going to be able to bus the kids for less." That's the only plans they should be making.

Mr Marchese: Gerard, my sense is that this is going to be more or less the plan, and it will change on the basis of the pressure they put on you, and many of them are putting a lot of pressure on you. So I think this is what's going to be happening. I think a whole lot of boards are going to be seriously affected so that the Catholic school system is going to have a serious problem maintaining its school base, maintaining its students, because if it stays this way—Gerard, don't look so puzzled, because they've already told you—a whole lot of students are going to leave the Catholic school system from there to go to another adjoining system where there's going to be better transportation. Are you familiar with that kind of problem, or are you worried about that?

Hon Mr Kennedy: No, Mr Marchese. In fact, I established, at the meeting of the Ontario Catholic School Trustees' Association, that there is no religion on these buses. It has nothing to do with that. The Catholic system and every system will have the same access to transportation dollars, for the first time since there has been centralized school funding. If there's any system—because the Catholic system was not, for many years, receiving equitable funding—it is the Catholic system that will appreciate the need to have a well-grounded funding formula.

The Vice-Chair: Two minutes remaining.

Hon Mr Kennedy: I disagree completely with that conclusion. I think it's a bit irresponsible, unless you're prepared to look at the funding formula and tell us how it is biased in some way.

Mr Marchese: Not a problem. I don't have to tell you; they'll tell you. There is a Catholic school system out there which is public. The Catholic schools and many Catholic boards—should your plan proceed, as I anticipate it will, with some moderate changes, because you're going to be pressured as you've never seen before, and you never expected this. I don't know whether you've contemplated yet what is in this report. Maybe you didn't and maybe you did. If you did, it's even worse, because

what's happening here is going to cause so much disruption, so many problems, you ought to worry about it.

So while you say, "There is no religion here," Catholic schools and Catholic boards are profoundly worried about how many students they're going to lose to the other coterminous system. I would think it should worry you, but if you're not worried—

Hon Mr Kennedy: No, I can't be worried because basically we're not going to allow competition on the basis of transportation. We are encouraging that indeed busing services be shared. If boards think they can be more efficient by running separate busing systems on the same streets as other school systems, if that's what you're encouraging, then they're welcome to do that, but they have to do it within an envelope that is fair and comparable.

Your point, frankly, is a little bit odious, because this is about funding fairly. We have put more money into making it more adequate. We have also come up with a system that matches the needs.

Mr Marchese: Thank you. It's the effect of what you're doing that will create this result. So it's not that I say it's odious; it's the effect of what you're doing that will cause these problems.

Hon Mr Kennedy: No, you can't walk away from that conclusion. You're the one making the characterization.

Mr Marchese: You can say what you like, and you can go out and defend it however you like. I'm saying, the effect of what you're doing—and I suspect this will be the model that will be in place next year, with very minor, minimal changes—will have that consequence. I don't think you ever contemplated that—

Hon Mr Kennedy: Maybe you say that, Mr Marchese, because that's how your government, that you were part of, operated. Ours isn't. We are actually bringing a model out there, and we're actually listening. We're actually making changes.

Mr Marchese: Gerard, that's a dumb remark, if I can say.

Hon Mr Kennedy: I've given you an undertaking that you say you choose not to believe. That's your right.

Mr Marchese: Your undertaking can't solve this problem.

Hon Mr Kennedy: It can, because we're working on it.

Mr Marchese: I'll pass it on to the school boards: not to worry.

Hon Mr Kennedy: Please do.

The Vice-Chair: Minister, we're now going to move to the final speaking at this point. The rotation would be: The minister has 30 minutes to respond to both of the opposition parties and to make your concluding comments on this round, and any time you don't use would be split among the three parties.

Hon Mr Kennedy: Sorry, Mr Chair. It's the time of the government party or the minister. Is that not correct?

The Vice-Chair: I'll just respond that, in speaking with the clerk, the routine for this session of the Legis-

lature has been such that the Chair has determined that the minister has the time, the 30 minutes, and that's considered to be the way it's utilized—

Hon Mr Kennedy: Sorry, if I could make a quick referral to yourself: I thought the standing orders were that each recognized party had an opportunity. That, traditionally, has been used by the minister with the agreement of the government party of the day. But it would also be appropriate for me to take questions from them, because this is the time for it. Is that not correct?

Ms Caroline Di Cocco (Sarnia-Lambton): If I could, Chair: We've had this discussion, certainly at the beginning of this. I interpreted the standing orders that each party has their opportunity for half an hour and has an opportunity also—but the Chair insisted that he interpreted the standing orders differently than I did. It's something that we have to get resolved.

Hon Mr Kennedy: Sorry, I don't want to delay the committee. I'll comply with the committee, if you like.

Interjection.

The Vice-Chair: I think we are utilizing time.

The way we've been operating procedurally at this point in time is that the 30 minutes are allowed to the minister to respond. That's the interpretation, and that's a debate for another day, I suppose. Any time you don't use will go back to the remaining time for today and be split equally among the three parties. At that point in time, they would have time if you don't speak for 30 minutes.

Hon Mr Kennedy: Mr Chair, if I choose to interact with my government colleagues to give them a chance to fit in some of their questions, is that OK too, or it doesn't matter?

The Vice-Chair: We'll rule on each one of your procedural moves. The instructions I'm saying now is, it's your 30 minutes—

Hon Mr Kennedy: I understand.

Mr Marchese: Mr Chair, we'd better get going.

Hon Mr Kennedy: I consider the 30 minutes to be underway, to Mr Marchese's concern, and I'm happy to utilize them. I would also be happy to engage with my colleagues in this.

The only thing I have that was left unresponded to was the initial comment on the last question from Mr Flaherty. I believe he has a set of figures that came from a finance ministry effort, before there was a government, to guess at what programs could cost. For the record, those are numbers that the Deputy Minister of Finance, who was involved in the process, disavows as having any basis in terms of being accurate or being anything but some very preliminary guesses that they were doing. In the course of that, Mr Flaherty asked a question.

