

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 11 May, 1987.

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - EDUCATION

MR. CHAIRMAN, C. Baker: Committee, come to order.
Mr. Minister.

HON. J. STORIE: Mr. Chairperson, as a result of many of the questions raised by the Member for St. Vital, I did some review of the issues that were raised, having read the Weir Report in the interim, and the act.

I would like to read, for the record, section 171(1)(i) in the definitions, which talks about balanced assessment and what it means.

“Balanced assessment” means:

“(i) in the case of a municipality, the equalized assessment of the municipality plus the personal property assessment in the municipality for the year next preceding the year for which the balanced assessment is required to be determined.”

Now, after reading the Weir Report and studying this extensively, I think it's about taxes. Leave it at that.

Mr. Chairperson, the Member for St. Vital, I think, was following a line of questioning. I think, without being facetious, the fact is that before we are going to be able to avoid using balanced assessment, which does mean that not all properties are dealt with in identical ways because of the nature of assessment itself, until we move to some sort of provincial basis which supposedly we're moving towards hopefully by 1990, there will be these discrepancies. However, because of the nature of school divisions and the nature in which they were formed, because of the pattern of assessment, those differences do exist.

I think, in effect, when I asked the question about how significant they are, I think the answer was that really there are small variations but they aren't significant. They aren't major, I should say, not that they aren't significant.

MR. CHAIRMAN: The Member for St. Vital.

MR. J. WALDING: Mr. Chairman, I certainly hope that I didn't spoil the Minister's supper; his having to do a lot of reading or studying over that time. If I did, I will apologize to him.

He is right about the problems of assessment and the reassessment that has been in progress for a great number of years. The fact that it's not completed yet, I think, says something about either our legislative or administrative process that we haven't been able to get it right yet. We've already had a couple of bills in the House this year of a rather hasty nature, and those might yet not be the last ones.

The Minister mentioned that we are heading towards a province-wide assessment as of 1990. That will bring some municipalities up to date but, presumably, it would leave some others three years out of date again. That's

been the situation all along, that we're not able to reassess all properties in any one year and keep them at a comparable level, that we have been leapfrogging one over the other, which may have been inevitable over the time, but surely there is a need to be able to put assessment on a continuing and uniform basis across the province.

One of the problems that we've had is that there is a separate assessment procedure for the City of Winnipeg and for the rest of the province. That has caused innumerable problems in the past, and will probably continue to do so next.

Other provinces, I understand, have tackled this by means of some form of assessment authority or Crown corporation which has complete authority to deal with assessment on a province-wide basis, and they've been able to tackle it on that basis without getting into any local or municipal jealousies or problems in that regard. If it hasn't been considered for Manitoba, then I would recommend maybe that's something that should be looked at. We keep going every year on this sort of an ad-hoc basis of either changing the legislation and retroactively bringing in regulations that say, well, it's okay to do what we've been doing for the last couple of years even though it hasn't been exactly right.

But on the present system for reassessment for this year, it occurred to me, just sitting and thinking about it, that school boards set one mill rate for assessment for schools, the province sets a different mill rate for its general provincial levy, and the school boards then put on a different mill rate for each school division for its special levy. Thus, there are three different levies for each school division and there are, at present, eight different property tax assessments. So that is 3 times 8, which is 24 different mill rates to be figured out and assessed, multiplied by the number of school boards within the City of Winnipeg, which is 12 or 13. Multiply that 12 or 13 by 24, and you get a tremendous plethora of different mill rates that are being applied on the people of Winnipeg.

A more specific question - and maybe I should be asking the Minister - is: Since there are eight different categories of property, how will these affect the two different levels for the ESL? Will there be eight different levels or are those eight to be put into the four, and if so, which ones?

HON. J. STORIE: There are eight different categories to which the ESL and special levies apply; the member was correct. There is only one ESL rate, however, across categories in each division.

MR. J. WALDING: It says there are eight different categories at the moment. Are those eight categories to be put into two; in which case, is it to be divided four-and-four, or is it to be done on some other arrangement? That is not clear.

HON. J. STORIE: There are still only two, in effect. The “farm and residential” and then “other,” which has meant commercial.

Monday, 11 May, 1987

MR. J. WALDING: Which category are golf courses taxed in, by the way?

HON. J. STORIE: The "Other" category.

MR. J. WALDING: Then a category having to do with, say, apartment blocks, is that residential?

HON. J. STORIE: That would be residential, yes. There are three different categories within a residential section.

MR. J. WALDING: For example, condominiums, is that considered residential?

HON. J. STORIE: Yes, it looks like it. I am told it is residential, yes.

MR. J. WALDING: For example, we passed a Bill 13 not very long ago, which made a separate allowance for condominium owners who lived in the condominiums that they own. Now, there was a distinction there for municipal purposes. Is there to be a distinction for school purposes?

HON. J. STORIE: Yes, Mr. Chairperson, it still follows the municipal law and there are three separate residential categories. I would assume that one of them is the category into which the specific abode you are talking about has been placed; so they fall into the residential category, one of two.

MR. J. WALDING: So I take it then, from what you are saying, is that the three residential classes, plus farms, would go into the lower 43 mill rate and everything else into the higher 87 mill rate; would that be correct?

HON. J. STORIE: That's correct, Mr. Chairperson, three residential, a farm, and an institutional. The institutional, I presume, means the exempt tax. Then you have the recreational golf courses, the institutional, commercial categories in the "Other" category.

MR. J. WALDING: Which was the exempt category that you mentioned which is in with the residential area?

HON. J. STORIE: It's called "institutional," but it is the public buildings, schools, and so forth, senior citizens' residences, those kinds of things.

MR. J. WALDING: I would hope that a senior citizens' residence would be a residence that would qualify for that . . .

HON. J. STORIE: It may mean personal care home more than senior citizen.

MR. J. WALDING: The next point then, which flows from that, has to do with school divisions which are partly within the City of Winnipeg and partly outside. Are you telling me now that the municipalities would then calculate two rates for the area which is outside the city, and a different two rates for that area which is inside the city?

HON. J. STORIE: Yes, the balanced assessment is calculated separately for each part of a municipality that is within, and those that are outside of the boundaries. So they're separate calculations.

MR. J. WALDING: If the boundary goes down the middle of a street, for example, the people on the one side of the street would be paying one mill rate and the people on the other side of the street would be paying four times as much, if it's outside the City of Winnipeg?

HON. J. STORIE: I don't think it follows that they would be paying four times as much.

MR. J. WALDING: Let's say at a mill rate four times as much . . .

HON. J. STORIE: That's right, it's possible, but the dollar value, the taxes paid, would probably be very comparable because the assessment would be lower on the farm side.- (Interjection)- That's what I meant. On the outside of Winnipeg - I mean beyond the Perimeter side - not necessarily on the farm side because there is farm property within the city. I think the member understood what I was meaning.

MR. J. WALDING: I think I understood what you meant. I wasn't very happy with the choice of words there.

I would like to hearken back to this court case which instructed the city to carry out its reassessment. Is the Minister happy or satisfied that his taxation on balanced assessment for ESL purposes is according to that particular order of the court?

HON. J. STORIE: Yes.

MR. J. WALDING: I'd like to ask whether that opinion is held because of advice from the civil servants in the Minister's department or whether it is based on a legal opinion, taking that into account?

