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Mercredi 2 novembre 2005

**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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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 2 November 2005

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The committee met at 1554 in committee room 1.

MINISTRY OF EDUCATION

The Chair (Mr. Cameron Jackson): I'd like to call to order the standing committee on estimates. We are in the process of doing the Ministry of Education. We will now do 15-minute rotations.

Mr. Klees, you have the floor.

Mr. Frank Klees (Oak Ridges): I'd like to, first of all, amend my written questions that I put to the minister yesterday. Specifically, I'd like to amend the wording of questions 3, 4 and 5 to include in each of those questions after the word "exclusion," the following words: "suspensions or expulsions as defined in both the Education Act and the Safe Schools Act." I think this will help to clarify the question that the minister raised yesterday as well.

I have another request in terms of tabling information. The minister has made many announcements over the course of the last year. I don't know if it's just me or if other members of the Legislature, or stakeholders as well, have lost track of all these announcements. I'm sure you're keeping a running tab of those announcements. It would be very helpful if you could table with us a comprehensive listing of all the announcements that the minister or the ministry has made relating to education, and itemizing the dollar amount, whether that be operational dollars or capital dollars, and being very clear as to the source of those dollars in terms of the program envelopes that they would come from or go to. When you prepare that, I'm interested specifically, as well, in regard to multi-billion dollar capital announcements. I'm having a difficult time reconciling those capital announcements with what I see in the budget. So could you structure that information in such a way that I can follow the announcements of the capital amounts to where those funds will be coming from out of the ministry budget? As well, along with that, if in fact those announcements—if it was, say, a \$2-billion announcement, if there was an expectation that some of those dollars would be leveraged through private sector financing I'd like that to be noted as well.

Mr. Ben Levin: Could I ask a question of the honourable member, just for clarification, Chair?

The Chair: Yes, you may.

Mr. Levin: On announcements, are you asking for a complete set of announcements since the government took office, or over the past year?

Mr. Klees: Over the past year.

Mr. Levin: OK. Can I understand an announcement to be something where a press release was issued? The ministry, of course, sends out a lot of notifications to boards, and I'm assuming those are not what you're looking at; you're looking at announcements made by the minister.

Mr. Klees: I'm looking for announcements made by the ministry with regard to, say, "Good news, we're issuing another \$2,500,300 and we're going to hire 1,300 new teachers."

Mr. Levin: Yes. Thank you. We can do that.

Mr. Klees: I'm getting close to really needing the minister here, but I will ask the deputy if he could help me with this. I'd like to move on specifically to special education and the funding and various policies surrounding that.

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I'm having a very difficult time understanding various programs under which special education funding is transferred to school boards and authorities. So I would ask you if you could outline the various programs under which special education funding is transferred—I'll follow this up in my questioning—in terms of the accountability that is in place to ensure that the intended program for that special education funding is where it ends up. If you could help me with that.

Mr. Levin: Yes, certainly. I will try to outline this, and I'll ask my colleague Nancy Naylor, who's more familiar with the details, to correct me or supplement, if that's agreeable.

The main special education envelope has several components in it, and one of those components actually changed in the last year. So if we go back to what the situation was in 2003-04, there was an envelope called SEPPA—special education per pupil allocation—which is an amount given to boards based on the enrolment. In other words, it has nothing to do with any identified students for special education. It's a total enrolment of the board, so much per student. That was about 40% of the total special education allocation, roughly.

Then there were amounts under individual student allocations, what was called ISA—ISA 1, 2 and 3—which were related to degrees of severity of disability for particular children.

So the idea is that there is an amount that boards get in recognition that special needs of various kinds are broadly distributed and should not all be attached to particular children, because there are children who may go in and out of service at different points. That's the SEPPA.

The ISA amount is for students with more severe disabilities, where there's a belief that there is money that, in a sense, is specific to the needs of a child—a child who's medically fragile, or has particular behavioural issues, or otherwise needs some kind of assistance that is beyond what could normally be provided.

There were in the old system three levels of that, related to severity, with increasing amounts. The number of students being identified in ISA each year was going up quite steadily. So in August 2004, a decision was made to end the ISA process, such as it was, and replace it with what we're calling a net new needs process. So what was done in 2004-05 is being done again in 2005-06.

As the minister outlined yesterday, the ministry has said to boards, "Where you can show us that there is a student where you are incurring an additional expenditure related to a special need, we will reimburse you for that expenditure." That's happening while the working table is looking at a restructuring of the way we fund special education that would provide us with a longer-term vehicle to replace the old ISA 2 and 3 system.

Mr. Klees: Are there different levels there as well or is it just up to the principal? How do you determine what the amount of funding is, then, for these students? They're going to have varying degrees of need.

Hon. Gerard Kennedy (Minister of Education): The way that's been done is that we're providing them, currently, \$17,000 for each additional, and that's the average amount they had received before. Boards have frankly indicated that that is satisfactory, that it does meet their needs.

As I was indicating yesterday, even though at some point early in the design of the ISA program it was meant to reflect individual needs, it never did in practice. Instead, the qualifying individual students were a proxy for amounts of dollars that went to the board, and not necessarily to a given school even, let alone a given student. It's important to understand that because one of the reasons we need to reform the process is that it never was about a student getting an intervention funded by the provincial government. Approximately two thirds of the eligible individuals are under the old ISA 2, which is \$12,000, and ISA 3, which is \$27,000, form the other third. The exact amount was about \$17,000 as an average and so that's what we provided.

I should say, too, just to correct the record from yesterday, we indicated that we provided \$46 million, but in fact we provided \$55 million. In other words, for everything that the boards requested for last year above previous funding, new expenses to support children with special needs, they were given reimbursement. They were also—

Mr. Klees: Thank you, Minister. You've answered that part of my question. I've got a number of questions I'd like to get through.

Hon. Mr. Kennedy: Yes. This is your time and I'm happy to make sure it serves your purpose.

Mr. Klees: My understanding then is that now under this program it's \$17,000 per student. That's the amount that's allocated. What happens in a circumstance where \$17,000 isn't enough?

Hon. Mr. Kennedy: Again, what we're doing with boards is they're coming to us and saying—not an individual student's need—"We had five," "We had 12," "We had 17," or "We had 34 students, new." Obviously at previous levels of funding—again record levels of funding, 65% more than was provided previously, and they're allocating those funds. If they find those funds aren't enough, then they're able to say, "We have this much need." It really then becomes a dollar request as opposed to providing for those services. In fact, we're paying for those services based on their assurance. We're not putting them through a paper mill—

Mr. Klees: So the board can come back to you and ask for additional funding if they find that more intensive services are required, right?

Hon. Mr. Kennedy: Exactly, and that's what they did do, to the tune of about \$55 million last year.

Mr. Klees: OK. The question that I had initially put to the deputy was to outline the various programs. You've done that. You've referred to SEPPA. That's still in place, and you've now replaced ISA with—what are you calling this?

Hon. Mr. Kennedy: This is really just an interim high-needs program. It is really just meant to allow the boards to continue—

Mr. Klees: No, no. What is the name of the program?

Hon. Mr. Kennedy: It is just an interim special-needs program. There is no permanent designation because we are hoping to not create a new system. If you like, it's simply just interim high-needs special education funding.

Mr. Klees: I know the deputy referred to it as a program.

Hon. Mr. Kennedy: Net new needs, but there is no official title ascribed there.

Mr. Klees: Net new needs?

Hon. Mr. Kennedy: Yes. But again, that's just describing. It's net of the already existing funding.

Mr. Klees: How much time do I have left in this round?

The Chair: Two minutes.

Mr. Klees: OK. My next question is about children who are excluded under the Safe Schools Act. I know we had some discussions yesterday about exclusions. I think you indicated that there are no exclusions under the Safe Schools Act. I found that somewhat puzzling because in my meeting this morning with representatives from the principals' council, I asked them the question. Certainly they understand there are exclusions under the Safe Schools Act. Could you clarify what you meant when you said that there aren't?

Hon. Mr. Kennedy: I don't know if I can clarify; I can only repeat: Exclusions are not either required or referred to in the Safe Schools Act. Expulsions and suspensions are, but exclusions are a separate power that principals have that does not derive from the Safe Schools Act. There have been groups, and there might even be principals—although I think we've got some very well-trained principals. What they take in their AQ courses, their additional qualifications, certainly lays this out, because it's one of their authorities, one of their powers. It's just a distinction that is drawn, because it isn't the same and isn't from the Safe Schools Act. I'm sorry, that's not really a clarification. I just restate that that is how the legislation works. It proposes that for certain actions there be expulsions and/or suspensions of students. Exclusions are not part of that framework.

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Mr. Klees: OK. I'll follow this up later.

The Chair: Mr. Marchese.

Mr. Rosario Marchese (Trinity-Spadina): Yesterday, Minister, you were talking about an outcome-based strategy. Under your outcome-based strategy, how would funding be allocated?

Hon. Mr. Kennedy: That's exactly the question in front of the working table on special education reform. It's looking at a variety of models that would go with that. Again, it is ensuring that—a little bit to Mr. Klees' question—the services in question that we're providing, that we're paying for, are those that are most effective for students. It is something that the special education community, the SEACs and so on—

Mr. Marchese: They're going to develop some processes.

Hon. Mr. Kennedy: Well, they're working on it now as an overall, but it will give a lot more power to boards to determine how they use the dollars. The money they have now is obviously a starting point in terms of determining needs. What we're making sure is that that large increase in funding—it's about 65% more than it was for the high needs—is going to be used properly.

Mr. Marchese: I understand. The deputy just said, before you came in, that the old process is gone, that ISA is gone, and that we've got a new interim process, the net new needs process. Then we've got this other group coming along that will develop some other model after that, which presumably will be the outcome-based model. Is there an interim net new needs, given that the ISA is gone, or are they two different things?