What they did, I believe, is take headings in our published platform. We did publish a very detailed platform; very closely costed. It was gone through by forensic accountants and by outside economists to see if it had a good, sound basis. The only part we couldn't predict was the deficit that the previous government left behind. But what it did do was come up with headings.

The school success element that was used in that document was simply lifted from a chapter in the education platform. I just don't want anyone out there to be confused. That incorporated a lot of different elements: our literacy-numeracy program; the Best Start program, which is currently with the new Ministry of Children and Youth Services; and it also involves our high school initiative, which we now call Student Success. I just want people who are versed and familiar—I know that these estimates hearings are closely watched by a lot of people out there—to be aware that the Student Success program today is simply the high school program, and the Student Success element of our platform was at that point more encompassing of some of the other programs that have already been referred to today.

I would say, though, on the transportation formula, that I guess Mr Marchese and I have agreed to disagree. But we have a draft. For the first time we're putting forward a draft. One of the reactions we've had from school boards is that they say their experience was so poor over the last number of years that they don't believe there is any chance it could change. I think Mr Marchese adopted that idea, that nothing would change. What I'm saying is that we already know enough about the input we're getting that there will be significant change.

Beyond that, it's important to say, what choice does the government have? If we're going to affect 800,000 kids who ride buses, we need to be able to be fair, because we're obliged by a number of grounds, including constitutional obligations, to be fair.

1710

How should we do that? Do we not put the formula out there for discussion and just do it all internally? I think there's a fairly good track record to show that you'd get a tremendous amount of mistakes, even with the best meticulous preparation. If you don't let people see what you're intending to do, you're going to cause unintended effects and you're going to make errors. We'd rather not inflict that on the system.

In the transportation area, what we did publish—it did say somewhere very clearly in that document “draft document.” Sure, there was some room for misinterpretation or misunderstanding, but we have worked really hard with the boards to minimize that. I don't know right now of any board that's sitting on its hands and saying, “We're not going to work with you to make this a better formula.” I think every one of them is trying to help us do that.

Because we are putting more money into transportation, the impacts are limited in terms of where they are. I would hope at the end of the day that we would be able to work out—I won't pretend that we'll get every board's satisfaction, but I think we'll have a formula that everybody can feel very strongly is providing fair amounts of transportation funding all around the province. We've got the time between now and February to get it right, and I give an undertaking to every member of the committee to do that.

The other point that Mr Marchese raised—maybe I can take another crack at it—was about distributing money for this year. Even though we had the disadvantage of not being able to hold a year-long discussion, the question was, do we not distribute money? Do we give it out and compound what looked to be problems in the system, or do we distribute it, taking some regard of what's been learned in the course of developing this funding formula, which is which boards were worse off and which were better off in terms of the nonformula, the previous state?

What we didn't get a chance to say, because we don't get to explain these things—questions get asked and I'm trying to honour the questions—is that in 1997 the funding was based on existing funding minus 3%. Basically—the boards got amalgamated with all their varying efficiencies and so on—what they were spending on transportation minus 3%. There was no real effort to try and say, “How much money does one area need?” especially in relation to others. So what you had then was built-in inequity from the beginning and it's never been brought to bear. Of course, if somebody happened to be in a more fortunate position at that time and their system was less efficient and they were able to either spend those dollars or, in some cases, save money and use it for other things, then of course you're not going to be happy that there's a system coming that is going to put it on a more even keel. But I think it is fair to ask boards not to spend money on transportation that isn't required. To ask them to be as effective and efficient as possible is a reasonable request coming from us, especially in the context of us putting more money in transportation.

This is not about cost containment per se. This is about us getting the transportation system correct. We've put in \$33 million more. We're looking at future investments and we're going to do what's necessary to come up with that formula. I've got to say that I really would hope that most boards wouldn't adopt the kind of head-in-the-sand idea of “We're not going to fix this formula. We don't want to play at making things better.” I don't know of any that are, I really don't. Mr Marchese was holding up a newspaper that one of the boards put out before our meeting with them just saying, “We really don't like this” and so on, but that, frankly, is a little bit of the old way. We want boards, if they feel like it, to go ahead, stamp their feet, say that they don't like this publicly, but it's better to try and fix it. If you really have an argument to make on behalf of your busing service, and certainly the students involved, please make that argument. Here, by the way, are several forums in which you can do it. Here's access to all the technical information.

We have an obligation. Every dollar we have in education has to be as effective as the first dollar in, more so if we can improve the way in which we deploy those dollars. The transportation effort is one part of that. I would hope that we're able to be successful in that. It is a complicated undertaking. Right now, I get a sense that we have some progress in that. It's too early to tell what that final formula will look like.

I don't wish ever to disappoint Mr Marchese, but I suspect that at the end of the day he will be disappointed in the sense that the outcome will be quite a bit different. It will reflect the input—not pressure but technical input—that boards have made and arguments they've made and had listened to, so that we have a better funding formula and kids are being transported in a safer and more effective manner all across the province. I'd hold that out as a possibility.

In terms of Mr Flaherty's element, I'm not sure if he's against the class size proposal. I think they are, because they never worked on it in government and certainly didn't give the ability to the rest of the education system to consider it. Class sizes grew, in particular for the first few years of the administration.

It is an advantage that is well proven. We have studies in at least four jurisdictions that show a very good correlation between smaller class sizes, training teachers to use those smaller class sizes, and better attainment on the part of students. We do believe this is an education advantage that we can't afford not to provide in this province. If you want to make an instrumental difference, there's a fair bit of good research that the earlier you do it, the better. That's why noticing the challenges, noticing the problems, giving individual teachers a chance to do that with those smaller class sizes is, we think, very important.