HON. J. STORIE: Well, I gather that - I mean many of these questions have been raised, I guess, between the Department of Municipal Affairs and the Department of Education, and I think we're on fairly safe ground in saying that there has been an interpretation by the Municipal Affairs staff - I won't say the Attorney General's Department, specifically - but the references here, I understand, are to balanced assessment.

What we're doing is raising a specific sum of money, and an individual assessment of an individual property doesn't reflect what our obligation is and what the obligation of the municipality to the school divisions is.

MR. J. WALDING: I don't accept that the staff in Municipal Affairs are any more competent than the staff in the Department of Education. That goes one step further . . . didn't Municipal Affairs obtain a legal opinion on this item, or is it just their opinion?

HON. J. STORIE: Mr. Chairperson, I don't think practice has changed. We follow The Public Schools Act and, to my knowledge, that has not been challenged. I

understand from staff that this practice has been going on since 1967.

MR. J. WALDING: It may well be that the PSA hasn't changed or the method of calculation hasn't changed; but the order from the court came down a year ago, or whenever it was, instructing the city to make very major changes and to bring it 20 years up to date, or 25, whatever the time was. That changed the whole yardstick, the whole basis that assessment was dealt with.

Now to what extent does that alter cases - and I'm asking - is it only the opinion of the civil servants that the Minister is relying on, or does he have a legal opinion on which to base that opinion?

HON. J. STORIE: I can't say that I have a legal opinion before me. I think the conclusion that the member is drawing that somehow the court challenge really required the city to begin reassessment doesn't impact on the undertakings of the department.

Basically, it was an order to the city to get its assessors out and I guess follow their obligations under The Municipal Affairs Act or The Municipal Act, or The City of Winnipeg Act, I'm sorry. It did not impact directly on - or it was not seen to by Municipal Affairs staff or the department staff - directly on our raising of funds through ESL.

MR. J. WALDING: But would Municipal Affairs be looking at this situation with a view to raising money for education purposes? That is really not their primary job. It's up to the Department of Education, surely, to be looking at the act and that court order to see how it impacts the department's ability to raise tax on a provincial-wide levy, not just the City of Winnipeg, but province-wide.

HON. J. STORIE: I certainly could take the member's advice and have that review. I would assume, because what we do really is send a bill, in effect, to the municipalities, that if there was some inconsistency between our practice and their obligation, that they would have notified us at some point, or someone would have raised that issue.

If the member would like, or if the member is suggesting that we do that review, I'm sure that we can make some inquiries.

MR. J. WALDING: I'm sure that it would be safer and probably a great deal cheaper now to look into the legalities of it and find out whether things are being done according to the act and according to the broad regulations than to find yourself embroiled in a court case, even up to the Supreme Court, which comes down in a couple of years time and says you've been doing things wrong for the past four years, put them right. How you go back and unscramble the egg of four years ago is . . .

HON. J. STORIE: Mr. Chairperson, I will take the member's good advice and undertake that review and do that forthwith.

MR. J. WALDING: I thank the Minister for that. I don't want to take up too much time. I notice that members opposite are anxious to ask a few questions.

I wanted to ask, perhaps, on a different topic - I'm not sure that it's particularly Financial Support but I'm sure it has something to do with it - and that is the size of school divisions. When they were last set up, I believe it was in the mid-Sixties when Duff Roblin brought in his consolidated school district, which probably suited the existing situation very well as of 20 years ago. However, there are changes in population; people move and some divisions get larger and some get smaller.

As you know, Mr. Chairman, we revise our own provincial boundaries for electoral purposes every 10 years, and it's now 20 years since school board boundaries were last redrawn. In 1966, there was something like four divisions with an enrolment of less than 1,500 and, as of a year ago, it was up to 13 school divisions. So there has been a change, and some school divisions are getting quite small. I'm sure there must be considerable cost and effects on education of school boards which are really too small to be able to effect any economies of scale at all.

I'd like to ask the Minister what thought he's given to this matter and the possibility of changing school division boundaries, and how he would go about it. Does he have any sort of idea of an optimum size for a school division, not geographic size but size of school population?

HON. J. STORIE: Mr. Chairperson, yes, that issue has been raised by many people actually over the last couple of years. As the member knows, the Board of Reference does review boundaries from time to time, but that is very much on a sporadic basis and generally relates to a request for inclusion or exclusion from a particular division and usually only a number of homeowners, property owners or whatever. The Board of Reference, which I believe had something like 14 hearings this year, actually has made reference to the perceived need on the part of some school divisions for a general review of the boundaries.

In discussion with the Teachers' Society, they also recommended a review of the boundaries, probably with a view to rationalizing administrative services, and perhaps introducing some cost efficiency into the system. The school trustees understandably are much less enamoured with the idea of boundaries revision. That's not to say that school divisions and individual trustees have not raised the possibility or the necessity perhaps of reviews in some cases.

I intend to meet with the Board of Reference in the near future to discuss their perceptions of the existing problems and possible scenarios for review of boundaries. No formal steps have been taken to date, but I think it's an issue that needs to be addressed. The member is quite right. It hasn't been addressed in any substantive way since the redrafting of the boundaries as a result of consolidation. As to the optimum size of the school division, that's difficult, very difficult, because across Canada there is a whole range. I believe the City of Edmonton operates with one school division. There are many people who have expressed concern about the size, for example, of the Winnipeg School Division which has some 32,000 students at the current time. So I don't know there's an optimal size.

I guess if you were going to redraft boundaries, one of the original concerns of consolidation back in the

early Sixties was the loss of community, the loss of a sense of control over one's school as you consolidated further. Many would suggest, I think, that there is more than sufficient consolidation in rural Manitoba at the present time. What would larger boundaries mean? Would that mean an increasing push to consolidate even further, so that our students are not only travelling 40 kilometres to school, but 70? How feasible is that in emotional terms for students? How effective is it as a cost-saving measure?

It's a legitimate question and it needs to be addressed. Again, I think that's quite true.

MR. J. WALDING: I wasn't going to ask another question, Mr. Chairman, until the Minister mentioned about travel to another school, and I can't quite see how changing a boundary on paper is going to change the distance that a student would go to school. How would his residence be moved and how would his school be moved?

HON. J. STORIE: It's certainly not the case that the boundaries change changes the distance to the present school. The problem is that many divisions are operating with schools that have fewer than optimal numbers of students. What it does then, if you have one larger boundary with a single administration, is increase the likelihood that smaller high schools are going to be phased out in an effort to save money and provide a broader range of programs and so forth.

The experience has been I think that consolidation, as we've experienced it over the last 30 or 27 years or whatever, has seen the gradual erosion of and loss of our smaller schools.- (Interjection)- The Member for St. Vital raises a question "Is that bad?" I think I and probably the population particularly of rural Manitoba are of mixed minds about whether that is good or bad. Certainly, for the community that loses a school, it's a traumatic experience. Whether there are significant enough gains for individual students to warrant that trauma is, I guess, a question that people in rural Manitoba and school divisions with depopulation experiences are asking themselves all the time.

MR. J. WALDING: Thank you, Mr. Chairman.
No further questions.

MR. CHAIRMAN: The Member For Roblin-Russell.