Hon. Mr. Kennedy: The thing to understand here—and I know you understand this; I'll just put it this way because I think it's directly germane to your question—is that the ISA process was just a funding process on top of a needs determination. In the schools today, and since 1984—and I know that members around this table are familiar—there's an individual education plan that is done for each of the students who has a special educational need. Before that, if they're getting designation as a special-needs student, they go through an individual placement assessment, the IPRC. Those are the things

that determine whether someone needs special-needs services. What we're saying right now is—this is what the committee is looking at it, to go to your question—rather than having a duplication or a triplication that takes up so much time, can't we just use the existing processes as a way of allocating funds and a way of making sure that the dollars are arriving at their best purpose? So you appreciate that what you just mentioned isn't quite accurate. There are not different systems here.

Mr. Marchese: If I could just ask the deputy for a second: Deputy, was it correct to say that the old system is gone, that we're no longer using it, and that you've got an interim net new needs process?

Mr. Levin: The ISA process for allocating funds towards ISA 2 and 3 is no longer being used. That's correct.

Mr. Marchese: And now you've said that in the interim, there's a net new needs process.

Mr. Levin: Yes, as the minister has just outlined.

Mr. Marchese: Just the way he outlined it?

Mr. Levin: Yes.

Mr. Marchese: Isn't that amazing.

Hon. Mr. Kennedy: The point here, Mr. Marchese, is that there is nothing—

The Chair: It was not a question, Minister. Mr. Marchese has the floor.

Mr. Marchese: There are so many questions. For a little clarity: What information, if any, would a board have to submit to obtain funding under your outcome strategy?

Hon. Mr. Kennedy: Again, the outcome strategy, as you're referring to it—and we have made clear that that's a central part of it—is being worked on. Under the current net new system, if we like to call it that, they're on their own recognizance. We're basically accepting the boards' professionals' words that they have these extra students. We do spot audits and so on, but ultimately, that's the thrust of this. We trust the boards' professionals to make the right determinations.

Mr. Marchese: I'm not sure if I was in the room yesterday when you might have said the following. Just clarify for me what you meant. You remarked that the 2.8% incidence rate is too high as compared to the previous rate of 1.3%. Did you say something like that—

Hon. Mr. Kennedy: I didn't say anything like that, and I appreciate the opportunity to clarify. What I did say was that we have an increase—more than double—from 1.3% in 1998-99 to 2.8% currently, of the percentage of students enrolled in school with special needs. It's higher than any other jurisdiction, so we know that we are at the leading edge of identifying students with special needs. But I didn't say anything about whether it's too high and so forth.

Mr. Marchese: Very good, thank you. In 2004-05, you clawed back \$83 million in special education funds from school boards. I didn't make up that number; I obtained that number from your own records. There are a number of questions attached to this, so you can answer them after I'm done. Do you think it was worth the cost

to high-needs children to take this money, withhold it for a year and defer spending just so your ministry could save some money? I fail to see—

Hon. Mr. Kennedy: What you're saying is completely wrong.

Mr. Marchese: There are a couple of questions.

Hon. Mr. Kennedy: Well, I'd like to answer them one at a time. You've asked one, and I think I deserve to answer it. It's completely an error in characterization of what happened.

Mr. Marchese: Minister, you didn't listen: I said I've got a couple of questions, so hold off until I—

Interjection.

Mr. Marchese: I have a couple within the same question.

The Chair: You will have ample opportunity, Minister. Mr. Marchese would like to get them on the record—

Mr. Marchese: To finish it off; exactly.

The Chair: —and we will accommodate that.

Mr. Marchese: I fail to see how the realities of special-needs children could have been improved by withholding funds. What about the children who should have had the money spent on them that needed that money to receive programs during the last two years?

Hon. Mr. Kennedy: Is that your question, Mr. Marchese?

Mr. Marchese: That is the question.

Hon. Mr. Kennedy: You're misleading the parents of this province in a very serious fashion. The dollars—

The Chair: Minister, I would ask you to withdraw that statement.

Hon. Mr. Kennedy: The facts that you put forward—

The Chair: Minister, are you prepared to withdraw that statement?

Hon. Mr. Kennedy: I withdraw the statement.

The Chair: Cut off the minister's mike. Are you prepared to withdraw that comment?

Hon. Mr. Kennedy: I am prepared to withdraw, Mr. Chair.

The Chair: Thank you.

Hon. Mr. Kennedy: Is there anything else?

The Chair: Thank you. I just wanted to make it clear for the record and make sure Hansard caught your retraction.

Hon. Mr. Kennedy: Thank you, Mr. Chair.

Mr. Marchese, you have not put forward the facts of the situation, which I'm happy to do. The boards were given dollars by the previous government to help children, which a number of the board were unable to do because they received the funds later in the year. Replacement funds to help those children for the next year were paid for by this government. No funds were taken away to support children, but they remained in the bank accounts of boards, first about \$76 million, and then their plans were to put up to \$103 million—not to spend on children. They put out their revised estimates and said, "We're going to hang on to, in our bank accounts, \$107 million." All we did was say to the boards, "We will give

you a new \$100 million every year, but that one-time funding that you put in the bank that only came to you because of an accounting error by the previous government and a lack of due process by that government to make sure that those dollars were spent, those dollars"—

Mr. Marchese: OK.

Hon. Mr. Kennedy: Mr. Marchese.

Mr. Marchese: I've got many questions.

Hon. Mr. Kennedy: This is a very serious point. Mr. Chair, I'm not filibustering; I just want to give the answer.

The Chair: Mr. Marchese, I'm going to give you a few more minutes of the government's time. If—

Mr. Marchese: I've got a lot of questions that he will be able to speak to.

The Chair: The minister appears to not be able to compress his answers. We will take extra time for you until you get them all on the record. I'll take the time away from the government until we get a process that we're comfortable with.

Hon. Mr. Kennedy: With all respect, Mr. Chair—

The Chair: Each of you interrupting the other isn't helping either, so I will manage the floor if you will just—you get your questions on. The minister will patiently wait and then respond, and if it takes a little more time, Mr. Marchese, I'm prepared to give you that extra time.

Hon. Mr. Kennedy: Mr. Chair, I will look to you to make a fair determination of when a question is answered—that's all I'm asking for—and not to deduct from the government's time, but rather to give me a fair chance to answer the question as put.

The Chair: I will decide whether I deduct time from the government's side, and Minister, we will keep your microphone cut off until such time—normally, I like to leave them both on. We'll cut off the minister's microphone. Mr. Marchese, when you're done, you can then turn to the minister. If you're having a hard time with this minister, we'll work it out.

Mr. Marchese, you have the floor.

Mr. Marchese: With the clawed-back money, you established a fund called the effectiveness and equity fund. You had a different type of criteria for returning the money you clawed back. According to this document which comes from your deputy, the criteria for returning the money are: (1) amounts placed in special education reserves in 2002-03 and prior years from revenue other than the special education allocation; (2) expenditures from 2002-03, special education reserves that were approved by the school board prior to July 1, 2004; and (3) funding required to provide programs for newly enrolled students in 2004-05 who have high needs; net funding requirements that have changed because other high-needs students are no longer enrolled.

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My questions are: How much money was returned to the school boards that placed funds in their special education reserves prior to 2002-03, in excess of any

amount that would have been required by the special education enveloping provisions?

The Chair: Is that it, Mr. Marchese?

Mr. Marchese: That's my first question.

Hon. Mr. Kennedy: Through you, Mr. Chair, \$9.8 million.

Mr. Marchese: Is it \$9.8 million? That's what I heard, right?

The Chair: That's correct.

Mr. Marchese: You have to speak up, Gerard, because I can't hear very well.

You've said that you set aside \$9.8 million from the EEF to boards to place funds in their 2002-03 reserves from other revenues. How much of that \$9.8 million has flowed back or was approved to flow back to school boards?

Hon. Mr. Kennedy: Again, Mr. Chair, through you, the \$9.8 million was provided to the boards, and no further requirements were made of them for that \$9.8 million. It was because the dollars were put in from reserves other than the one I described when I attempted to answer—

Mr. Marchese: So the—

Hon. Mr. Kennedy: —the previous question.

Mr. Marchese: Just as a—

The Chair: Mr. Marchese, let the minister finish. We're going to give you the time.

Mr. Marchese: It was just a simple question. How much money has flowed back?

The Chair: But let him finish.

Hon. Mr. Kennedy: The answer to that question: \$9.8 million remains.

The Chair: Thank you. Now the question, Mr. Marchese.

Mr. Marchese: You said \$9.8 million remains. Did that \$9.8 million flow to the boards, yes or no?

Hon. Mr. Kennedy: Yes.

Mr. Marchese: Can you provide us with a board-by-board breakdown of the monies approved to flow back to school boards under this criterion?

Hon. Mr. Kennedy: Yes.

Mr. Marchese: How much money was returned to school boards, or is assigned to return to school boards, that use funds in their special education reserves from 2002-03 during the course of the 2003-04 school year?

Hon. Mr. Kennedy: Essentially, the total of expenditures that were approved by the board prior to July 1, 2004, was \$9.6 million. Funds that were expended in the 2003-04 year would not have been captured. It's a little bit complicated in terms of how the reserves worked; it only incorporated those monies that were in reserves at certain dates. But \$9.6 million was provided for expenditures that were authorized before July 1, 2004.

Mr. Marchese: Mr. Kennedy, I'm using the criteria that you're responding to. The criteria—Nancy is nodding. So the answer to my second question is \$9.6 million?

Hon. Mr. Kennedy: Through you, Mr. Chair, yes.

Mr. Marchese: You stated, then, that you set aside \$9.6 million from the EEF to boards with eligible expenses. How much of this \$9.6 million flowed to the boards—has been sent?

Hon. Mr. Kennedy: Again, it was all sent to the boards.

Mr. Marchese: All sent. OK. Can you provide us with a board-by-board breakdown of the money approved to flow back to school boards under this criterion?

Hon. Mr. Kennedy: Yes, we can.

Mr. Marchese: By the way, when can we get this information?

Hon. Mr. Kennedy: I'll check and report back to you.

Mr. Marchese: How much money was returned to school boards or is assigned to return to school boards that need it to provide programs to newly enrolled students with high needs in 2004-05?