We've had the teacher number fairly well verified and we'll provide that for the members of the committee. The capital number is one that we're still working on, because there are a lot of different variables that could go into that in terms of what that means for different boards. A fast-growing suburban board is different than a rural board that may have schools with undercapacity and so on. We're working on that, and that will come forward as well.

If there's a common theme linking those two concerns, it's a question of how you go about running education in this province. Do you sit in one of the big towers they give us to have offices in and do you throw out edicts to people, or do you actually engage the system?

The McGuinty government approach is to engage the system. We think we have a lot of smart people out there. We have 72 school boards, and we've got to draw on them in an effective fashion. We've got a lot of school experience that we hope is going to start to be the driving force. It's that school full of kids and their needs that will get more and more expressed as we allow the funding formula that kind of flexibility. When we get enterprise at the local level, that's when we're going to have a fully functioning education system. We have to unlock the potential of that system if we're going to unlock the potential of the kids.

As Mr Marchese was illustrating, it's going to take some time. The system still responds the old way, as if they have to fight; they have to fight against this or fight for that. I don't regret any of the pressure or demonstrations or anything that comes forward, because we want the system to be engaged. What we hope they're

going to find out is that finding solutions is what we're looking for and that everybody in the system can help out with that.

With your assistance, Mr Chair, I'd be happy to engage any of the government-side concerns or things they'd like to see addressed, because they don't get that opportunity formally under the rules, and then we can open up for general questions in the remaining time, which I think is what you referred to. Is that correct?

The Vice-Chair: That would be the appropriate time. That would be 45 minutes left, which would give us time for 15 minutes per party.

Hon Mr Kennedy: Sorry, Mr Chair; if the option is that we can't engage the government caucus, then I guess I'll continue to use the time. But it would be more useful to do that.

The Vice-Chair: They would still get time.

Hon Mr Kennedy: Mr Chair, you're the Chair, and if that's your ruling, that's where we're at. So I will continue to address some of the concerns that I'm aware of in order to make sure they're out there, but there are a large number of members on the government side who, because this has come at the end of estimates, won't get the same kind of time. It's just a happenstance that when that round starts, it ends almost automatically. There are lots of things we'd like the people of Ontario to know about in terms of education, but I was prepared to let them have some access to that. If it's the Chair's ruling that they should not, then I'll do this instead.

There are a number of things that may escape the individual notice of people. I think they've heard a little bit about, for example, dealing with healthy food choices in schools. That has certainly captured a fair bit of attention. I think one of the reasons it has is because we really haven't been looking at our schools in the right way. We need them to get academic accomplishment, and certainly our goals are very focused on that, but we also want the physical and the emotional development of students to take place. The only way we're going to do that is if we have some facilitation of that taking place.

The healthy food choices that are now only available in elementary schools are one part of a larger healthy schools program. I have no illusions that making healthy-food vending machine choices or eventually cafeteria and other choices is going to make the focused, critical difference. What it does do, though—and we've already found—is, it really reinforces a discussion that needed to happen, which is the increased amount of low nutritional food intake that our children have.

There is 140% increase, for example, in the amount of soda that kids are consuming, just in a generation. In fact, the studies show that a bottle of pop has gone from six and a half ounces to 10 ounces, then 12 ounces and now 20 ounces, and that's basically what the consumption by all young people has been. The problem with that is that those are empty calories. They are more likely to contribute to obesity.

1720

Again, there are choices being made. But the point we made about elementary schools with just this one begin-

ning initiative and that we'll continue to make as we look at physical activity and having mandatory physical activity every day for elementary students, and as we look at the kind of healthy outlook that they can acquire, is that there's a range of things kids can be doing and learning about their health that we think makes good use of the school opportunity, which is to be there in a helpful way through the curriculum, through what the physical education program can look like. There are a range of things they can pick up, in terms of physical education, that aren't just about how to exercise—and that is part of the curriculum; it isn't taking place with the kind of regularity that we would like to see—and that's something we'll be able to address.

So the healthy schools initiative is itself part of a wider commitment by the government. There's a variety of ministries that are going to be involved.

Tourism and recreation has already helped us with the community use of schools. We believe, already—and we'll be able to demonstrate it by the end of the school year—that we've got more involvement and engagement by students in after-school programs. Other members of the community as well have benefited. We've got seniors taking more courses and being able to access more services after school. So we've got a whole range of activation taking place in the community that we think should take place. Schools, in essence, are paid for by the rest of the community. Only 25% of the population has kids in school at any one point in time, and the idea that they should be shuttered or that the chains should be up on the school grounds shouldn't really be part of our vocabulary. Those public facilities should be in public use as much as is reasonably possible.

In terms of the other things that we can go forward with, we think there's a different challenge in high school. Banning things for high school students may be an invitation rather than a deterrent, so we're looking at a range of things that might be otherwise—then we've started to talk to student representatives in this province about how they feel about the kinds of foods and activities available.

Right now, we only require one credit, for example—out of that fairly tough, packed, 30 credits they now have to get in four years, there's only one credit that has to be about physical activity. They can take more if they like, but many aren't. But there are some schools—for example, one in Guelph, with an instructor, Steve Friesen, who has been able to get 85% of his high school students to take a second credit. He has done that by setting up the right kind of environment. He has been able to get a general facility set up there that students want to take part in. He has vastly expanded intramural programs. They still have their representative teams that would go to people who would fit under the “jock” label more directly. But he has been able to get the activation of a tonne of students. So we're hoping to engage him in our healthy schools effort, because that is where we also need to be very effective.

The total outcome is consequential. For the first time, we've now got type 2 diabetes at a markedly young age.

We've got onset of certain kinds of heart problems much, much earlier—people in their late 20s and early 30s. There is at least some indication that some of those patterns are set quite early on.