MR. L. DERKACH: Thank you, Mr. Chairman.
I have a few more questions to ask on the 3.(c) area. In that whole area, there is a decrease of some \$75,000 in what's being allocated for the year.

I'm wondering if the Minister could explain that significant drop in general terms, and then we can go to the more specific questions after that.

HON. J. STORIE: Mr. Chairperson, there is some reduction of operating expenditures at Falcon Beach. There are, as well, reductions in the cost of supporting students from other remote points for supporting their transportation. Generally, there are fewer and fewer students who are being maintained or supported from remote and isolated situations. I believe within that are also agreements with the Department of Indian Affairs.

There are a number of students - the explanation at the bottom of page 47 in the detailed Estimates says that the number of students in remote settlements is declining and costs are decreasing. So between those decreases and some reductions that will be occurring at Falcon Beach, that I believe accounts for the difference in this year and last year.

MR. L. DERKACH: Well, with respect to Falcon Beach, Mr. Chairman, the Minister has ascertained that the school will remain open, and I'd like to know what the specific reduction in costs are going to be for that particular school, and how much the cost savings are going to be.

HON. J. STORIE: Well, I believe within that is half a staff year, as well as other cost measures, and then the other items that I measured in terms of remote students.

MR. L. DERKACH: With the reduction of a half a staff year in the Falcon Beach School, is there not an additional cost to transporting some 12 students to the Hanover School Division?

HON. J. STORIE: No, the number of students hasn't changed, I don't think, from - the number of transport students hasn't changed or hasn't changed very much from one year over another; but the kindergarten, there will no longer be a separate kindergarten. It will now be a K to 3 mixed-grade classroom

MR. L. DERKACH: Can the Minister indicate in that what the grant transfer payment of \$13,800 is? Is that the half staff year? It's not a personnel cost? What is it?

HON. J. STORIE: I understand that it's a transportation grant that was being provided.

MR. L. DERKACH: If that's a transportation grant, Mr. Chairman, can the Minister advise what has taken place? Obviously, there is either a decline in the number of students or the transportation system has been cut down. I'd like some clarification on that figure.

HON. J. STORIE: Mr. Chairperson, I'm not sure whether there, in fact, were - in the notes, I have approximately 12 students. Whether, in fact, that number has changed or not, I'll get back to the member.

MR. L. DERKACH: Mr. Chairman, the figure I'm referring to is the Grant/Transfer Payment.

HON. J. STORIE: Yeah, I see that.

MR. L. DERKACH: Below that, you have the transportation payment which has been reduced from \$1,100 to \$200.00. That's not the figure I'm referring to. I'm talking about the Grant/Transfer Payment.

HON. J. STORIE: I recognize that. One transportation may be to individual parents and the other one is something else. It may be to the number of students who are being transported to Steinbach, but I'll see if

Monday, 11 May, 1987

I can get some clarification for the member. The individual, Mr. Krawec, isn't here right now.

MR. L. DERKACH: Going one line at a time in that particular area, we find that Supplies and Services have decreased from \$199,000 to \$153,200.00. Again, is that with respect to the cutting down of the kindergarten in Falcon Beach or is that again a decrease in the grants to remote schools, or what is that for? Or is that as a result of declining enrolments?

HON. J. STORIE: Probably all of the above. Certainly, it would have some bearing on the fact that there will be a half staff later. I can't comment on the specifics of the rest of it, other than it relating to Supplies and Services, as the member can see. I'm not sure whether I can give you where we're buying fewer chalk brushes. I don't know.

MR. L. DERKACH: It's \$40,000.00.

HON. J. STORIE: Yeah. More than half of it is relating to the teacher. They eliminated the kindergarten, I guess.

MR. L. DERKACH: So, is that where the teacher's salary comes in then?

HON. J. STORIE: Yes.

MR. L. DERKACH: Okay.

Then going down a bit further, we find a fairly significant decrease. Well first of all, in the equipment rental and maintenance, there's \$15,000, it appears for personnel, and now there is nothing. I thought that would be where the teacher contract might come in, but it's equipment rental and maintenance. What is that for? Is that a contract of some nature?

HON. J. STORIE: Mr. Chairperson, that figure doesn't look right to me either. Can we just undertake to get back with a detailed explanation?

MR. L. DERKACH: Yes.

HON. J. STORIE: The staff here don't normally deal with this.

MR. L. DERKACH: Would the Minister get his staff to look at this whole area? I wouldn't mind having an explanation on each of the items and how they relate to either Falcon Beach, if that's where some of them are, or how they relate to other remote schools. The mention is that there are some declining enrolments which are causing perhaps some savings, but certainly a \$75,000 saving in that particular department, I'd like to have a little explanation of.

HON. J. STORIE: I agree with the member. I'm not sure that is realistic. I'm not sure the staff right now can provide an explanation for some of the changes. I will get back with an overview explanation. The individual responsible, I understand, is in hospital right now, who has been reviewing this.

MR. L. DERKACH: Certainly, there's somebody from staff who can get that information.

HON. J. STORIE: We'll get the information.

MR. L. DERKACH: Mr. Chairman, I'd like to know what other schools or school districts are being supported in that particular appropriation of remote settlements?

HON. J. STORIE: Mr. Chairperson, I understand that any student who we would be supporting through this appropriation would be students for whom we are paying room and board. They would be from isolated areas, and we would be paying room and board for them. They may, in fact, be from any area of the province, unorganized territory within the province, but the only school affected would be Falcon Beach. In fact, that's the only school in the province that's operated by the department.

MR. L. DERKACH: Coming down to the support, for room and board for those students who have to travel to or take up residence in another school division to attend high school, and I presume that's probably the time that they leave, are the students affected by this or supported by this particular figure - those students who come from Frontier School Division - or are students from other school divisions eligible?

HON. J. STORIE: Only those students who are from unorganized - they're not within Frontier School Division.

MR. L. DERKACH: What happens in a case where a student is attending school - and I'm talking about an area in the Meadow Portage area and the Rorketon area as well - where there may be a school in Meadow Portage, for example, that runs up to Grade 8 and the students would then have to travel to somewhere like Rorketon to get to their high school, which is a considerable distance away. In some cases, parents decide to have their children attend a Selkirk school, or some other school, Portage, wherever.

Would those parents, if they don't live within the boundary of Frontier School Division, would they be eligible for support under this program?

HON. J. STORIE: Yes, either Frontier, or they're picked up under the Department of Education or Indian Affairs. There is no one, of school age in the province, who isn't supported by one of those venues. That would include a maximum of \$4,000 or actual room and board; that's the provision there for anybody who can't attend at a local school.

MR. L. DERKACH: Mr. Chairman, if a student whose parents decide that instead of sending him to a school that may be 20 or 30 miles away, decide to put him into a residence in another community, do they apply to the receiving school division or their home school division for the assistance?

HON. J. STORIE: Now, just so we're careful that we understand each other, if a student is already in a school division and applies to go out to another school division, the only time that the province would provide support would be if that student was attending for a different program than was available within the school division. That would apply in Frontier as well.

MR. L. DERKACH: To whom do the parents of the child apply? Do they apply to the department; do they apply to their school division?

HON. J. STORIE: Mr. Chairperson, they apply to their sending school division, the school division from which they come, for permission to attend another program.