Hon. Mr. Kennedy: Through you, Mr. Chair, \$46.4 million. Just to be clear, the combination of \$46.4 million and \$9.6 million is the \$55 million that was available to be used for operating expenses in the year I referenced earlier.

Mr. Marchese: And of this \$46 million, all of it has flowed to the boards?

Hon. Mr. Kennedy: Yes, all the dollars have flowed through to the boards. Again, I want to emphasize that all the requests we have from boards were funded.

Mr. Marchese: Can you provide us with a board-by-board breakdown?

Hon. Mr. Kennedy: Similar to the other answers, yes, we can.

Mr. Marchese: Regarding the last criteria—Mr. Chair, how much time do we have?

The Chair: Up to three more minutes.

Mr. Marchese: I need to review some numbers, Mr. Chair, so I'll go around to the next—

The Chair: Fine. Thank you, Mr. Marchese.

Mr. Wayne Arthurs (Pickering-Ajax-Uxbridge): Just prior to proceeding—I'm going to turn momentarily to Mr. Parsons for his questions—I just wanted to query, if I could, the time allocation on the 15-minute rotations. Are we on 15-minute rotations?

The Chair: That is correct.

Mr. Arthurs: Thank you, Mr. Chair. Mr. Parsons?

Mr. Ernie Parsons (Prince Edward-Hastings): I'd like to continue on the same theme as the others.

I guess, by way of history, I recall being a parent on a special-ed advisory committee in 1981. Over the years, we've adopted and fostered a number of children who required special education.

I guess, as an editorial comment, I am so pleased to see ISA 2 and 3 gone. As a school board trustee, I watched huge resources go into submitting the information, and as a parent, I was deeply troubled that my objective became to portray my child in the worst possible light to attract maximum funding. I found it hurt, as a parent, to have to do that.

On the other hand, both as a parent and as a trustee, I became and continue to be impressed with the quality of

people we have in the school system. I'm absolutely convinced that within the school, each of my children's teachers and their principal had a pretty good handle on what my children needed without any paperwork. They had a pretty good handle on what they needed. They had the broader picture that I didn't have as a parent, as to the total needs within that school.

I applaud the initiative to use the brains and the talent we have within our system to allocate the money to each child with particular needs. In many ways, it is a return to pre-1990 days. We have highly skilled, talented, motivated people who know best how to compromise. I also recognize that the needs that my children and other children have in September may not necessarily be the same needs they have in December or the following March, and yet the ISA system said, "This is it. They're frozen in time for the year, and these are the supports required for the year."

So it is important for me to ask that your system will reflect the ability for a school to change. Some of my children had lower needs four months after the ISA process; some had higher. My question is whether the system you're proposing will allow a local board to reflect these changes and needs among the students.

Hon. Mr. Kennedy: That is at least one of the principles we put forward for the reform. It's still underway, but I know that that is essentially the thrust of what we're trying to do. We do have to allocate between boards, which is the challenge, but we don't want that to get in the way of the response from a principal, from another knowledgeable person, sometimes from a board resource person, but mainly from the people in that school, and we do see it as a dynamic.

One of the terrible things about ISA was that it was almost better to have students not improve, because to do so was then not to get a threshold of need that would get the board its funding. So this really became a board exercise that had enormous impact on the school. It took the best-qualified people, the people who knew the child every day—maybe there were things they needed to learn from that resource person, but they knew the child—and put them out of the classroom and into the backrooms, filling in this paperwork, sometimes for as much as three or four months on end. In the course of the ISA, they did this four times for some students. I can't imagine—I know, Mr. Parsons, that you have a number of sons and daughters and people you fostered who went through this system. The parents themselves must have found this to be concerning.

Mr. Parsons: I had to dumb down my children, and it offended me to do it.

Hon. Mr. Kennedy: I'm not trying to detract from the intentions of people who tried to move special education forward. It was seen, at least on the outside, as a system that would contain the amount of money available to special-needs children, and for many years, children would be eligible but there wouldn't be funding for them. So the funding was capped instead, and then only laterally—in fact, Dr. Rozanski identified all these files

sitting there unfunded, that the ISA system was used as a funding system. Then it became a real kind of competition among boards to get in under that—again, all very far away from, "Are we doing a good job for that child? What are their educational needs?" Let's see them as their potential in terms of education. Let's not see them as either numbers on a funding sheet or people who can only be known by their deficits. I know that some of the terms for the ISA were seen to be as offensive by parents, and I understand why. Some parents would not submit, they wouldn't let their child who had certain exceptionalities be labelled that way just to get an education with those extra assists. So there were lots of reasons, I think, to have this system go away.

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Maybe the most overriding one, and one that's only apparent from a ministry perspective, is that it's extra, it's an add-on. There is already a system that involves a lot of people. The IPRCs involve expert people, and the IEP is set by a teacher and then reviewed by a principal. We think that system really could become the basis for everything we need in terms of moving forward, but that's a school-based system. We hope that will indeed prove out when this reform work is done. Whatever is done will have a lot of say at that local level, because that is where most of our gains and our advances are made.

I want to say that many, if not most, of our children with special needs can make great advances in education. They belong in schools, they do well even under conditions where complete support isn't available, and that's something we need to keep in front of people. This is not about how to handle students; this is just simply about getting them to their potential. They're doing that all across the province. We just need to do a better job of supporting them.

Mr. Parsons: One last comment: The number of children, the percentage, in special ed is higher than it was, and I would like to suggest that part of it is better identification, because I think that is the case. But I also think the schools are doing a better job of keeping kids in school. Kids who see themselves falling behind the rest in their class are waiting for the day to get out of that environment. But with these special-ed resources being delivered, they're achieving success, and I think success motivates them. So I think it's a combination of two things that are driving the numbers up: The kids with higher needs, who two generations ago would have disappeared, are now able to achieve success in certain areas and are hanging in. I think that speaks well of our schools.

Hon. Mr. Kennedy: I know it's not a complete measure, but for the percentage of students with special needs who wrote the literacy test, for example, we did see some good gains. We have to say, for our reading, writing and math in the early years, it was not as strong as we would like, but it did go up two or three points. We made better gains for children with English as a second language, for example, but that is exactly what we mean. That may not be the right way to relate achievement, but

this is what parents ask me time and time over: How well is my child doing under this? Not just whether there is a resource nominally for them, but is that causing what I want for them, which is for them to go forward, to be better educated, to learn and to be the best person that they can? I think we're getting closer to that. I really do think that's almost widely agreed within education now.

The Chair: Mr. Leal.

Mr. Jeff Leal (Peterborough): Mr. Chair, how much time do I have?

The Chair: I think you've got about eight minutes.

Mr. Leal: Thanks, Mr. Chair. Through you to the minister: My son is in grade 2 and my daughter is in grade 1, in French immersion, in Peterborough. I want to talk about capping of class sizes. Minister, can you tell me where we're at, in terms of all boards across the province, and when we will get to the final stage where we reach all classes from JK to grade 3 being 20 and under?

Hon. Mr. Kennedy: It is a four-year program; it is a very extensive program. So far, it's taken 2,400 new teachers to get the progress that we have. We believe that 70% of students are in classes that have been reduced, or that are smaller. To get us to 100% and to 20 will take us the full four years. Now, in the real world, 20 means this: Nine times out of 10, you'll walk into the classroom and will count 20 or fewer students. Because there are changes in-year, because there are certain kinds of things that are unavoidable, that 10th class will have a maximum of three additional students, so that there is some minimal flexibility. That's what a hard cap means in the real world. It's not a board-wide average, which is what we've seen in the past, which is just a mathematical calculation, sometimes not that carefully wrought, and really not reflecting any of the experiences that students or parents would be perceiving.

This is saying to JK to 3—and I'm glad to know you've got two kids in that zone—that they get the best start possible. We think that it is an initiative that substantially will pay for itself by the time those students are done their education. It'll mean we know there are challenges and opportunities at the earliest age possible because they're getting individualized attention from that classroom teacher. We believe it's part of the reason why we've already had a very significant—and it's only a beginning—jump in grade 3 reading achievement, for example. For the first time since there's been the standardized test across the province, reading has improved in grade 3 fairly strongly in terms of about a five-point jump. We think it's related to this individualized attention and the fact that we have made progress. Every board shows that progress. They're each equally given resources in this program. It will, though, take the full four years to get this fully implemented, including the extra spaces and things that we need.

Mr. Leal: In what I thought was a very enlightening throne speech, one of the components was the development of the alternative diploma. We know we have a significant dropout rate in Ontario, and the alter-

native diploma is to keep those individuals who are not particularly adept to the academic stream in school and provide them with a skill set to go on to perhaps an apprenticeship program or other opportunities. If you could just comment on where we're at in terms of—want of a better term—constructing that new alternative diploma for individuals.

Hon. Mr. Kennedy: The government is in discussion. We just had a meeting of our partnership table, which is something we've instituted to make sure that the heads of all the educational organizations—parents, principals, trustees, teachers, education workers—and we're soon going to see business and non-profits—are all there. We've had a chance to discuss what this could mean and so forth. I think people want to make sure we offer a good outcome to every student, that they can see that on the horizon.

The last curriculum was certainly less successful than any other for many years in terms of all outcomes except university, but the one before that was not exceedingly successful either. So we've got to learn the lessons of a fair bit of time.

The alternative diploma is one way to attract a certain group of students that may not have the ability to do the credits as they're currently laid out, but we want to make it very clear that most of our progress will be made by better learning for students. In other words, more students will succeed at the existing diploma that is itself made more interesting and more effective, because again those other outcomes aren't as prominent, aren't as strongly either promoted or presented in our schools.

It's going to require a change in attitude. Most of the people who work in our schools work very hard. They're very good, but they are largely university educated. We think that the college outcome, apprenticeship outcome and job placement with skills outcome are equally good outcomes that we need to associate ourselves with positively really early on for students.