So we believe that by reinforcing it very directly to elementary students and by then finding better techniques to influence the older students, we're going to be putting them on a path that not only benefits them—first of all, it does. The reason we're into it, before we even think of those other implications, is because daily nutritional intake does affect learning. Kids learn better when they're getting the right kind of nutrition. So to the extent that we can actually affect those numbers of hours they're at school, we want to be doing that. We want them to be in the best sort of capacity that they can. There's a range of things that they can do, but eating well is one of the ones that has a surprising amount of influence. Beyond that, surely it's good for them to have the most choice. People now fall into habits. They fall into drinking those bigger bottles of pop because a lot of other people do, and so on.

Ultimately, it's something that the health system needs. We need some gain, we need some advance here, because part of the sustainability of health care requires us to use different methods than have been used in the past. This doesn't cost us a lot of money. To be able to create a healthy environment outlook in schools does not create a tonne—I'll give you an interesting illustration. I was at one school—in fact, it was in London—discussing with grade 6s, “Should we ban junk food?” They voted 110 to nothing that, “No, you shouldn't do that.” I asked for the reasons why, and one of the students said, “Well, because kids won't like it that they can't buy their junk food, and parents will sue.”

I was at another school in Thunder Bay. They're what's called a healthy living school, and they've been doing a bunch of different things: there are snacks that they have; they do an activation every day—at a certain time, the music goes on; and in their health class they read food labels and stuff. The vote was put to them, and it was quite different. There was a small clutch of people who said yes to junk food, and the others said, “No, why would we want that?” So it's interesting.

That was, I think, at a grade 6 level—it might have been grade 7—where they're starting to make their choices and we can make an impact on them. It is going to be ultimately up to them; I've got no illusions that this isn't just one little part of their lives. The question is, is this what parents want? What I'm hearing from parents is that they do. They're tired of sending lunches to school that come back half eaten because the kids are eating the junk that's available from vending machines. This is a small element, but I think the reaction we've had so far is that this is a good path for us to be on. The physical, intellectual and emotional development of students is what Ontario schools are capable of, and we're going to keep moving down that path.

In terms of being able to work on other elements of that, like diabetics and smoking and so on, we're now looking at working with the other ministries, particularly

health, obviously, but just as clearly with children and youth services and with agriculture. You know, right now half of our students are in a school that has a milk program. The Dairy Farmers of Ontario actually coordinate that with the dairies. But that's only half, and not all the students avail themselves of it. It's a very cheap program; it's about 50 cents for milk. We've now got the first milk machines in schools—that's a different kind of product. Some of the dairies are doing that, and it's a little bit more expensive. But the fact is that we should be able to offer milk at a reasonable cost all around the province, and I think the food producers of this province are prepared to work on that. The Minister of Agriculture has been very helpful in that regard. I think people have a right to expect that we don't just have a bunch of ministries but a government, and in that government we have people who are going to collaborate.

That's why tourism and recreation, for example, is leading the effort on community use of schools: if they can get agreements, not just with the schools, but with the municipalities. What we have, I would say, maybe as an unintended effect of taking over all the funding, is that when they're not both just coming off the property tax base, suddenly the schools and the municipal recreation departments start to charge each other. Where they used to maybe cut the grass on one field and someone else could use it, now all these cross-tariffs are going on. What we're trying to do is provide an incentive that municipalities would also offer their facilities free of charge in exchange for use of the school facilities. This is being done now in some communities. It makes sense. People are paying taxes once; why not have that level of collaboration and co-operation? So we're trying to pull together, and I think we're finding great progress. The idea of healthy schools is one part of an outlook on healthy Ontarians, and we'll continue to do that.

In terms of some other critical issues, we're working very hard, not just to get away from one size fits all, but to make sure that certain easily overlooked circumstances can fit in; for example, small schools. We've got schools in this province that are 80% or 90% full, built for a certain purpose. But because of a funding formula set of numbers, they don't fit any more, they don't belong. There's a bull's eye painted on the roof of some of our rural schools in particular but on small schools everywhere. So we have been working hard to try to amend the funding formula so that we are giving the choices back to school boards. Pick good schools. Keep the good schools open. If there's academic attainment—some of the best schools in this province in the early years of testing were small schools that got shut down because that wasn't a factor in whether they should stay open. Soon we're going to have some new guidelines for schools; we did put forward some dollars that recognized something that it is a little mind-boggling to understand wasn't being recognized, which is that a rural school is a rural school.

The Vice-Chair: The minister has two minutes.

Hon Mr Kennedy: The previous government found it convenient to recognize only about 20% of our schools.

We now use a Stats Canada and postal code definition. So we really are saying that rural schools should be funded on a different platform. We're also looking forward to a conference that's being held in Cornwall in the latter part of November, which is going to look at small high schools and how we take a curriculum that has been made fairly demanding, that has a huge menu of choices, and make that available in a small setting, because it has been the subject of taking away schools. I think it takes a little reminding for those who don't live in small communities to realize that if you don't offer a school in a community, it's a very hard to get economic development and very hard to get the social infrastructure. The residents don't feel confident enough about that community, and they need some of the things that come with a school. They need the gymnasium, the community gathering place and so on. That's part of the elements that are out there.

1730

There are some other initiatives that we'll be taking this year. One of them will have to do with what sometimes is called character education or citizenship values. We do think there is a way to have schools in Ontario meet aspirations on the part of people. The values that are shared can be worked in through the curriculum, and there are some fairly successful programs in four or five boards that we think deserve to be taken province-wide. There will be elements we're doing for arts in education and for safe schools. We believe there was an incomplete amount of work being done with that previously. I look forward to the involvement of all the members in those initiatives in the next few weeks, months and years to come.

The Vice-Chair: Thank you very much, Minister. That leaves us about 10 minutes per caucus. For the final rotation, I'll start with Mr Flaherty. You have 10 minutes.

Mr Flaherty: Is this the part, Chair, where we do the questions?