MR. L. DERKACH: If a school division denies the parents assistance, even though the program isn't available within that school division; do the parents then appeal to the Minister of Education or do they appeal to the Department of Education, or what recourse do they have?

HON. J. STORIE: Mr. Chairperson, the sending school division cannot refuse to send a student to another school division to attend a program - a program, not just a course - which is not offered in the sending school division. In fact they are also required to pay residual costs.

MR. L. DERKACH: A maximum of \$4,000.00?

HON. J. STORIE: No, that's a separate program that's offered by the department. We're talking here about people who are already within a school division boundary and identified to a school.

MR. L. DERKACH: Does the school division still get the transportation grant for that child?

HON. J. STORIE: Yes.

MR. L. DERKACH: So if a parent sends a child to another school division and claims that the program is not being offered in the home school division, and that's contested by that home school division, whereby they say, well we're offering it in such-and-such a semester, but it's not available at the time; can the parents then apply to at least get the transportation grant?

HON. J. STORIE: Would the member run over that scenario again? We're not just talking - a program means an entire program. For example, transferring to another division for a business program, which would be a minimum of eight credits; it wouldn't simply be a matter of transferring for a semester to take an industrial course.

MR. L. DERKACH: We understand that.

HON. J. STORIE: Give me the scenario again.

MR. L. DERKACH: Because a program isn't being offered within a particular high school and the student has to leave that school division, he has some costs incurred because of moving and because of living away from home, the parents then apply to the school division for assistance; if they are denied by that school division, do they at least have recourse to apply for the transportation grant from the department, because every child is eligible for a transportation grant?

HON. J. STORIE: Mr. Chairperson, I think the only way that the division can say no, in terms of sending the student is if, in the division's opinion, what's being offered is not in fact a different program. If the division says no for some other grounds, then they are acting outside of the regulations. If it is within the regulations, then they are required to provide the division with the residual costs, and this receiving division also would be eligible for the per-pupil grant.

MR. L. DERKACH: I think I understand the situation clear enough in that particular instance.

In 3.(d), the Member for St. Vital asked some questions but I had some questions with regard to this section and I'm still not clear on a few aspects of it. I'd like to perhaps even repeat the question, because I wasn't clear on the Minister's answer in the first part. Can the Minister indicate where the first figure of \$8,700,000 came from?

HON. J. STORIE: Mr. Chairperson, that appeared this year as part of the Adjusted Vote because of the Department of Finance decision to decentralize the provision of what was the Local Government Support Program.

MR. L. DERKACH: The Local Government Support Program?

HON. J. STORIE: Yes, which was initiated in 1982, I believe, by 1982, and was designed to offset the costs, to provide support to divisions in light of additional costs that accrued to them. 1982-83 - I stand corrected.

MR. L. DERKACH: Now, can the Minister explain that in a little more detail?

HON. J. STORIE: Yes.

MR. L. DERKACH: Go ahead.

HON. J. STORIE: The Department of Finance made the decision that this should be reflected in the Estimates of this department, the Department of Urban Affairs, the Department of Municipal Affairs and Northern Affairs. As a result, you see the figures represented here as 6.(3)(d) and there has been an increase in that local government support from the '86-87 year to the '87-88 year. The increase in support, again, was determined prior to the transfer.

MR. L. DERKACH: Mr. Chairman, I understand that part of it. What I don't understand is what the money was allocated for, and which school divisions were in receipt of that money?

HON. J. STORIE: Every school division was in receipt of - or was eligible, and in fact was provided with support under the program, based on their total payroll costs.

MR. L. DERKACH: I'd like to know what the Minister means by "eligible" and what the money was used for.

HON. J. STORIE: The money is simply an additional grant to the school divisions.

MR. L. DERKACH: But what for?

HON. J. STORIE: It's a global grant; it's not attached to any one specific thing. It's a recognition that school divisions are also faced with increasing costs and this was to offset some costs that they were incurring.

MR. L. DERKACH: Mr. Chairman, this seems to be a very strange way of doing anything. All of a sudden we have a figure here, which I guess was initiated in 1982, which is attached to, it seems, nothing; and is given to each school division on some kind of a formula. Now what is the formula?

The Minister says the money is used for increased costs; what kinds of costs are we talking about? How does a school division qualify for any portion of that money? You said every school division was in receipt of some of that money. Is it a slush fund that we just sort of have that every school division can apply for, or what is it?

HON. J. STORIE: It was a recognition that school divisions were facing increased costs. It was implemented in 1982-83. Each school division was provided with basically an increased grant. I think I mentioned earlier that in 1982-83, when it was introduced, it was approximately 1.55 percent and that was subsequently increased in 1987-88 to 2.15 percent of payroll.

MR. L. DERKACH: Mr. Chairman, this is another example of the fact that the present funding formula is not working. If we have to start having little funds attached to our financial support programs because the initial monies allocated to school divisions are not meeting their needs; then I question what the funding formula is doing. Although I can't pinpoint it, there seems to be some suspicion as to why we even have this category and what specifically it's used for. We're talking about payroll costs. Is the Minister telling me that this is the refund for the payroll tax?

HON. J. STORIE: Well, I don't know if that description has ever been put on it. It certainly does reflect the fact that school divisions are facing increasing costs for a lot of different reasons. I suppose we could have suggested that it was not in fact an offset to the health and post-secondary levy, but an increase in the additional cost school divisions face, because of the 4 percent increase in federal sales tax over the last two-and-a-half years; it simply reflects the increasing costs the school divisions face.

It was initiated in '82-83 under the program title: Local Government Support Program. To the extent that it offsets health and post-secondary levy or increased sales tax costs or other costs that the divisions face is really immaterial. It's another measure of support to school divisions.

MR. L. DERKACH: Mr. Minister, let's start calling a spade a spade here. Is this, in fact, the refund for the health and education payroll tax?

HON. J. STORIE: I have indicated that this program was not designed by the Department of Education. It

was initiated by the Department of Finance and it was called a non-categorical support program to provide additional support for school divisions.

MR. L. DERKACH: I think we've gotten to the bottom of it. We know what that figure is for now.

Now that he's compensating school divisions for provincial sales tax or a payroll tax, is the Minister going to do the same for the federal tax?

HON. J. STORIE: Mr. Chairperson, I don't think that's a fair question to ask myself. Perhaps Mr. Wilson would be the more appropriate person to ask.

MR. L. DERKACH: I think you're the Minister of Education.

HON. J. STORIE: I'm not the Minister responsible for federal sales tax.

MR. L. DERKACH: If I could leave this area; I think we've ascertained what this blank cheque is for now and we'll leave that for the moment . . .

HON. J. STORIE: It's certainly not a blank cheque.

MR. L. DERKACH: . . . as is the words used by the member across the table here, who seems to be muttering under his nose.

Mr. Chairman, I'd like to move to the area of low incidence funding and special needs funding if I could for a few minutes.

MR. CHAIRMAN: Are we done with 3 or do you want to come back to it?

MR. L. DERKACH: It's all in the same . . .

MR. CHAIRMAN: Okay. Special Needs - do you have a question?

The Member for Roblin-Russell.