That's going to be part of the approach, and the alternative diploma has a place in that because there are some students who may not fit that traditional diploma, but they are going to achieve something if we give them something to achieve. That has to be something that is meaningful. It has to mean something to them—they can tell if it's going to be some kind of second prize—as well as their parents and employers. That's what we're committing ourselves to, that every outcome we offer within our high school regime is going to be a meaningful one, is going to convey both academic accomplishment and skills, but the mix of that will be different in order to respect the fact that these students have potential.

I mentioned in another forum recently that for young adults with less than high school, jobs are drying up at the rate of 3% a year. It's simply not like it was 15 or 20 years ago when we could be in any way blasé about this, let alone what happened in the last year of the last government where we had the new curriculum and an extra 15,000 students who didn't get a diploma. This puts

an edge into our need to improve, to go ahead, but even the old rate of success wasn't high enough.

So there are a number of things that will add up to a better outcome, and the alternative diploma will be one of those things that we'll be putting forward in a very short while.

Mr. Leal: Thank you, Minister.

Mr. Klees: Minister, you'll be familiar with the organization referred to as ARCH, a legal resource centre for persons with disabilities. According to information I have, they presented you with a brief on December 4, 2003. Do you recollect that?

Hon. Mr. Kennedy: I can't recollect the specifics of a brief, but I have had interactions with ARCH. I may have to reference the brief to be sure.

1640

Mr. Klees: In the brief, they refer to suspensions and expulsions and regulatory exclusions and coerced withdrawals from school. The reason I raise this is that I have, and I know that other members of the Legislature have as well, evidence from families with Down's syndrome children and children with autism, and we've heard not only from parents, but stakeholders and advocacy groups as well, who are telling us that exclusions—and I know you don't like that term; I'll use whatever term you would prefer me to use, but the parents are using the term "exclusions"—are happening with increasing frequency. Essentially, that's what this brief brought to your attention back on December 4, 2003. From reports that I have, these incidents are not decreasing. In fact, in the absence of any initiative on the part of your ministry, they continue.

I'd like your opinion as to whether you believe it's appropriate that children are excluded from schools by principals, children who are disabled, who perhaps have no control over their behaviour and are simply locked out of school without any support or without any other recourse made available to them. Do you think that's appropriate?

Hon. Mr. Kennedy: There's a lot in the statement you just put forward. First of all, whether or not they're indeed locked out of school without any recourse, whether or not—and "excluded" is a perfectly fine term; it just doesn't fit under the Safe Schools Act, so I don't want to be misunderstood. It's just something that's been around for much longer than the Safe Schools Act has.

I'm absolutely aware of that as a complaint. I would say two competing things. Children with special needs are also subject to discipline where their disability or their special challenge is not the root problem. Obviously, we have a large number of children who have identified behavioural issues; that's one recognized exceptionality. In those cases, we should be dealing with those students in whatever is the best way to allow them to learn. There are good techniques.

I can't say that we're complete and perfect in that regard. The principal has to make a judgment about whether there is a risk to that student, because sometimes the behaviour is a risk to the student and sometimes it's a

risk to others. An exclusion on that day is a lot better than an exclusion that is either repeated or actually taking the student out of that school. The school system does need to make a determination of where students can be best served. We support the idea that students can be integrated wherever possible, wherever it's good for that student, and the parent determination should be a key part of that. But there are also students who do better in settings that are not available, and can't possibly be made available, in each and every school.

In the general way that you put your statement, I would agree, of course, that there shouldn't be an arbitrary taking of students out of schools. But at the same time, I would put to you that there are reasons for which all students may be subject to either discipline or precautionary measures on the part of principals.

What I would say about the exclusion is that even though some would say that's always been there and it has always been principals, we're prepared to have that and to hear from folks on that when we bring forward our review of safe schools, even though it's not technically part of that act. We know of this complaint, whether from ARCH or anywhere else, and what we're looking at now as a ministry, as I shared with you on day one of these discussions, is how do we best collect that information, because it is not reported to most boards and therefore not reported to us. But we will be able to show you some information around the use of expulsions and suspensions. I wish it was complete now; it isn't. Some of the preliminary information would show that there has been some decrease in the use of this. That part of the act does ask principals to exercise their best discretion, which I would say is always incumbent on them, but there is a specific requirement for them to do so when they exercise their powers under the Safe Schools Act.

Mr. Klees: Minister, I want to read you a letter. I read it into the record for a purpose. I'll not read the names of the family involved or the school, but you certainly can have a copy of this letter. This is a letter that was written by a principal to the parents of a student:

"This letter provides you with written notice that pursuant to section 265(1)(m) of the Education Act and section 3(1) of the access to school premises regulation, O. Reg. 474/00, I am refusing to allow Gordon into my school, until further notice, because I have determined that his presence in the school would be detrimental to the safety and well-being of others in the school.

"Gordon's behaviour has severely deteriorated, endangering both students and staff. This must be remedied before I will allow him to return.

"If you have any questions, please let me know.

"Yours truly ..."

This child is an autistic child. This letter was received by the parents. There was no offer here to provide any further assistance. There was no suggestion that the school would provide any guidance in terms of how to deal with the circumstance. These parents were at an absolute loss in terms of where to turn next.

Minister, my question to you is, do you believe, notwithstanding perhaps the behavioural challenges here, that the school system continues to have a responsibility to this student?

Hon. Mr. Kennedy: In the generality of what you just related, I agree. In terms of this student, I can't tell, because I don't know what went before that letter. I don't know how many interventions were tried.

Mr. Klees: But, generally, you believe that there's a responsibility—

Hon. Mr. Kennedy: In general, we have an obligation to try everything educationally possible to accommodate students, and I believe that we're doing that. I would like to believe that the letter you just quoted was written as a last resort, after those avenues had been exhausted.

Mr. Klees: Minister, here's my concern. The reason I raise it in these hearings is because we are hearing—this is only one example—not that these incidences are decreasing; we're hearing that they are on the increase and that more and more schools are dealing with these issues of disabled children. Rather than providing the resources, more and more we see the incidences of these exclusions taking place, where they're simply being locked out of school.

You may or may not be aware that there are actually seminars being given to principals on how to use regulation to exclude students. Are you aware of that?

Hon. Mr. Kennedy: Yes, I am aware of that, but I would hope that there would be seminars, because each of the powers should be used carefully. There should be seminars. There should be training. There should be careful use of these things.

I ask the member opposite, in terms of his perception or report: If we put 65% more resources into the system in the last two, now basically three, years—and that's not including the last \$55 million—if that increase has happened, if there have been 4,000 more education assistants hired, verging on thousands more teachers hired as well, why then would there not be fewer of those incidents? In other words, I'm just asking for—

Mr. Klees: That's precisely my point. So my next question to you—

Hon. Mr. Kennedy: Right. So again, I'm having a hard time wondering where you think this is arising from.

Mr. Klees: I think we all want the same thing, and we want to ensure that the resources that are being put in place are, in fact, getting us the desired results. That's why I'm asking the question.

So my question to you is, given the additional resources that the ministry is putting into the system, what accountability measures do you have in place to ensure that the outcomes you are looking for from these well-intended initiatives are actually there? We have evidence that there is a problem, that the incidences are not decreasing but increasing. So could you respond? What accountability mechanisms do you have in place to track where these dollars are going and the results that you're getting?

1650

Hon. Mr. Kennedy: What we will be doing and what we've started to do in some select instances is audit the experiences of boards and see what they are doing and what outcomes they're getting.

I would say that if you have evidence, because that's what I was trying to get to—we will be able to provide you and the public, when we start our review of the Safe Schools Act, some data in that respect. We've already talked about the difficulty of doing that for exclusions.

In essence, since coming into government—you cited December 2003—we've also been in discussions with the sector around this, and there's already been more training, more effort to try and reduce this. Our indication right now would be, through the channels that we do have and the monitoring that takes place in terms of special education reports that the boards have to file with us every year—we're now looking at the incidences of expulsions and suspensions as they impact these students, and we are now putting in place for the first time ever, through our special education reform, specific educational outcomes to see what's happening.

The question you're raising, though, I think is—if I may, because I don't want to misstate you, it seems as if you want to know whether or not powers are being not used correctly and used instead of providing educational opportunities. I think that's what you're really asking. I just want to say that we would consider those to be relatively rare cases, simply because the obligation of the principal of the special education teacher is the opposite. We wouldn't doubt that there would be some of those, in the sense that I'm aware of some taking place because we work, as a minister's office, to resolve those, working with the school boards. But our experience has been the opposite, that there have been fewer of those particular kinds of conflicts of late. They're always complicated, they're never straightforward, and they do test the boundaries of what's possible in the system. But as a generalized thing, I would invite and very much welcome the evidence that you're referring to, because right now, our indications are to the contrary, which doesn't mean we think we have enough of the measures in place; we don't. But this is a system that had zero when we started. There were no accountabilities for what got done on behalf of students, and we're now building some in.

The first of those is the audits. We're doing spot audits of different boards. We're also working co-operatively with boards who have asked us to come in and look at what they are doing, and we're establishing standards, exceptionality by exceptionality, looking at what outcome we have a reasonable right to expect with this. None of that work was done before. The dollars were provided, and it was all up to the boards.

Mr. Klees: Thank you, Minister. I'd like to just move on.

What concerned me yesterday in your response was that when these exclusions take place, such as we have here—you told this committee yesterday that you really aren't able to track those, because you're not notified.

My question goes to this: These schools, for each child, get \$17,000 under your new net system. If the child is no longer in the school, if no more services are being provided, what happens to that money?

Hon. Mr. Kennedy: The money disappears—understand, the \$17,000 is in addition to the base funding, and we audit for enrolment. Enrolment, which is quite different from outcomes, we audit for quite extensively. So boards will be financially penalized if they claim students who aren't actually on the daily roster. Those dollars will be deducted.

Again, it is an extraordinary decision for a board or a principal to take to exclude a person from a school, let alone from a system. I just want to say that that certainly would be contrary to every effort that I see being made out there. I'm not saying that they don't exist. I'm just saying that the trend should not be for those to increase. But we would not fund someone who was taken out of the school system, and on those grounds, we fund accurately to the numbers of students who are enrolled.