The Vice-Chair: You could just table the questions or you can read them into the record. It's your 10 minutes and your wish. Just table them, and you'll get a response from the ministry.

Mr Flaherty: All right. You're certainly doing a good job as Chair, I must say.

The Vice-Chair: Thank you very much. I appreciate that.

Mr Flaherty: This goes to some of the questions to the minister earlier. I was interested in the cost calculations of the Ministry of Education for—I'll use the terms used in the production ordered by the Information and Privacy Commissioner, which the Liberal government vigorously fought until ordered to produce it. There's a list here: capping class sizes; funding schools for success; better student achievement; mandatory learning to age 18; Best Start plan, with reference to full-day JK and SK; safe schools anti-bullying program and hotline; character education—an Orwellian name—

Mr Marchese: You like that one, right?

Mr Flaherty: Yeah, it's shades of Soviet education—safe schools and school surveillance cameras. The list is there in the production. What I would like are the cost calculations, the estimates, by the ministry for the fiscal years 2004-05, 2005-06, 2006-07 and 2007-08 for each of those programs. I gather from what the minister has said that the references there are to pages in the Liberal platform document, so that should be easy to do.

Hon Mr Kennedy: There are numbers that go with those names. Would you like those numbers or not?

Mr Flaherty: That's the whole question: the calculations.

Hon Mr Kennedy: Capping class size, \$375.9 million; better student achievement, \$199.9 million; funding students for success, \$730.6 million; and Best Start, \$300 million.

Again, those are the numbers we published at the time we published the platform, and those numbers are well attributed. I would say, as a reminder, that Best Start is now part of children and youth services.

Mr Flaherty: I'm not interested in your political party's numbers. I'm interested in the numbers that were prepared by the Ontario public service and the numbers, if any, prepared by your ministry.

Hon Mr Kennedy: Just to be clear, you indicated that you want the four-year estimates? Is that correct?

Mr Flaherty: Yes. I've actually written them down. I'll hand them in, because I really don't want to debate it with you.

Hon Mr Kennedy: Four-year estimates, though?

Mr Flaherty: If you could get your ministry to do the work, please, and respond to the legislative committee.

Hon Mr Kennedy: OK. Chair, there aren't four-year estimates, but we'll certainly provide this year's estimates, and as much as we can of the costing he's talking about.

The Vice-Chair: Thank you.

Mr Flaherty: On another issue, which is a stakeholder concern, I understand the Ministry of Education has disbanded the Ontario Parent Council and announced at the People for Education AGM a new task force called the Parent Voice in Education project. This task force consists of 20 people, and part of their mandate is to travel around Ontario and consult with parents on how best to establish an independent body that is representative of and accountable to parents. I'm wondering if there's a line in the ministry's estimates for the cost of that, because I couldn't find it.

Hon Mr Kennedy: There isn't a cost attached to that. What we've done is not disband the parent council. Instead, what we've done is appoint people who are representative of parent groups—elected school council chairs or regional school council chairs or other groups that have actual parent support—and we've made them the members of the parent council. The project they're taking on is using the existing parent council budget that your government established for people they appointed. So they will have access to some of that budget. We'll be happy to share that. That budget on an annual basis, the

one we can refer to, is \$280,000 that your government allocated to that purpose, and we're going to put it to what we think is a much better purpose.

Mr Flaherty: Is there a budget for their travel expenses?

Hon Mr Kennedy: There may be a budget, and if so, we'll table it with you for the pre-existing council. This group is only going to be in existence for about five or six months and they will have a budget. When they do have a budget for their project, we'll happily make that available, but it won't be that kind of dollar being spent.

This is going to be a tighter kind of thing. Only a certain number of public meetings will be held. What we've done is appoint people from every part of the province, and they're going to hold consultations in the part of the province they're in. We're not sending people out to the communities; we've got people that already represent a large number of communities. I would expect that that expense, when it comes back, will be largely to do with the north and other areas we have had a hard time representing completely with 20 members.

The Vice-Chair: Five minutes remain.

Mr Flaherty: Thank you. Usually you say two.

The Vice-Chair: An interlude occurred and I just used the time.

Mr Marchese: You can pass on the minutes.

Mr Flaherty: No, no. I wanted to ask a question too about character education.

Interjection.

The Vice-Chair: Avis Glaze.

Mr Flaherty: Who's that?

The Vice-Chair: The director of education for the Kawartha Pine Ridge board, who has been seconded by the ministry.

Mr Flaherty: Oh, he has.

The Vice-Chair: She.

Mr Flaherty: She. The Chair has been very helpful here. He advises me that the director of the Kawartha board, I gather, has been seconded as an expert in character. Is that right?

Hon Mr Kennedy: In point of fact, she is an expert in character education. She initiated a program in both the Kawartha Pine Ridge area—I think her sister board is picking it up too—and then in York region. It actually has allowed some schools that have had a lot of difficulty to improve student performance.

But that's not her main calling card. She is our chief student achievement officer for Ontario. We're very grateful for the support of the Kawartha Pine Ridge board to have her seconded to that purpose. She is responsible for the literacy-numeracy initiative, with which character education may be affiliated, but it is really at this point a distinct, separate program.

Mr Flaherty: Is there a cost for that project, the character education project?

Hon Mr Kennedy: Character education has not been—I heard you earlier. You did not want to know what we anticipated the costs would be when we were in opposition, because I guess the concept is a good one for

you, but it was about \$1 million. Basically, what we're going on is providing some resources to each and every school. But character education is not an expensive proposition. It basically is activities that are worked into the curriculum and that schools undertake. So we have, as I mentioned before, five or six models in Ontario and we're going to be basing it on there. But it's very much board-driven. It's not an expensive, centrally driven idea.

Mr Flaherty: As you've already said, character education of necessity involves values and communicating values. Is your ministry going to consult broadly in Ontario with respect to that issue of values?