MR. L. DERKACH: In the Special Needs category, there was an increase in funding of some \$1.4 million. Of that increase of \$1.4 million, all of it went to low incidence funding. I'd like to ask the Minister whether the special needs area is now totally under the title of the low incidence category?

HON. J. STORIE: No, Mr. Chairperson, there are a number of other categorical grants that are used to support the efforts of school divisions in meeting the special needs of kids. There are high incidence grants, there are clinician grants available to school divisions to employ specialists. There are support grants to allow or encourage support to school divisions in the hiring of coordinators, special ed coordinators, etc.

MR. L. DERKACH: According to the information I received from the Minister's Office, it indicated in the Special Needs Support area, the figure was \$1.4 million and this figure - again the 1.4 million - pertained to low incidence funding; does that mean that in the other areas, the special needs areas, there was no increase in funding?

HON. J. STORIE: Yes, Mr. Chairperson, I believe that in all of the other categorical grant areas, there was no increase in 1987-88. I think that's correct; I think the only categorical grant increases were in transportation and inner-city education.

MR. L. DERKACH: Does this mean that increased costs in the special needs area would have to come out of the divisions' own pockets, or does it come out of the global?

HON. J. STORIE: Well, to the extent that there were increases on a per pupil basis, the low incidence funding is in addition to regular funding on a per-pupil basis. So while there was a minimum increase for both block and equalization, that's reflected as well for those students.

Certainly school divisions have made the case for increase in the low incidence grants and while we were able to say that we were simply phasing in - and this was the first full year for the low incidence III grants - that may take some of the burden off of some school divisions. I think it's still fair to say that the school division's experience with Special Needs generally has been that they're very expensive programs.

Certainly there are some divisions out there who would like, perhaps need, additional support for their Special Needs activities. Having said that, some divisions have responded in different ways; some with more expensive programming, some with less.

MR. L. DERKACH: I'll just leave the Special Needs alone for a minute and zero in on the low incidence programs. This year there was a new program implemented in the low incidence area and that was the low incidence III. Now we have the guidelines for the low incidence I and low incidence II, in terms of what's important, is going to be allocated in each of those areas.

Can the Minister indicate the support in the low incidence III category?

HON. J. STORIE: Yes, Mr. Chairman, I believe it's \$13,200 per student identified as low incidence III.

MR. L. DERKACH: Can I just repeat that? That's \$13,200 for each low incidence III child.

HON. J. STORIE: Yes.

MR. L. DERKACH: Does the school division determine the delineation between a low incidence II and a low incidence III, or is that done by department personnel?

HON. J. STORIE: Yes, Mr. Chairperson, the identification of low incidence III is done in very much a similar way as low incidence II, and, that is, an application is made by school divisions; those applications are reviewed by staff in the Child Care - CCDSP - Child Care and Development Support Services; and some final determination is made about the eligibility for that particular student and funding is on that basis.

MR. L. DERKACH: Is the \$1.4 million increase then specifically related to the increased costs that this

department will incur because of the low incidence III, or are we going to be seeing a decrease in the number of students in low incidence II and an increase in low incidence III, to the new category?

HON. J. STORIE: Yes, there will be some shifting but low incidence III is severely multiply handicapped. I've got more statistics than any one person needs to have in front of me. It tells me that some 84.5 students have been identified in terms of 1987-88 year as low incidence III.

In most divisions, there is one or two students identified as such, so it's not going to make a dramatic impact on the number of low incidence II students that are found - we're talking about severely multiply handicapped. But obviously, to the extent that there is movement, it's from low incidence II, or it's students moving in, additions to the system.

MR. L. DERKACH: Mr. Chairman, having been involved in a school division where we had both categories and now this third category, I'm sure one of the areas of concern is that, although the grants are welcomed in those areas, certainly the increased costs from year to year aren't totally covered or reflected in the grant. I'm wondering if the Minister has perhaps understated the amount of funding required and the appropriation in this area, in accordance to what the experiences have been in the past, because certainly this is a very expensive area.

HON. J. STORIE: Mr. Chairperson, I believe that the numbers that have been provided to us, in essence, by the divisions is fairly accurate. There may be some fluctuation based on the assessments that are going on and that occurs over the year; but certainly, between now and September, I guess those numbers could change marginally, one way or the other, but it's a relatively accurate figure.

MR. L. DERKACH: Mr. Chairman, certainly the cost of a specialized teacher in that area, in each of those categories and the experiences that divisions have had is not totally covered by the grant that's available. School divisions have to put in a substantial amount of money, which again, is the reflection of special levy. I'm wondering whether the department has considered - I know that we have to watch our budget dollars, but this is an area where there is some concern and increased costs are prevalent - and I'm wondering whether there's been any consideration to increasing the levels in the two categories. I don't know anything about the third category; in fact, that sounds like it's a pretty generous level, even though it is a one-to-one relationship in that category, I believe.

HON. J. STORIE: Well, the low incidence III depends on what part of the province you live in, in fact whether that's generous.

MR. L. DERKACH: Yes, that's right.

HON. J. STORIE: I know that northern divisions find, because of the wage rates, generally, in northern communities and mining communities, particularly, that

it's difficult for them to provide aids for these multi-handicapped children at the level of assistance as provided for low incidence III.

Some of the others, because of the ability to work more than one on one, although the grant is certainly significantly less in dollar terms because of their ability to integrate in some instances and to provide for more students per class, in effect, in many cases, they're coming close to offsetting the costs through the grants. But for many divisions, it is an additional burden. It's also the assumption of a new responsibility. For many divisions, the moving into, particularly low incidence II and III, in a consistent way, is a new experience.

MR. L. DERKACH: I guess that's my point, in that low incidence II category, and I said I'm not familiar with low incidence III.

The low incidence II category I think is the expensive area, and certainly school divisions have found that, yes, although there is grant available for that category, because there are limitations as to what a school division can do. There are restrictions in terms of how many students they can have per teacher and what teacher aides are required, they're finding that this, on a per student basis, is a very, very expensive program. That's why I'm wondering if the Minister and his department have considered an increase in that area, in that appropriation, because that, as I understand, has been constant now for at least three years.

HON. J. STORIE: Yes, Mr. Chairperson, it is one of the areas that has been reviewed in terms of increasing the level of support. It's certainly one of the areas where I have been encouraged to increase the level of support. I guess it's been now four years since there has been any change in the level of low incidence support. It's probably time that was reviewed very closely.

MR. L. DERKACH: Are we then hearing a commitment from the Minister that this in fact will be looked at during this current year so that, beginning September, school divisions can look forward to a better arrangement?

HON. J. STORIE: Well, I can certainly give the member a commitment to review it. In fact, it's being reviewed right now. Again, the member has referenced and I think everyone around this committee acknowledges that there are only so many dollars to be spread around. This year, some \$26.9 million, and some decisions have to be made along the way about which of those areas receive priority. It may in fact be turned for low incidence special needs considerations to get priority next year.

MR. L. DERKACH: If I may be critical of the Minister

HON. J. STORIE: Please do, yes.