Mr. Klees: Minister, wouldn't you agree that it would be appropriate to implement a reporting mechanism for these exclusions so that the ministry knows what the frequency of these incidents is and you have a better handle, if for no other reason but to be alert to circumstances?

Hon. Mr. Kennedy: I'm going to put that question to the folks who are examining the safe schools review, because I want to hear more widely about the use of exclusions. Some principals don't use it at all, and some use it as a part of their repertoire. We do want to get a handle on that.

As I mentioned to you, I believe in the first exchange we had, we don't want to ask for everything to be reported. I think if we do understand—and the hearings that we're going to hold, the review we're going to do, will tell us—that this is a source of widespread concern that we can't address through the measures we've put in place, through the education of principals, through a range of things, then I would agree with you. But again, I don't hold that everything we should do is punitive, looking over the shoulders of principals, teachers or administrators. We do have to get the outcomes. Again, I would appreciate any of the letters you have, any of the others, because we are trying to understand very well the degree to which we're either succeeding to date or we can, with what we're going to hear in the review. You should take that from me not as disagreement with you, but I'm hoping there are other measures that would make that less necessary, because we are counting a lot of things right now.

We have to go to the root thing, which is, what should those exclusions be used for and when is it appropriate? What principals would tell us is that they need to be able to exercise their judgment, which I think you would want them to do as professionals looking after the whole school community. The question is whether that's a power that we really need to monitor centrally. None of this data was ever collected before. That's the process we would go through to arrive at that.

Mr. Marchese: Minister, just to review a couple of things: Going back to the effectiveness and equity fund, there were three criteria that I read out to you. In relation to the first criterion: how much money was returned to school boards that placed funds in their special education reserves prior to 2002-03?—you said it was \$9.8 million. Based on the deputy minister's document where he indicated that there is \$11 million available, I'm assuming that boards only applied for \$9.8 million, suggesting the difference was either rejected or they didn't apply for any more than that.

Hon. Mr. Kennedy: When the deputy released his document, the estimate was \$11 million, but the accurate number was \$9.8 million, so there's a slight variance between them.

Mr. Marchese: So the variance is based on how much boards applied for or—?

Hon. Mr. Kennedy: It went through an audit process, and that's what we determined. We estimated \$11 million, but it was actually closer to \$10 million—\$9.8 million.

Mr. Marchese: OK. Did boards apply for more than that?

Hon. Mr. Kennedy: No. There was no application; it's just factual. We just determined the facts, audited them to make sure that they were correct, and they got the dollars. Just for everybody's sake, these are dollars that did not come by way of the accounting that the previous government did that put the bulk of these dollars totally unusually into the accounts. These were reserves in fact that didn't come from any special education savings at all. Keep in mind that until the year before, the total reserves of the entire province were \$7 million. Then they zoomed up to \$80 million simply because of this accounting error. Some of those reserves, though, were there for other purposes, and a few in that year, unknown to us, had put them in from other surpluses that they've encountered. We didn't think it was fair to apply the policy to them. It was perfectly fair for everyone else.

Mr. Marchese: For the second criterion, the deputy had indicated there was \$10 million, and \$9.6 million went out, so there's obviously not much of a variance there. That's pretty close to what had been anticipated.

Hon. Mr. Kennedy: Yes, I think that's fair to say.

Mr. Marchese: On the last criterion, we need a little more information because there may be some possibly contradictory information. The deputy's March 31, 2005, memo says that there is \$62 million available for newly enrolled students in 2004-05, but you indicated that boards only applied for \$46 million.

Hon. Mr. Kennedy: It's not contradictory, Mr. Marchese. There was \$62 million available; they applied for \$46 million that met the criteria.

Mr. Marchese: So you're saying that no board received less than what they applied for?

Hon. Mr. Kennedy: There were criteria. Boards stated their needs in error. The criteria were met that these were net new needs that they had, the phrase the deputy

acquainted you with, and as long as they were net new needs, we paid the amount that they claimed.

Mr. Marchese: So whatever they requested based on the net new needs, they got.

Hon. Mr. Kennedy: Right.

Mr. Marchese: And originally, you anticipated \$62 million, but obviously—

Hon. Mr. Kennedy: No. The availability was \$62 million. I think we were quite comfortable that there might be less, because if you look at \$44 million, it's a 5% increase. We did a 5% increase in that year on top of a previous 65% increase. Keep in mind that within that, certain people left the system. It's not a static population of people. People will have graduated and new students will have come in. The net 5% is on top of the changes that took place, again, on top of a 65% increase.

1700

Mr. Marchese: Special education staff at the ministry have been informing board administrators that only \$40 million is available for newly enrolled students and that boards have applied for \$68 million. As a result, they say, you will not provide the \$17,000 per high-need student as you did in the past. Instead, you may be lowering the amount to \$12,000 or \$10,000. Is that true?

Hon. Mr. Kennedy: It isn't true in the sense that we are auditing now to see what are really net new needs, and until we've done that we won't know what the total allocation was. We had to make an allocation. As you can see, it's similar to last year's—\$46.4 million became \$40 million—and now we're looking to see what it will be in reality. But boards make preliminary estimates. Sometimes they're spot on and quite often they're not. We'll learn what that really is and respond accordingly.

Mr. Marchese: Is your ministry capping special education funding?

Hon. Mr. Kennedy: Clearly we haven't, because we're putting in dollars in terms of very significant continuing increases in special education. Essentially what we're doing with boards is making sure that they are meeting the criteria and then we're providing the dollars that match.

Mr. Marchese: What if the special education needs go beyond the amount you set aside? But presumably there is no cap. I think you said there is no cap; whatever the net new needs are, you will fund them.

Hon. Mr. Kennedy: All I can refer you to is what we've done. We've funded all new needs. We were presented, in-year, with \$100 million extra. We funded that. We put forward a dollar amount. You mentioned it was \$62 million. It was actually less that was used—\$46 million. All those needs were met. I can't predict this year until the auditing is done. I'd be happy to report back to you at that time what our disposition is.

Mr. Marchese: My sense of what you're saying is that you will not cap funding for special education in 2005-06. Even if there are more students with special needs, you will not cap.

Hon. Mr. Kennedy: Mr. Marchese, I've given you my best response. We're working with the boards right

now to find out what their needs are. The interim program is meant to meet those needs. I can't predict, until I know what those needs are, what the amount will be, because I'm not sure what you refer to as a cap. Our record speaks for itself. So far, we have met all the new needs that have been presented.

Mr. Marchese: If I can refer you to a memorandum to directors of education from Didem Proulx, director, education finance branch, 2005. SB 28 is the document I'm referring to. At the bottom of the first page of this document, it says this:

"It is also important to note that, as stated in memorandum 2005:B5, funding for net new needs in 2005-06 is capped at \$40M. In 2005:B5, the ministry indicated that the per pupil amount for each net new student with high needs would be up to \$17,000. This amount is subject to adjustment to ensure that the total allocation will remain within the capped amount."

Could you comment on that?

Hon. Mr. Kennedy: I can comment on it in the sense that I don't think that's the final word of the government in terms of how this is put forward. I will get a copy and look at the entire memo in terms of what's explained, but we have worked with boards to make sure that they are meeting net new needs. We are away from the funding game in terms of trying to qualify more. We'll see where we're at in terms of the dollars that are involved. But again, \$17,000, \$12,000 or \$27,000 are all notational figures that don't necessarily relate to the cost of needs. So we will have to see what we're doing in terms of meeting those new needs. All I can say, in terms of what you've read to me from Ms. Proulx's letter, is that it wouldn't be our final answer.

Mr. Marchese: When the director, Didem Proulx, says this, is either Nancy Naylor or the deputy minister, Ben Levin, familiar with this memo?

Hon. Mr. Kennedy: I think we're trying to get a copy of it so that we can we answer you in context—

Mr. Marchese: I could just give it to you and you could give it back; that would be great.

The Chair: Mr. Marchese, let the clerk do his job or we'll hear from the union.

Mr. Marchese: I'm just trying to help.

The Chair: I know you are; I'm only kidding.

Hon. Mr. Kennedy: It lays out the claims process and the audit process that boards are looking forward to. You have quoted from it accurately, but I have to say it isn't accurate in terms of being the final word in what we would do. I'm not sure—

Mr. Marchese: Sorry, Gerard, I can't hear you very well. Are you saying it is accurate or it isn't accurate?

Hon. Mr. Kennedy: I'm saying that what you've read is accurate. I'm reading this memo, which is a technical memo sent to senior business officials. What I would say about it is that we are not artificially limiting the dollars that are available. We have set a number, and we're working with the boards on it. I think very highly of the person who wrote that memo; she's a terrific person working in the ministry. But that wouldn't be the inter-

pretation I would want to rest with boards in terms of how we're going to reconcile this year. We are trying now to understand where boards are. Based on what you've put in front of me, that's something I will probably end up putting out a correction for in terms of interpretation.

Mr. Marchese: I have another document from 2005. It's B5: Memorandum to directors of education and secretary-treasurers of school authorities, from Nancy Naylor, the assistant deputy. It's page 15 of 23. It says, "This funding for net new needs will be capped at \$40 million and distributed based on each board's share of demonstrated net new needs. The per pupil amount for each student with high needs has been set, on a preliminary basis, at \$17,000. This per pupil amount may be adjusted to ensure that the total allocation remains within available funding."

We've got the assistant deputy minister and Monsieur Proulx, both people you're obviously—

Hon. Mr. Kennedy: It's Madame Proulx.

Mr. Marchese: Madame Proulx? My apologies. We've got two people you obviously respect saying that this amount will be capped, and you're saying that's not true, nothing has been—

Hon. Mr. Kennedy: My understanding, and the direction I'll make clear to the boards, is that what should take place is a careful netting out of their new needs and that we will meet all reasonable needs presented that way, as we did the year before. I will take responsibility for a gap in communication with senior officials.

Essentially, boards have seen us meet these needs. I have talked to individual boards about their requirements. Again, we're trying to provide the best interim system that we can, and we have a track record of meeting the needs that are presented on behalf of students in the system.