Hon Mr Kennedy: Better than that, I think—better than us consulting—is that each board will be asked to consult, as they have done successfully in places like Kawartha Pine Ridge and York region. They consulted their communities. It's communities that get to come forward and contribute to those values. People like Don Cousens have been really—York region, and Markham, I think calls itself a community of character. So there's been a range of people who really support this idea of bringing out the civic values that we have and, in doing so, reinforcing the ability of schools to bring those out.

Mr Flaherty: Will they consult with the churches as well?

Hon Mr Kennedy: What we've heard from the Catholic system in particular is that they see that that's already happening in theirs. We would encourage all religious faiths to be part of the discussion that boards will be initiating.

1740

Mr Flaherty: Would you encourage the school boards to do that, though, rather than put the onus on other people? If you're going to be presumptuous enough, in today's Ontario, to start pontificating about values to students, instead of their parents communicating values to students, if you think the government, through its school boards, should communicate values to students, then would you at least have the decency to conduct broadly, with the parents and various interest groups in the province of Ontario who might have something to say about what those values might be, rather than come to some sort of conclusion in your own mind about what those values might or might not be?

Hon Mr Kennedy: I think the comforting thing for anyone watching this exchange is that neither you nor I will set the values for this particular outlook; instead, it will be set by communities themselves, working with school boards, and parents will be very engaged in that.

In the interpretation of those values at local schools, individual parents will be engaged. I would say that for parents, the reaction has been that they want to see us look at upholding civic values. They're not afraid of that reinforcement happening at school. They believe that there is a place for that in our public school system. I think that's something that we subscribe to as well.

Mr Flaherty: The question, of course, is what they are.

The Vice-Chair: Thank you. That's the end of this round. Mr Marchese has the floor.

Mr Marchese: I wish we had time to debate with you, but we don't have much time. So I'm going to read the questions that I would like you to give me some answers to—not today, please, because I have to get to special ed.

Hon Mr Kennedy: Sorry, you want these answers today?

Mr Marchese: No, not today. I'm just going to read them, and then I'll give it to you so you have it.

The Vice-Chair: File it with the clerk.

Mr Marchese: Of course. I have two copies.

Can you tell us the number of new qualified teachers that were hired by the Ontario boards for the current school year in both the secondary and elementary panels? Can you tell us what the number was for the last two years? Can you share with us the source of this information?

Can you tell us what the total number of qualified teachers working in the public education system is?

Can you report to this committee the average number of students per class, kindergarten to grade 3, for this year and for the last two years? Can you provide us with a class size average report by school board, as required by regulation 399? Can you tell us how many classes, kindergarten to grade 3, are larger than 20 students?

Can you provide the cost of principal and vice-principal salaries and benefits?

There you go, Gerard, and to the clerk. If he wants them, he can get them now, otherwise I'm moving on to special ed. If you don't mind, Gerard, as quickly as you can, because otherwise we're not going to get to any questions and answers.

If boards had special education funds in the books on August 31, 2003, but spent the funds to deliver special education services during the 2003-04 school year, do you consider those funds surplus funds, and have you clawed them back?

Hon Mr Kennedy: Well, we are—

Mr Marchese: Without too much debate, if you don't mind.

Hon Mr Kennedy: As long as those funds were in their plans to spend—we haven't made a final decision, but there's a very good likelihood that those will not be surplus, in the way you're describing it.

Mr Marchese: OK. If boards had special education funds in the books on August 31, 2004, but were planning to spend the funds to deliver special education services during this year, the 2004-05 school year, do you consider those funds reserve funds, and have you clawed them back?

Hon Mr Kennedy: We don't claw back any funds. In fact, they have to spend all of their reserve save 2% on their current program. What that could do is reduce some of their entitlement from the regular funds, and if so, that would then go into a surplus pool that they can then apply to. So they get to spend their entire budget and they get to expend exactly what they have.

Mr Marchese: OK. I got it, Gerard. Thanks. Good.

The Durham District School Board was planning to get \$2.8 million for special ed. Instead, they will receive \$1.3 million from the province. As a result, they didn't renew 46 casual educational assistant assignments. My question to you is, why did you claw back their funds and cut educational assistants from the classroom?

Hon Mr Kennedy: I would be very happy to follow up with that board, because they in fact are able to spend all \$2.8 million. Every single dime, every single case was approved, so they did not suffer any kind of reduction in the operating element.

They had a surplus above 2% of their operating requirement. That's gone into a provincial pool that they now have to apply for.

Mr Marchese: If boards had a three-year plan or a five-year plan to spend funds on the delivery of special education services but hadn't spent it all in one year, do you consider those funds reserve funds, and are you clawing them back?

Hon Mr Kennedy: If it's above 2% of the total spending, we consider it a surplus fund. Again, I want to make a distinction, in answering your question, that the ISA 2 and 3 portions are what the dollars, by and large, were intended for. So I make a distinction. There is a current element that says that spec ed could be the broad range of needs, which is up to 12% of our students, but there is now this very significant portion of 2.8%. We're looking at the dollars spent on that as part of how the fund could work, acknowledging some of those multi-year funds. But, by and large, they'll have to apply to get approval.

Mr Marchese: OK. The Ottawa-Carleton Catholic District School Board will lose \$1.4 million of special ed reserves despite the fact that it had already fully committed such reserve funds to finance nine special ed teaching assistants over a five-year period and had already hired and been paying for the TAs with such monies. Is that what you consider underspending, and why have you clawed back their funds?

Hon Mr Kennedy: The point we're making is not that boards couldn't find good use for the surplus funds the last government gave them. Again, \$76 million went to the bank accounts of boards. It's a question of, we have to deal with this extraordinary 65% increase in dollars and 100% increase in people. We're saying that the ISA 2 and 3 kids have to get the priority if we're going to be able to afford responding to them. We don't want to do what was done before, which is to ignore those needs. That's where they have to be spent.