MR. L. DERKACH: Mr. Chairman, one of the areas that we find a significant shortfall in terms of support to school divisions is in this area of special needs, second languages. The areas where school divisions are told that you will offer these programs and you will offer them because the department is going to fund

these programs, but none of these programs are funded to a 100 percent level and, depending on the school division, some school divisions may be forced with fairly significant costs because of distance. As a matter of fact, in cases where we have rural students, we even have to provide special bus transportation for those children to school, which means you have to have specially equipped vehicles, and again there isn't any special funding from the department for those programs in excess of what we see here.

I think this is an area that has to be addressed in the future so that, if school divisions are to continue to offer those programs to those children, which I feel are important, it's important that those children remain in a community that their parents live in and remain as part of that community. I feel that, even though it's expensive, it is the responsibility of the department to perhaps improve the level of funding that is given to those school divisions now so that not such a great burden is placed on the local taxpayer and that a greater amount of the burden can be shared throughout our society.

I guess the only example I can give is that when we take a look at the English as a second language program, here again we find a program that school divisions are obliged to offer, but yet the support falls far short of what is needed when we finally tabulate the actual costs. You know, there are school divisions right through this province that have to offer those programs. We're finding that although \$660 may seem like an adequate amount, we have to understand that you don't have a whole classroom of students who can take that program. You may find that there are two or three children who have to be given the specialized attention of one individual, then the ratio becomes fairly high and expensive.

So I would like to see the Minister pay some special attention to this area, the entire area, and we can't expect the department to come 100 percent of the way in one shot, but I think we've left this area alive for far too long and there is a need for some catch up.

When we talk about the special needs area, I think it's time that we started looking at the gifted child. Again, when we talk about special needs children, these are special needs children. They are perhaps at the other end of the spectrum and we can say, well, we're providing an adequate education or a good level of education for the average child. Throughout our province, we do have exceptional children who excel and who perhaps need to be challenged more and there needs to be some incentive for school divisions to provide programming and, perhaps even more importantly, development of programming on the part of the department for children who have exceptional talents and qualities and abilities.

HON. J. STORIE: I agree with the member in terms of the exceptional costs that school divisions are faced with as a result of special needs children. The member makes the point and unfortunately it's true, when we talk about special needs in 1987, we generally refer to those with disabilities rather than abilities, or we refer to their disabilities rather than abilities. I think some school divisions - most school divisions now - have recognized the need to provide programming for gifted

and talented students and fortunately, I guess, because of the nature of their abilities, it is somewhat easier to provide those experiences. It can be done without the necessity of having specialized equipment and the same level of supervision that's required for those with different abilities and some disabilities.

I guess in my discussions with school divisions over the last year, this issue has been raised more often than any other issue and it unfortunately boils down to a question of how do you allocate your resources. I guess because of the limitations of many of our current special needs students, they had tended to receive and seem to warrant more attention and more effort than other students. I think individual teachers and administrators will suggest that they have attempted within their resources to provide opportunities for gifted students to excel in one way or another in the classroom, but it certainly hasn't been a concerted effort on the part of schools or the division or the province.

Certainly, the Curriculum Department has developed, worked on curriculum and enrichment materials for a variety of different curriculum. I'm sure that's being used by students in an integrated way in the classroom for the benefit of gifted students, but the member is quite right that more could be done.

MR. L. DERKACH: Mr. Minister, I'd like to ask a couple of questions on the area of support for day care.

Again, I don't find a specific figure in any of the material that we have before us here as to what the Minister's intentions are with regard to support in this area.

HON. J. STORIE: Mr. Chairperson, I think the member knows that the support provided to day cares through the department comes by way of capital only; that in 1986-87, I believe, some \$1.2 million was allocated for capital construction related to day cares, so that is reflected in the capital side. It's a separate allocation, distinct from the capital allocation related to public schools construction, and the department has made it very clear and we have worked very closely with the Department of Community Services to make it clear that the ongoing costs, establishment costs, etc., of the day care are the responsibility of Community Services.

MR. L. DERKACH: Can the Minister indicate what appropriation that \$1.2 million is under?

HON. J. STORIE: I'm told that it's XVI 8.(b)(2).

MR. L. DERKACH: Can we then leave that perhaps till that appropriation is discussed, rather than try to . . .

HON. J. STORIE: Good suggestion.

MR. L. DERKACH: . . . discuss it now? We have some other questions in that area that we'd like to address, but perhaps we can leave it until next time.

If I can ask the Minister now with regard to the commitment of \$5 million - or I think that was the figure that he used - to a fund that would be administered jointly by school boards and teachers in the event that

teachers accepted a zero percent increase in salaries. Can the Minister tell me where one can find that in the appropriations here?

HON. J. STORIE: XVI 3.(a) Mr. Chairperson.

MR. L. DERKACH: Mr. Chairman, can I ask the Minister what his intentions are in terms of this \$5 million? Is that the correct figure, to begin with?

HON. J. STORIE: Educational Resource Fund.

MR. L. DERKACH: \$5 million resource fund - if school divisions do not settle for a zero percent increase in salary?

HON. J. STORIE: Mr. Chairperson, first, the divisions were not asked to settle. I guess it was a question of negotiations. The \$5 million obviously would be not expended and would in fact be encumbered by the Department of Finance, I presume, come next March 31st.

MR. L. DERKACH: In his news release, the Minister indicated that the fund may be drawn upon by school boards at negotiated agreements with local teachers which do not include salary increases.

We know very well that if one school division in this province accepts an increase in salary, that's probably going to be the norm for the entire province. What happens to the fund should all school divisions settle for some kind of a salary increase?

HON. J. STORIE: I think I've indicated that any surplus from any government department that is not expended on the basis of the criteria that are established for the program, lapses from year to year; and if this fund is not used, then it would lapse unless sometime during the year a decision was made to utilize it in some other way.

I indicated to the teachers and to the trustees when I met with them to discuss this fund sometime ago, prior to the announcement of the proposal, that it was my intention to make the proposal, in effect, to save money over the long term by encouraging negotiations on non-salary items. It would be counter-productive and I think inappropriate to spend that fund in some other way, because what you would be doing is building on to the base, perhaps, of a system that is already very expensive and a system on which even fairly small increases, percentage increases, in terms of costs reflect significant dollars.

MR. L. DERKACH: Mr. Chairman, if we approve the Estimates, we're giving the Minister authority to spend the \$5 million; and if school divisions in fact settle for a salary increase over and above zero percent, that means the Minister has authority to spend that \$5 million.

If he doesn't spend it because no division qualifies for it under the rules that he set out in his press release, does that mean that that fund is just going to sit there and be added to next year and the Minister will continue to add to it until it becomes attractive enough for teachers not to take an increase?

HON. J. STORIE: No, it is funds that will lapse at the end of the year. It is a fund or it is money in the appropriation of the department that is not expended and it will lapse, like any other fund, that are not appropriate.

MR. L. DERKACH: So the money then cannot be spent for any other expenditure or requirement.

HON. J. STORIE: Certainly not without Cabinet authorization or an Order-in-Council to do so.

MR. L. DERKACH: That's the question.

Mr. Minister, are you saying that should the divisions accept something greater than zero percent, there is a possibility that the funds which are under the Educational Resource Fund could be spent, with Cabinet approval, for other purposes within the department's jurisdiction?