Mr. Marchese: Can I anticipate, Minister, based on what you said and based on the memorandums we have seen issued to directors, that we'll be seeing some new language?

Hon. Mr. Kennedy: Yes.

Mr. Marchese: We have a commitment from you?

Hon. Mr. Kennedy: Yes.

Mr. Marchese: Is it possible to get a copy when you do that?

Hon. Mr. Kennedy: Yes.

Mr. Marchese: You understand, we really have to dig to get this stuff.

Hon. Mr. Kennedy: You do?

Mr. Marchese: We do. It's hard.

Hon. Mr. Kennedy: You won't have to for the next one.

Mr. Marchese: Things are transparent if you can get hold of items—if you can get hold of them. It's murky; you might appreciate that.

I'm happy to hear that you will be issuing a correction and that, I'm assuming, there was no discussion between Madame Naylor and yourself about this capping, or with the deputy; they made this decision on their own, and

nothing to do with any discussion you might have had with them. Is that correct?

Hon. Mr. Kennedy: I will take responsibility for anything that was sent to boards and that relates to our policy. There may have been some subtle differences in terms of understanding how our management of this would work. I can tell you that is not our intent. I may have inadequately conveyed that to ministry staff, and I will make up for that shortcoming in the way I just described.

1710

Mr. Marchese: So \$83 million was taken away from the boards, and what we hear is that none of the EEF funding has flowed yet, despite the claim you make that they have the money.

Hon. Mr. Kennedy: The 2004-05 money, all the numbers you went through—we actually have them written down, and we're going to hand them to you; I know you want to get them right—are accurate, and that money has flowed to boards. The numbers for this year, as we've spent a little bit of time discussing, are being audited and worked through, and when they're finalized, then the money will flow. That's what anyone who's saying that it hasn't is referring to.

I would note that in addition to the dollars we disbursed directly to boards, we have also put \$25 million in a separate special fund that boards can apply to for putting into place the special education reforms. That's with the council of directors in education and it is also there now being applied to by boards and will be disbursed with an additional \$25 million, because any change, any improvement, has to be funded. You can't just ask boards and schools to do that with existing resources. That's an additional amount of dollars that we're putting forward.

I'm not quite sure—I guess what you mean is that the remainder of the fund and the additional dollars we're putting forward are still to be flowed this year, but it's because we are paying for actual costs and we have to determine what the costs are.

Mr. Marchese: No, I was actually speaking to the money you had approved and whether or not it had flowed. You're saying it flowed, and we hear that it hasn't. I'm not only talking about the difference; I'm talking about—

Hon. Mr. Kennedy: I'd be happy if you would table, or, if you don't want to take the time, just send us the information you referred to. But the 2004-05 numbers that we just discussed were worked out already with boards and, therefore, the appropriate allocations have already been made. I don't believe there are any exceptions to that. I'd be happy to learn about them.

Mr. Marchese: We'll have to get that information and send it to you so that you know.

The Chair: You have one minute, Mr. Marchese.

Mr. Marchese: We'll go around to the next turn with other questions, thank you. I'd rather not start with new questions at this time.

Hon. Mr. Kennedy: I'm going to prevail on my colleagues for a two-minute break, if that's all right, Mr. Chair.

The Chair: Not a problem.

The committee recessed from 1712 to 1715.

Mr. Arthurs: Mr. Chair, it's great to have the minister here again, and to have the opportunity for our caucus in rotation. Mr. Leal took the opportunity to advise that he had members of his family in the primary system. For the record and for Hansard, I think we should congratulate the member on his daughter's sixth birthday today. That's something for Hansard.

It's also my opportunity, because not only does the member Mr. Leal have family—

The Chair: I'm going to interrupt you, because I insist that Mr. Milloy be given another moment to put on the record his pride in his new addition. Hopefully the system will be ready for his child in four years.

Please proceed, Mr. Arthurs.

Mr. Arthurs: Not only does Mr. Leal have family members in the system; it's my opportunity to let folks know as well that my wife, Susan, has been one of those fine grade 1 teachers in the elementary system for a great number of years at Maple Ridge Public School in Pickering. That's also in Hansard, so now I can give her a copy and show that sometime during my time here I acknowledged that she's there behind me.

I really have three areas of questioning for the minister at this point, subject to the time we have available. The first is on mentoring programs for new teachers. Both having been in the system some considerable number of years ago, and obviously being engaged, not only through family but also through other kinds of activities, with the education system, we're well aware of the dropout rate of new teachers: a large investment on their part in getting through university and a large investment on the part of the public in supporting the university system and teacher training, and yet in those very first years we're losing a great number of potentially very good teachers who I think leave the system, in the main, for lack of support, abandoned in the classroom in the first year with 20 or 25 or 30 kids, depending on the nature of the program they're in, with very little ongoing support during that period of time and with the challenges that come with managing large groups of children.

I'm wondering, Minister, if you can provide some additional insights into the nature of the mentoring programs that are being proposed and that are being put in place currently.

Hon. Mr. Kennedy: We actually started last year with a set of pilot programs around the province that showed really good signs of promise and success in terms of matching up, and having the time to match up, an experienced teacher as a mentor of a new teacher, a beginning teacher. We did that in a variety of ways, letting boards show us the different techniques they had. Some of them were doing it on their own, without direct support, and this made it a much more involved program.

This year we're including, as part of our new teacher induction program, a \$15-million effort to make sure that every teacher gets a second professional step. So they go to university, and now they get support in their first year of actual, on-the-job classroom practice. They get that in a variety of ways, but one of the chief ways is a mentor. The mentor will be somebody they can spend time with in their class, the mentor reciprocally observing the new teacher, picking up some of the challenges, classroom management being one of them. The number of children is coming down in a variety of parts of the system, but it's still one of the things that new teachers find the most challenging. They're not observing any more; they're actually in charge of the class. That's one of the key aspects we're going to bring through. Increased professional development is another component of the induction program, but we also think that the mentoring will be very key.

1720

It's a structured program. It involves two evaluations by principals to make sure that the development is taking place and to provide still further support. We think the right approach to take is that of any endeavour, which is to support your new employees. We're all better off; we save money. The cost to students is very appropriate to bring up. The cost to the system was \$30 million a year when the loss rate was one in three new teachers in five years. That's \$30 million each and every year that we were losing. With half of that amount, we think we will be able to maintain a much greater number, and we're paying for that in part by replacing what used to be there as a kind of nominal test—it was passed by 98% of the people who wrote it—that pen-and-paper test, coming out of university. Instead, we have again this emphasis on the on-the-job part, which is what most studies show will be most successful and what most students say they want: access to that person who can have the time to answer their questions.

We want to give credit to the system and the teachers out there. There's a lot of informal mentoring that happened, but there was a lot of time taken up in everyone's day, and it decreased that, and the quality of teaching, of course, is what ultimately benefits. If new teachers do well, learn better, learn more quickly and feel more confident, the students are the beneficiaries. So we think this is a good, smart program. This is being phased in, even as this semester is underway. It will be fully in place this year and expanded next September.

Mr. Arthurs: That's encouraging—not only, obviously, the continuation, but to the extent you can, extending the program beyond the first year. There's certainly a very sharp learning curve that goes on during that first year, and with the stabilization of the teaching experience, the level of expertise can be enhanced if there are opportunities to continue a program of that nature, even through a second and potentially a third—

Hon. Mr. Kennedy: It's a good point. We are going to be evaluating this program to see how it works, and the mentorship certainly could, and perhaps should,

continue. We haven't yet made that formal commitment, but we have a subset of the partnership table, which is a working table that brings together the best experts we have—not just teachers, but principals, school board officials, parents and so on. They look at the overall teacher development—what we should do in year 2, and indeed what we should be doing in year 20—to make sure that we're supporting teachers, having access to the best information, the best techniques and the best motivation possible. That's when we get the best education, when we make sure that they unlock their potential. It's critical at the beginning. Before, "stutter step" meant we lost quite a few. It's also important in the second year and in these other parts of a teacher's development.

Mr. Arthurs: The programming, either formally in class or less formally through apprenticeship or training programs, to 18: I would be interested in hearing of some of the options or examples of the types of programming that are currently in place, being enhanced or being considered for that group of students who find the traditional programming not appropriate for their learning styles, and the value, as you see it, to the student and to the community that the student engages in, and potentially, where many of these students will be in employment earlier than other students, the value you see to the employer.

Hon. Mr. Kennedy: It's what we're competing with, first of all. Almost 40% of the male students who leave—the dropout rate is more acute for male students than for female students—leave because of the lure of work. The companion, and somewhat greater, reason is because they aren't doing well in school. So we're trying to combine both of those challenges that we have: how to be more attractive than that job that ultimately—it doesn't seem like a dead-end job when you're first out there and earning money—isn't going to bring that young adult very far.

One way to do that is to increase the exposure to the workplace that happens in schools, and not just for students who are struggling, or could begin to struggle, but for all students. So we've brought in a co-op program, for example, for the first time in grade 10 that engages the students at that level. We've also invested in some of the things that need to be on-site in school in order to send students out to the workplace. So technical programs have had a \$45-million investment last year; \$12 million the year before—a total of \$57 million that we've put in. It's the first time, I gather, since the early 1990s that there's been any money put in for technical equipment. That means that some of the traditional trades and also some interesting new trades can be tried out in the schools. I'm getting letter after letter from teachers and students. I've been in some of these classes and talked to some of the students. It's happened to me twice, where a student has walked up to me, not asked by anybody, not set up by anybody, just to say thank you; in fact, in both cases quite quietly on the side, to say, "I wouldn't have stayed in school if you didn't have this

hands-on learning. I'm good at this. I can do this. I'm earning some credit for a community college because I'm visiting there every second week. That's the kind of thing I can now see myself doing."

It's very concrete. It is about learning, though. It is an appropriate job for our high schools to do. That person who decided to keep learning because of the construction course—this was one in North Bay, for example, another one in Ottawa—might go on and switch over and become university-educated.