Mr Marchese: That's great.

If boards held off spending on special ed because you were reviewing the funding levels and they were waiting for money to flow and for that reason hadn't spent all the funds by August 31, 2004, do you consider those funds reserve funds and are you clawing them back?

Hon Mr Kennedy: Again, the point of the fund was to fund programs. If boards supplied the programs, they got every dime of it to pay for those programs. If they chose not to offer programs, for whatever reason, then the money—subject to the 2% of their total spending,

which is a significant amount of money—is part of what they're required to spend and then a provincial fund gets created.

Mr Marchese: I think I've got it.

The Waterloo public board didn't spend all of its funds because the process was being held up by your government. They didn't want to spend it all until they saw it. These boards were used to being played with by the Conservative government. They went through the process and filled out the grants. Now the Liberal government is playing with them again. You gave the boards money in July and took it back in August.

The Windsor-Essex board trustees say they held off on spending because you were reviewing funding levels. You didn't release their funds until July and now you are clawing back \$1.5 million in special ed funds from that board.

Do you suggest they should have spent the money before receiving the funding, and because they didn't, you will take it back one month after they released it?

Hon Mr Kennedy: Mr Marchese, again, I guess you endorse the idea that you spend the money because you have it. They have to spend it on a high-level purpose: ISA 2 and 3 needs.

Mr Marchese: Same answer, right?

Hon Mr Kennedy: No, it's not. It's very important. I am unequivocally not advocating that they spend money for the sake of having it. We're saying that the money has to be kept in a pool for these needs.

Mr Marchese: I've got it.

Hon Mr Kennedy: Well, you're asking a question—

Mr Marchese: I've got another question.

Hon Mr Kennedy: All right, but I want to say that you didn't get the full answer.

Mr Marchese: If you're clawing back \$100 million from boards, why have you announced a new fund, worth only \$50 million, and what happened to the rest of the clawed-back funds?

Hon Mr Kennedy: All of the money that boards are being required to make available from surpluses for students in special needs is being retained for students in special needs. Not one dime of it is going back to the provincial government.

Mr Marchese: When will you make the equity fund money available to the boards, or are you holding off on this announcement until July again so you can claw back the funds they don't spend?

Hon Mr Kennedy: It's an interesting question. The fund is being worked on right now. We have some preliminary agreement with the board associations and the Council of Ontario Directors of Education, so there will be an early access to the fund that should come within a few weeks, and then there will be some more discussion with the education sector on the balance of the dollars.

Mr Marchese: OK. They were expecting this in October and now it's a couple of weeks until the end of November.

In your platform you said you were going to find savings to the tune of \$50 million by cutting red tape in

the special education assessment process. How far have you gone in this regard?

Hon Mr Kennedy: We're not requiring any further ISA types of assessments, so I think we've gone very far in that regard. The boards are able to use their resources for the purposes for which they should have been put in the first place. In terms of making complete progress, it's the new streamlined system that we have to be able to come up with that we're still working on.

Mr Marchese: OK. You also said that these savings would be invested in services for kids with special needs. Do you still plan to do that and, if so, when will you make these funds available to the boards of education?

Hon Mr Kennedy: The same answer: They have them now.

Mr Marchese: Isn't it true that you were going to create a \$50-million fund from savings, and now, since you weren't able to find those savings, you are creating a fund with the money you stole from the boards?

Hon Mr Kennedy: It's a ridiculous question and it doesn't deserve an answer, but I'll try to make it into something useful.

We're honouring a \$100-million request the boards came up with after the beginning of the school year, which they didn't predict. We're providing \$100 million, and we're saying the surpluses they were sitting on, and which they plan to grow—most boards plan not to spend their surpluses at the beginning of the year—that those dollars have to be spent in favour of students in need, and that's exactly what's going to happen.

You're making a connection between the dollars that each board was required by the previous government to spend on preparing ISA forms—which we will not require them to spend. Those dollars are now, currently, as we speak, available instead to be spent on programs. I would assume, because we have a means of checking with boards, that they are spending it on that right now.

1750

Mr Marchese: OK. Thank you, Gerard.

The Vice-Chair: There's one moment left.

Hon Mr Kennedy: So, extensive as the question is, I'll still give you that answer.

Mr Marchese: Thank you. So you are saying that you're not only providing \$50 million, which this report suggests, but it will be 100 million bucks?

Hon Mr Kennedy: We are already providing \$163 million more than when we came into government for that. In addition, boards that spent, conservatively, \$50 million trying to fill in forms for the previous Conservative government won't have to do that. They can use that \$50 million in savings to enhance programs.

The Vice-Chair: Thank you very much. That ends this round.

Mr Marchese: Thank you. When might I get answers to those questions?

Hon Mr Kennedy: I can't give you a timetable.

Mr Marchese: Any sense?

Hon Mr Kennedy: Within a day or so we'll give you an answer on when they can be done. You went through them pretty quickly.

The Vice-Chair: They'll go back through the clerk, and the clerk will forward them to all members of the committee.

With that, we have 10 minutes remaining for the government side, and I recognize Ms Di Cocco.

Ms Di Cocco: I have to say, Minister, it must feel different on that side than it was on the other side on estimates.

Hon Mr Kennedy: It's still more fun on this side.

Ms Di Cocco: I remember. Anyway I wanted to just clarify something. I know Mr Flaherty enjoys talking about those numbers that were produced as a—the rough figures that were produced prior to our forming the government.

Just to qualify, the Minister of Finance certainly stated clearly that they were rough figures without context and without adjustments for any changes and/or without any discussions with the ministry. So they were, at the very best, very rough estimates. I just wanted to clarify that because it was made clear here at estimates through the Ministry of Finance.