HON. J. STORIE: Well, Mr. Chairperson, any funds within the department, this department or any other department, could be appropriated for other uses. I have indicated what the use of this particular fund is for. I've indicated to the teachers and to the trustees what the fund is for. I can say that, to date, I have no other plans for this, and I've indicated that the purpose of establishing it was to create an incentive to have the trustees and teachers bargain for a change in good faith on non-salary items. This was hopefully an incentive to do that. If it hasn't turned out that way - I indicated the first time I discussed this with them that this was going to require their cooperation.

This was not to force anyone. It was not an edict on which teachers must take zero, or school boards must negotiate on that basis. They were free to bargain normally if they wished. Some of them did, some of them didn't. The guidelines for tapping into the fund, I think, were quite clear.

MR. L. DERKACH: Mr. Minister, can you tell us that you will not expend these monies if school divisions will settle for something greater than zero percent?

HON. J. STORIE: I can tell the honourable member that I will not be providing the funds to the school divisions in the way that was suggested in the proposal, unless the conditions that were set down are met.

MR. L. DERKACH: If I can comment on the whole objective of the Minister, Mr. Chairman, when we have government employees who are slated to take increases in salary and the Minister singles teachers out in our economy as a working group in our society to take zero percent by offering a carrot to them, which is miniscule in terms of their personal benefits, I don't understand the rationale behind it to begin with. Because if this is the objective of this department, then I would hope that this Minister would have taken his idea to Cabinet, whereby other departments would have adopted a similar proposal. That similar proposal could have been made to other government sectors so that we would have an equal application of that particular objective. I think this does nothing but alienate teachers.

The other thing it does, Mr. Chairman, is it causes a stressful situation between local school boards and

teachers within a community. Perhaps that's not such a bad thing in a large centre, such as Winnipeg or Brandon. But certainly, when we get into the smaller communities and in an economy like we've got where the rural farmers or the farmers in our province are under considerable stress, we find the situation even worsens. Teachers find it very uncomfortable to live in a community where they're asked to take zero percent, and a little carrot is offered in front of their noses for a little fund that might be administered jointly by them and the school board.

That is not incentive enough for them to take zero percent, because they have families to support as well. There are expectations of them with regard to community obligations. They are part of small communities, and many of them are finding it more and more difficult to cope with the kinds of comments that are made by taxpayers who are under stress and say, well look, if the government is asking you to take zero percent, they're offering you a nice package and you're refusing, you're ignoring it.

I think it's a cheap political shot by the Minister, and I don't think he should repeat that kind of action in the interest of relationships in small communities especially, and I'm not sure what the situation in the city is like - end of comment.

HON. J. STORIE: I suppose the member is entitled to his view. I can assure that it was not intended as a cheap political shot. I don't think someone would intentionally set out to alienate a group that he'd been associated with for most of his working life. I believe that there were several reasons for making the proposal.

No. 1, I don't agree with the member that other members involved directly or indirectly with government have not made a sacrifice. The fact is that the MGEA signed an agreement in which all of their members had taken a zero for a full year, in most cases more than a full year. Some 30,000 people, working directly or indirectly with the government, had taken zero.

MR. L. DERKACH: When?

HON. J. STORIE: When? In 1985.

But the fact is that they signed a three-year agreement and not a one-year agreement.

MR. L. DERKACH: What was the trade-off?

HON. J. STORIE: Yes, there were trade-offs, and I'm getting to that. The fact is that I did not - certainly if I had wanted to set up a situation in which teachers were singled out for unfair treatment, if I had wanted to set up a situation where the teachers would be the loser by a process, I certainly could have devised one.

The Ministers of Education in Alberta and Saskatchewan have had no trouble whatsoever devising a system to penalize teachers. The Minister of Education in Saskatchewan has said, the teachers take zero for two years, like it or not. The Minister of Education in Quebec said, take 20 percent less, like it or not. The fact of the matter is that teachers form the single-largest salary cost in the province, some \$560 million. Even small increases have a long-term effect on the base costs of education.

So I didn't do this without thinking. I didn't set up a system whereby teachers had to lose. There are other gains to be had in negotiating a zero percent increase, and those relate to contract language. I have bargained for the teachers. I know how contracts are constructed. I know that there are benefits for teachers to be had in dealing with non-salary items, whether it's sabbaticals or grievance procedures or leave provisions or leave for MTS business provisions. There are many, many different areas, non-salary areas where teachers can make gains that are important to teachers.

I recognize and I think the teachers and school boards recognize that, if for whatever reasons they could not accommodate each other around the bargaining table, there was in the final analysis an out for both of them, arbitration, which they have both used too frequently in the past.

I think the Member for Roblin-Russell at one time perhaps bargained for teachers as well.

MR. L. DERKACH: The same time you did.

HON. J. STORIE: Probably about the same time I did. He knows as well that the current system of bargaining is quite rigid. The fact is that local teachers' associations and local school boards are influenced, to a great degree, by edicts that come down from the provincial executive, the provincial office of either of those associations. In fact, over the last probably seven years, certainly the last five years, settlements generally are precipitated by an arbitration award or a reasonable settlement in some other division. After that, all other divisions fall in line. There have been very few innovations in terms of the collective-agreement language in the last few years. My hope was that this might stimulate some discussion.

The member raised the concern that teachers have always had about being perceived as too well paid in the community and certainly in rural communities. That has always been a concern. I was hoping that this would provide both sides with an out. I said that it would require cooperation to begin with, and I am not disappointed personally or otherwise that it hasn't succeeded. The fact that it didn't succeed, I think, is going to be reflected.

I should withhold my comments on whether there will be some measure of success because that's not determined yet. But if it doesn't succeed, that lack of success will be reflected in the costs that we all pay for education into the future. No one said taking a zero percent increase isn't a sacrifice; it is a sacrifice. It's a sacrifice that you've paid already. It's a sacrifice that many other Manitobans have paid, and it does represent significant savings over the long term.

You were referencing my press release of December, and the fact is that accepting a zero percent increase, negotiating a zero percent increase would represent something like \$100 million over five years, \$100 million that I'm sure the school divisions, department could find ways of contributing to the growth and the development of education in a different way.

I don't think that my proposal has done any damage, substantial or otherwise, to the collective bargaining system or to the relationship between boards and teachers. It may in fact have created some thought about the process itself.

MR. L. DERKACH: Mr. Chairman, I'm not here to defend the teachers in our province in terms of their negotiating rights. That's not my responsibility here, but I think it's a matter of principle that I argue this from, and that is that the Minister makes reference to being able to save \$100 million by teachers taking zero percent over a period of five years. I think that, if our total government were to take a look at their spending, we could save far, far more than \$100 million in five years. It's just a matter of priority.

The fact still is that teachers were singled out this year as that part of society that should be asked to take zero percent, because this is an area where we could realize some savings. I'm not suggesting the teachers should get exorbitant increases either, but I think the method that it was done in was certainly hasty and, in my view, inappropriate.

I wonder if a school division that cannot settle with the Teachers' Society through the normal negotiating process goes to arbitration and the arbitration then results in an increase in salary, does that school division and that association still qualify then for the Educational Resource Fund, because the increase in salary in fact has not been negotiated? It's been handed down by a third party.

HON. J. STORIE: No, Mr. Chairperson, because that would undermine the other premise for the proposal, and that was that settlements were to be negotiated, not imposed. What I wanted to happen and what I indicated to the parties I wanted to happen was for them to sit down and negotiate on non-salary items and come to some agreement in terms of the benefits package that would be in effect for the 1987 year.