The point is that we've been burning students out in terms of learning altogether. They'll be better employed. About 33% of students who don't get a high school diploma are unemployed. That's double the rate for those with just a high school diploma. Ultimately, their earnings are 70% less if they don't get a high school diploma. So there's a lot at stake in terms of how we handle that. Therefore, we're making what we think is a reasonable and smart investment to make things happen there: 1,300 new teachers in school this fall, two thirds of which are focused on students who could be struggling.

More positively, we see student success more broadly defined as not just university, but college, an apprenticeship or a workplace with training being equally good outcomes for students. We want every student and every parent to be as ambitious as possible, but we're simply not being respectful of students when we say, "There is only one narrow chute for you to go through in the time that you're 14 to 18." Instead, you might benefit from going a different way. We all know that kids could train or learn many times in their lifetime; getting it right at least in one way the first time is a key to whether they're going to keep learning further on. Again, that's going to be part of something we're going to expand, but those are things we're already doing right now, among a number of things.

This increased dropout rate I think is one of the biggest problems we have. It's a threat to the students and to our economy because it weakens the number of people we have available. I'm glad to report that we're already seeing a change. There's already a four-point improvement in the number of students that are succeeding. Our four-year graduation rate was as low as 56%, it's now up to 60%, and we intend for it to climb from there. There is such a gap between someone who can get that meaningful outcome and their diploma and those who can't.

Mr. Arthurs: The third area of questions that I have for the day, anyway, deals with the reintroduction or enhancement of areas that over the past number of years have been considered as auxiliary to education. There has been a concentration on math or literacy, but to the detriment of things like physical activity, music, art or, in the secondary system, providing guidance to students in career planning or the support that comes with that.

I'm particularly interested in those, in part because I was one of those kids at school who couldn't sit in the classroom very effectively. I ended up in education personally, and ended up in the gym for a number of

years as a teacher and guidance counsellor. So it's close to my heart, the need and the value that comes to students in those kinds of exposures and experiences. I'd be interested in hearing some further comments on the initiatives and successes that are being achieved to date on those fronts.

Hon. Mr. Kennedy: As a system, we're challenged. Some boards have made pretty heroic efforts and maintained a good amount of physical education and activity, but it has basically lost out to a more singular focus. Ironically, all the time that there was a de-emphasis on physical education, we didn't get better at literacy or numeracy. Now, in fact, when we're putting physical education back to the forefront—we've hired 600 new specialist teachers and are on the way to 2,000 new specialist teachers; we have daily physical activity, which is making sure that there is 20 to 60 minutes worth of phys. ed. or daily physical activity that can be conducted by the classroom teacher every single day—it's cultivating that interest and that engagement in sports, in games, in a whole range of things that, I agree, are a way to keep kids attached to school.

We have made that move in the elementary, and we're now looking at how we can do the same thing in the secondary panel, where it's trickier, where it's the number of credits that have to be earned and how we go about that. We're about to engage students in what the best way is to make sure they are maintaining their interest in sports, maintaining their interest in just physical activation, which is I think what all their parents would like for them.

We'd certainly like to think—some of us may not think we're the best examples, but there's a time when you're a youth to be developing yourself. We think the schools should take it on as emotional, intellectual and physical development that is part of education, and that they do better in their intellectual and their emotional development when their physical development is also in front of them. There are good studies in that regard, and it's certainly what we believe will be the impact of the new programs we've brought in.

Mr. Arthurs: Thank you, Minister.

The Chair: Mr. Milloy, two minutes.

Mr. John Milloy (Kitchener Centre): I'll ask a very quick question, then, with two minutes. I was going to ask about another subject, but we can come back to it later.

On capping, it was interesting. One of the questions that I get asked the most is from parents whose children are in grades 2 or 3 and are then moving on to the junior grades. They're very appreciative of what's happening with the capping, and they're wondering about the extension to the junior years, particularly grades 4 and 5. My answer obviously starts with, "We better get JK to grade 3 done first." Just your longer-term thoughts—I realize it would be a longer-term initiative.

1730

Hon. Mr. Kennedy: It would be a long-term consideration. We're certainly following through and

looking at the difference that it makes from JK to grade 3. It's where the best evidence is internationally on positive impacts. It can't be done in isolation either; it needs to be done with the training of teachers and so on, which we're doing. There may be value.

What I should say to parents with kids in 4 to 8 is that by taking the pressure off, by funding smaller classes in JK to 3, we are actually having the impact of reducing some 4 to 8 classes in schools too, because some principals and teachers made them artificially larger to accommodate smaller class sizes before we began our initiative. As we fully pay for that, that will actually have a positive effect on 4 to 8. But a commitment to cap 4 to 8, I think, is still ahead of us. We're going to understand how well JK to 3 would work.

I will say that for other students out there, we have put some class size limits in place, or supported them being put in place by boards, for the first time in high schools because there simply seems to be a need for that, particularly for students taking certain subjects. We'll see also how well that works out.

The short run is that it's hopeful for the children in 4 to 8. Many of them will see some of their class sizes come down because they won't be subsidizing, if you like, the lower grades. We will then take a serious look at what the implications are for 4 to 8, in terms of a real, full program by the government, but I can't make that commitment today.

Mr. Milloy: Just really quickly, to put it on the record: We are monitoring the capping to make sure that it's not being done in a way that's affecting other grades, because I hear that concern all the time.

Hon. Mr. Kennedy: Absolutely. In fact, on our Web site you'll be able to see for yourself that 4 to 8 classes are not going up. As I say, it's quite the opposite; they're actually coming down in a number of cases because of the impact of lowering JK to 3. So that's not the design, and in fact we're making sure that that doesn't take place. It's an undertaking we have to get from the boards. To be eligible for funding, they have to apply in the correct fashion. It is a concern that people have, but it is something that I think will be very plain and clear to them as we implement the program. As we put up the Web site, they can even visit the other schools and see that it is a clear benefit, with no downsides for other grades. In fact, there are some upsides.

The Chair: Mr. Klees.

Mr. Klees: Minister, you asked for help with some evidence in terms of some of the practices that are going on in the school system that affect high-needs students, special-needs students. I'm going to read into the record another letter here. This, plus other letters that we have, have all gone to you at your ministry. So if you're not familiar with all of these appeals, then I would ask you to perhaps ask your staff to do a search of your records and have a look at this.

This letter is from Oakdale Child and Family Service. It is addressed to you. It reads as follows:

"I am writing to you in a matter of great concern.

“Oakdale is a residential facility with houses in Toronto, Barrie and Stouffville. Our residents are autistic, with various degrees of developmental challenges and behaviour disorders.

“As we are servicing these clients for over 30 years, we are very involved with their education as they are also students of the public school system....

“We have voiced our concerns with regards to suspensions and exclusions to the school boards, principals and teachers, but we have been told that the school’s emphasis is on education.

“Since they are special-needs students we have to stress that education and learning will be achieved with the use of behaviour management techniques and positive reinforcements....

“This letter is written to you with an appeal to intervene in a school system which is punitive and un-supportive.

“On behalf of the developmental challenged population I make you aware of their situation. They need help and I trust that with your attention to the above they will have opportunities in an environment where they are treated with the respect they deserve.”

It’s signed, “L. Bache, Administrator.”

I share that with members of the committee because, having listened to you, Minister, in terms of the additional resources you’re committing to special needs, I’m sure that you were not aware of the frequency with which these exclusions that are again referred to here are taking place.

So if you would undertake to give this area your special attention, as Ms. Bache has asked you to do, as minister, to look into this, to ensure that our school system is not discriminating against these students with special needs but that the resources you’ve dedicated to them are giving us the desired outcomes, I think all of us would be encouraged by that commitment.

Hon. Mr. Kennedy: Sure. I believe I indicated that earlier. We recognize that there are issues. I think what we were talking about was whether there was—and if they’re letters that we have, then there’s no need to provide them. But we track those very carefully, and we’ve seen a downward trend in terms of that taking place.

That’s not satisfactory in the sense that we want to make sure the only exclusions or any other administrative authorities that are used are those that are absolutely necessary and there won’t be a denial of education. I make that commitment to you.

As I think I said earlier—I’ll state it more plainly just to be sure—we are including exclusions as part of what we’re looking at under the Safe Schools Act review, even though technically it’s not part of that, simply because we have a concern, expressed by Oakdale and other groups, that fairness isn’t there. As I think Mr. Marchese or someone else asked earlier, fairness is one of the issues we’re going to be looking at in terms of the application of these administrative powers we have. They’re in place to protect. As you, I think quite fairly, read out for the record, it was expressed that there is a

need for the safety of the general student population. Those judgments have to be made, but we would not condone that being used as a kind of excuse not to educate someone who had a chance of being educated, perhaps in a different setting, perhaps with different support. Those are the kinds of things we’ll be pursuing in tandem with the other things in the Safe Schools Act.

Mr. Klees: Thank you, Minister. With regard to situations where parents find themselves being dealt with in a way that they feel is unfair, what is the practice of your ministry in terms of accommodating their appeals, in terms of ensuring that you, as minister, have all of the facts? Teachers and principals often are under stress, and the minister is perhaps sometimes the last place of appeal that parents in the province feel they have. At the end of the day, you’re responsible for education in the province. When you get these letters, these appeals from parents, how do you deal with them?

Hon. Mr. Kennedy: Obviously, we want the system to work where those students are. So we try to ensure, if possible, if it hasn’t been tried, the local response—if it’s a principal’s decision that parents aren’t happy with, that they’re talking to the superintendent; if it’s a special education decision, that they’re talking to the local special education advisory committee of the board where appeals can go to. There’s also a specific appeal system for formal special education decisions that parents can pursue.

But what we do with, I would say, most letters is to try to make sure that there’s a positive consideration given to them. The role of trustees, the role of local education officials, should be utilized first. The Minister of Education, whether it’s me or anyone else, isn’t running the schools; the school boards are. But we do agree with the statement that ultimately the minister is responsible very directly for, particularly, students with special needs. So our field offices work, largely collaboratively and with a good degree of success, with local school boards to ensure that when dynamics, misunderstandings or other things take place, we can be of assistance.