There are a couple of things: I met with a number of educators, and one of the things that they immediately stated to me—and I was reminded of the song by Tina Turner, "I don't want to fight any more"—was that, in spite of the fact that we've got so much still that has to be done in education, it's a process that's ongoing, they were so glad they didn't feel like they were being beat upon or being hit with a hammer. There was a sense at least, even though at times they could disagree or agree to disagree, of co-operation in the system, this environment now that we can at least work together to make this thing work.

Hon Mr Kennedy: It's part of what we're hearing from teachers, parents and even some of the education workers, who are often presumed upon in the equation.

I would just say very briefly that that's the job of the government. We can't be under the illusion that we actually can push a button and the teaching will change or something will magically happen; what we can do is set the environment.

In the broader public sector, we are at least largely responsible as the direct employers of the boards, but we should set that environment. It would be a very bad employer or a very irresponsible party that wouldn't take that into account. I can't explain why it wasn't taken into account by the previous government, why they would drive down the effectiveness of the system. In some cases, including Mr Flaherty, we know they were in favour of private education. That's the only thing that makes sense, really, to strip down the public system because, like any enterprise, you've got to motivate the people who are there. We can have disagreements without taking it out on, ultimately, students, whether or not they are getting what they need: a motivated, energized person at the front of the classroom. We're taking nothing for granted. There is lots and lots of work to do, but there's a good start there.

Ms Di Cocco: In this whole result-based approach to achieving measurable results right across the govern-

ment's transformation agenda, part and parcel of achieving that result is having employee satisfaction and customer satisfaction. They're using those models or that type of energy from those who are providing the service.

So I just wanted to reinforce that there's certainly motivation there, that they know there is a level of not just acceptance but appreciation of the professional and dedicated service they provide to this province.

Hon Mr Kennedy: There's a benefit to students and taxpayers when you get that right. To have dedicated people leave—as, for example, in one year, about three years ago, there were about 4,000 people who left; pension or not, they left early. They just got out of the teaching profession. Everything we invested in those individuals as teachers was lost.

Similarly, under the old regime, we had been losing one in three new teachers. We can put a direct cost on that. That cost us \$35 million in lost training costs for those teachers, because they got out in the first five years.

So, again, we're not taking for granted that what we do on the overall environment will be enough. We have very specific programs—for example, an induction year—that we're proposing for new teachers to ameliorate that, and a mentoring program that will make better use of some of our experienced teachers and give them more reasons to stick around in the system. But I think the main reason will be what you're inferring, which is that there is a climate of respect. As the minister, I'll say to you that that will remain in place no matter what else we run into in terms of difficulty.

Ms Di Cocco: That's good to hear.

TAP, the teacher adviser program: I have to tell you that in the last few years, when I went to the schools, I actually spoke to a number of the high school students who were in that program. All they kept asking was, "Please get rid of this." Anecdotally, these are the students who had to sit there for whatever the time limit is. When they first talked to me about it, I didn't even know what TAP was. In the schools in my jurisdiction, the students overwhelmingly kept saying, "It's useless. Get rid of it." At least, they felt that it was useless. So I'm glad to hear that you commented on that.

In our knowledge-based economy, and with the notion that education really is the underpinning of our competitiveness in this global economy, could you maybe speak to the whole idea of going to 18 years old and what it means for students up to 18 years old being educated, Minister? I didn't hear too much about it in the context of the previous questions.

Hon Mr Kennedy: Sure. It's basically saying to everybody, "We've got to take these students seriously."

We haven't. Inadvertently, as a calculation, it doesn't really matter at this point. But the students out there who would leave the system early—and the school-leaving age is 16. It was set 70 years ago. It means that we actually have students exiting at age 14, with letters of permission from their parents and so on. More to the point, the system is not focused on their needs. It's easier for them to sort of quietly slide out the exit.

By moving the school-leaving age to 18, by having more 16- and 17-year-olds who haven't yet graduated in the system, we're really changing what the job is for high schools. We're saying that getting a good outcome for those students is just as important—so, getting an apprenticeship, a work placement with skills or a co-op program are just as important outcomes as college or university. That is a whole new way to look at this stuff. What it does mean, I think, is that we're going to have a better, more effective workforce and a more coherent, cohesive society. Because you can tell—and everybody in this room stood on those graduation stages—you can see the ones who even just obtained high school. They read the card, and they say where that student is going, where they're in between, and you get a sense that there's going to be a big struggle there. A smart society doesn't let them struggle by themselves. It makes sense to have students reach their potential. We find out that why some of those students weren't succeeding is because they lost credits as early as grade 9 or 10. We're now starting to fix that. There's a range of things that we've already done with new programs and so on. But the basic shape of this is a whole change to the high school system.

The Vice-Chair: Excellent, Minister. I just want to intervene—and thank you, Ms Di Cocco.

Ms Di Cocco: I just wanted to say that I'm glad he's on that side too.

The Vice-Chair: We have a minute or two. If it's the committee's wish to vote on these estimates for the Ministry of Education prior to 6 o'clock, we must do so now. So everyone is prepared to vote. There are actually four votes here.

Shall vote 1001 carry? Carried.

Shall vote 1002 carry? Carried.

Shall the estimates of the Ministry of Education carry? Carried.

Shall I report the estimates of the Ministry of Education to the House? Carried.

Thank you very much, Minister, for your attendance here today.

This finishes the business of the standing committee on estimates.

The committee adjourned at 1758.

CONTENTS

Wednesday 17 November 2004

Ministry of Education E-349
Hon Gerard Kennedy, minister

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Mr Jim Flaherty (Whitby-Ajax PC)

Mr Rosario Marchese (Trinity-Spadina ND)

Also taking part / Autres participants et participantes

Ms Kathleen O. Wynne (Don Valley West / Don Valley-Ouest L)

Clerk / Greffier

Mr Trevor Day

Staff / Personnel

Mr David McIver, research officer,
Research and Information Services