Our goal here, of course, is not to have a secondary system but to make the primary system work to the best extent it can. That’s why special needs has been high on our list for reform and is something we’ve spent a lot of time working at. I think we’re making good progress toward the kind of change that will make, again, the implied complaint you’re talking about less of a problem.

1740

Mr. Klees: Minister, is it a policy of your office that in any case where there is perhaps a request from FOI, that the minute there is a request made on a particular file for information, your office refuses to deal with it?

Hon. Mr. Kennedy: As I think you know, Mr. Klees, the FOI process is a legislated process. It’s an obligation of every ministry. I’m not involved in it. The deputy or assistant deputy could describe how we handle FOI. It is not handled by the minister.

Mr. Klees: I understand that. What I’m asking is, if in fact there is an FOI process going on somewhere on a file

but someone appeals to you or writes you and wants to bring something to your attention, is it policy in your office that, just because there is an FOI registered on that file, you would refuse to deal with it or respond to it as minister?

The Chair: Outside of the FOI, I think is what he's speaking of.

Hon. Mr. Kennedy: There's no policy in that regard that I know of. There are rules around FOI that require me not to be involved with the FOI component of things.

Mr. Klees: But nothing precludes you from dealing with a file outside of the FOI process.

Hon. Mr. Kennedy: There was a member of the public who was observing these hearings yesterday who put it to me that a circumstance has happened where they were told, not by our ministry but by some other office in the government, that that precluded their being assisted. We are looking into that. Unfortunately, I don't have a determination right now except to tell you, as a direct answer to your question, no, there isn't a policy of that nature that I would think applies. The only thing that could would be the rules to FOI, but I can't see those being the rules.

Mr. Klees: OK. Perhaps this to the deputy, if you don't have the answer for this. The same question relates to a file that may be under appeal to the Human Rights Tribunal. If a parent wanted to bring a case or has a question for the minister, and there is an appeal to the Human Rights Tribunal of Ontario, is it policy, then, that the minister would not respond to correspondence on that file?

Hon. Mr. Kennedy: I think I can answer that. A quasi-judicial tribunal we would take differently. That is something we do have to respect and cannot be involved in. So if it's the exact facts, the exact case that's going to the Human Rights Commission, I think I have restrictions there. I would certainly be very careful on my own in that regard.

Deputy, is there anything you can add there?

Mr. Levin: We would certainly be seeking the advice of our legal staff to determine what the appropriate response was and whether we were able to, or whether the fact that there was a judicial or quasi-judicial proceeding prevented us from taking whatever action had been requested. It would probably depend on the facts of the case.

Mr. Klees: Thank you. Thank you, Minister.

Mr. Parsons earlier made reference to the fact that he's pleased to see that ISA is a thing of the past. I think he raised some important issues in terms of the intimidation of parents, perhaps, and some of the pressures that parents were under to ensure that funding was available.

I'm hearing the same thing about the IPRCs: recurring appeals from parents who feel that they were railroaded into signing agreements for the identification, or who felt intimidation at the time, or that it was effectively a fait accompli. When they come before the committee, there is a sense that they are being corralled or forced into certain decisions. Are you aware of that kind of intimidation taking place?

Hon. Mr. Kennedy: I have to say I don't think that there is a pattern of that kind at all. I'm aware of that kind of complaint, and I'm aware of that kind of feeling on the part of parents. The IPRC—

Mr. Klees: So you are or are not aware?

Hon. Mr. Kennedy: You're asking me whether I'm aware of it; is that kind of intimidation taking place? In isolated instances, it could be taking place. We would want for that not to be taking place in any instance.

The IPRC itself is somewhat successful because parents do have a formal right of appeal there and are able to take it somewhere else if they're unsatisfied. I think it's part of our special education reforms to understand—as I mentioned, I think to Mr. Parsons and others—that the existing system can be improved upon. We don't need to add extra layers; just make it better, and everywhere in that is making sure that there is some well-trained person able to take responsibility for making a good decision, in consultation with parents. The IPRC requires the parents' approval, so I take your point. You're saying that parents feel that they have to give the approval, that they don't really have adequate choice. That's something we'll need to look at as part of the reform, as the parents' role in this is very, very important.

Mr. Klees: Minister, that's really my question. That's what I was leading to. In terms of this reform, do you have a specific plan to address this communication issue? Are there some allocations within your ministry, some resources that you're planning on putting in place, to ensure that this communication and this process is looked at and improved?

Hon. Mr. Kennedy: I'm going a little ahead of the process, but I would say yes, because I know it's already part of what the reform group is very much looking at. That whole interface with parents has to be improved.

It would be my goal as minister to make it less legalistic. I think every member must have seen, at least once, a case that's gotten really tied up in either quasi-judicial or actual court hearings and knows that the frustration of parents in those instances knows no bounds. We've got to have better ways of dealing with that. I think it's a system that cries for more mediation, for better ways of working things out. We will have something to say about that when the reform is done.

The Chair: Thank you very much, Minister. These are shortened to 13-minute cycles because we are going to have to go to the House for a vote. I wanted to make sure that Mr. Marchese got equal time here. But we will have to adjourn at five to six.

Mr. Marchese: Minister, in your previous answers you said that an extra \$100 million of special education money was given every year, over and above the EEF. Can you provide to us a board-by-board breakdown of how that money was allocated?

Hon. Mr. Kennedy: Sure. We'll be able to give you this year's allocation, for example, which shows exactly where that went. The actual financial transaction netted out the money that the boards had. So when we say that money flowed or whatever, effectively it did.

What also has to be looked at for last year is the amount of money spent by boards. The amount of money spent by boards went up in every case. Sometimes it came from their retained dollars from their own reserves and sometimes it came from money that we spent. But you'll see this year, for example, every single bit of those dollars allocated directly from us to boards.

What that means, Mr. Marchese, is that we've allocated it, for now, three years in a row. We've paid the \$100 million for three years in a row.

Mr. Marchese: So we will be able to see that extra \$100 million every year that you're putting in, by whatever mechanism you are giving that money. We'll be able to know that. Is that correct?

Hon. Mr. Kennedy: It's apparent now on the Web site, with the allocations, but we're happy to circulate that for you and for other members of the committee.

Mr. Marchese: On the capital expenditures, can you tell us how much money allocated under the stage one initiative of Good Places to Learn has actually flowed, or how many projects have already started?

Hon. Mr. Kennedy: I can momentarily get you an update. The last number I was aware of was around \$450 million or \$500 million. We're expecting all \$1 billion to be utilized by boards, but they're in different stages of their funding.

I should say as well that we are innovating some new ways of financing our capital. We're looking at some savings in terms of the financing costs of a variety of initiatives, but we expect, this year, about \$1 billion worth of board activity to take place. It has all been allocated to them, and it's up to the boards to get the projects done, get the best prices and do the things. This is more dollars they've had for repairs this year than they've had for the last 10.

Mr. Marchese: So you're committed to capital improvements worth \$1 billion in stage one. Do you know how many of these capital improvements have begun?

Hon. Mr. Kennedy: Again, I can assure you that there is at least \$450 million. I need to get an updated number—I'm not sure when that's available from the boards. Your question, I think, said "allocated." We've allocated all of the money; the confirmed amount is about that much.

Mr. Marchese: OK. I recall you saying in previous discussions that you would only give the money once the project was started. Is that correct?

Hon. Mr. Kennedy: In this case, all we need is confirmation that the board has the plans. What we said about it at the start is that the previous government supplied about \$109 million to boards that didn't build anything, that didn't create the additions; we will only now pay for pretty close to a shovel in the ground. When the money is actually required, we will send it to the school boards. That is for new pupil places. We created a streamlined administration for Good Places to Learn because we have an audited process where we're following up on it. They get the money as soon as they indicate that they have the plans in place. They don't

have to have permissions or drawings and the kinds of things that are necessary for schools and additions.

Mr. Marchese: How much of that \$75 million has been transferred to school boards to address the urgent and high-priority needs under Good Places to Learn?

Hon. Mr. Kennedy: I would again have to check to give you an up-to-date number there. What I would say about it is that the costs will be less than \$75 million this year simply because we're using short-term financing, but the annualized costs will be \$75 million to support the \$1 billion. For example, we expect that the ongoing financing costs will be at least 4%, 4.5%, maybe even 5%, and the funding that we arrange for boards is about 2.7%, 2.8%, so that savings will be reflected in the amount of money it costs us this year. We're using a number of innovations. How we're paying for this is by better, tighter-managed financing.

Mr. Marchese: Would you be able to give us these numbers before we come back in two weeks?

Hon. Mr. Kennedy: Depending on what you're looking for, Mr. Marchese, I can give you the interim number that supports the \$400 million, or I can find out when we'll have an update to say, "Here's another so many hundred million and here's how much we're putting forward."

Mr. Marchese: Whatever you've got would be helpful.

Hon. Mr. Kennedy: In that vein, Mr. Chair, I have information on questions that was inadvertently not filed. I have them here and available for committee members and can distribute them now, if you like, or we can bring them back next time.

The Chair: The clerk will manage that part of the process. Thank you, Minister.

Hon. Mr. Kennedy: I wanted to have that on the record, as it was raised last time.

The Chair: About another minute or so, Mr. Marchese.

Mr. Marchese: Minister, can you provide us with a board-by-board list of your spending under the stage one initiative?

Hon. Mr. Kennedy: Isn't that the question you just asked?

Mr. Marchese: It's just board by board.

Hon. Mr. Kennedy: Yes.

Mr. Marchese: That's good; thanks. Can you also provide us a list of expenditures per school for the stage one initiative?

Hon. Mr. Kennedy: Yes, we can. We're getting a lot of detail. I should say that there is a school-by-school, project-by-project database that we have now, so this is an area we have pretty good information on.

Mr. Marchese: We'll come back then. Do I get some of this time back from the next round?

The Chair: Of course you do, Mr. Marchese. Did I ever let you down?

This committee stands adjourned until Tuesday, November 15, immediately following routine proceedings.

The committee adjourned at 1752.

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