MR. L. DERKACH: Mr. Chairman, does the Minister not see the fact that he even suggested zero percent as an infringement on bargaining rights on the part of the teachers, whereby now he has set a tone or sent a message even to the arbitration boards as to what he as Minister expects for teachers' salary settlements in the province?

HON. J. STORIE: Mr. Chairperson, I certainly did give that some thought, and I don't believe that the proposal is going to affect arbitration awards to any significant degree, any more than would a pronouncement that was made by the Minister of Education in Alberta that they were going to cut education funding by 3 percent. The fact is that the department sends signals to divisions and to teachers every year by making an announcement about the level of provincial support. I've stated my intention in terms of the announcement quite clearly, and I suppose everybody is entitled to their view about its appropriateness. I'm not making any apology for it.

MR. L. DERKACH: I realize that it's very difficult for a Minister to say I was wrong, especially when he's made a press release and all the hullabaloo about it and giving the impression that he was going to be the man who saves the taxpayers a lot of dollars by his announcement. But can I ask the Minister if, after December 31 when this agreement or this intention lapses, whether the Minister will again be going to Cabinet for a similar kind of proposal for the following year?

HON. J. STORIE: Mr. Chairperson, I guess that would be in the realm of speculation at this point. I had indicated to the teachers that my intention was not to ask them to do this on a continual basis. Obviously, the Member for Roblin-Russell was suggesting in his earlier remarks that the province should be considering some sort of wage policy on a provincial basis and concerned about singling out teachers. I don't feel I've done that. I think the province has dealt with its other employees in a fairly responsible way, and they have made their contributions in one way or another. Obviously, we're into another set of negotiations for many, if not most, of the employees of the government as well. I'm sure negotiations will be tough.

So I suppose I'm still convinced that we have to address the growing costs of education and certainly, despite the proposal, I don't think it's cooled my sympathy and, I hope, relationship with either the school trustees or the teachers in terms of genuinely looking for answers in many different areas, including ways of controlling education costs.

I didn't set out to be a saviour for the taxpayer. I'm one who happens to believe that Manitobans are getting a pretty good deal for their tax dollar in education. I think Manitobans want it that way. That doesn't mean we can't be forward thinking and saying, how are we going to control the growing costs of education?

I have said many times, publicly and otherwise, that teachers deserve to be well paid; they need to be well paid. There are too many examples of countries who have neglected to do that, and the United States may be one of them. The latest national commissions undertaken in the United States suggest that the United States should raise its teachers' salaries by 75 percent. I don't think we want to get in that kind of position.

The fact of the matter is that teachers have done quite well in comparison with other working people in the province over the last 20 years. The health care workers who took zero in 1985 were earning - (Interjection)- Well, the fact is that there was no increase on salary. That was the point. There are potentials for trade-off in these discussions as well, depending on the willingness of school boards and teachers to make proposals and sit down and discuss them. So there was certainly lots of room for trade-off.

MR. L. DERKACH: Mr. Chairman, I don't want to prolong the discussion on this particular topic, because it's really not getting us anywhere. I do want to make the point that, yes, there were some considerations by other sectors in 1984 and 1985, but there were other trade-offs which were of personal benefit to those individuals which was not evident in this proposal to the teachers.

What I'm saying is that if the Minister in the future considers a scheme whereby he wishes to have teachers in our province halt the increases that they've been getting, then I suggest that he go to Cabinet and discuss how other sectors can also be considered for the same kind of treatment so that all of a sudden we don't have school boards, for example, sort of taking a news release like this and saying, well, now we're going to negotiate from the perspective that even the Minister is supporting us in a zero percent increase for teachers. Once again, I'm not trying to be here to negotiate on

behalf of the teachers; I'm simply saying there has to be a more equitable way and a more fair way of approaching the situation.

Although the Minister says, well, I don't need to make apologies - I don't expect him to make apologies for his statement. I simply want him to understand that there are those of us who think that the announcement was premature in the way it was made and there wasn't a significant amount of thought given to it in that, again, teachers were singled out and that did cause some very stressful situations in our small rural communities.

Perhaps teachers should have taken a zero percent, but let the bargaining process determine that. Let's not start interfering in a bargaining process which has been set up and has been honoured for a long time.

That's my final comment on that particular topic, Mr. Chairman.

HON. J. STORIE: Well, I suppose I must agree with some of what the member has said. It would be nice if the bargaining process would take place. I think the member knows that there has not been a zero percent salary increase negotiated or arbitrated and it's unlikely that there ever would be.

Arbitration was not set up to establish landmarks in negotiations from any perspective. Whether in fact there is some other way to influence a control without establishing a mechanism for the province to be at the bargaining table is doubtful. The Educational Resource Fund, although a small carrot, is one of the few ways in which the province can influence other benefits to teachers.

As you know, as the member knows, the divisions negotiate on all of the other items that are in their collective agreement, and we have no access, nor are we empowered in any way to take on undertakings that may be of significant interest to teachers, given that they all exist within individual collective agreements.

MR. L. DERKACH: If I could move to another area, Mr. Chairman, within the funding formula, there is no provision made for Indian bands that opt out of agreements with school divisions. I know that the former Minister, in one particular instance, did make provisions for a special grant to a school division where revenue was lost because an Indian band opted out.

Can the Minister indicate whether there are, in the province, at the present time, any more Indian bands who have agreements with school divisions where those bands may, in fact, be opting out in the next year or so?

HON. J. STORIE: Mr. Chairperson, in terms of the special provisions for opted-out Indian bands, those provisions are still in existence. I believe it's a categorical grant.

MR. L. DERKACH: It's a special grant.

HON. J. STORIE: Yes, it's a categorical grant and it's defined in a certain way.

I don't believe that there are any new developments that would increase our costs where Indian bands have opted out. There are agreements where there has been joint funding, for example, of a capital facility where

Monday, 11 May, 1987

the agreements had to be concluded, but I don't think there are any new circumstances. Only Dauphin is affected by that, a categorical grant.

MR. L. DERKACH: I know a plea has been made by those school divisions that when a band opts out, the loss of revenue isn't felt till the following year, and although there's a one-time shot by the department to make up for that loss in the ensuing year, what happens is that loss is never recouped because the loss of revenue is there from year to year and you can't reduce your expenses by the amount of monies that you lose. I think that's an accepted thing by all parties that have discussed the issue.

My question is: Within the funding formula, is there provision for those school divisions who have lost Indian band contracts in the last few years to help them recoup some of the losses?

HON. J. STORIE: It's still one year only provisions.

MR. L. DERKACH: Again I come back to the funding formula and say, well, again that school division is impacted upon in the second and third year, because although they receive that one block grant for that one year, all of a sudden the revenue isn't there and they experience again a loss in expenditures, but also more importantly, a loss in revenue, and the two can't be offset.

I know this problem is going to come to an end, but I know there are a couple of school divisions out there - at least two and maybe more - that are still suffering the consequences of that and have had to bite the bullet either by massive special mill increases or trying to take monies from nominal surplus.

HON. J. STORIE: I'm reminded that there are also provisions in the Government Support to Education Program for looking after declining enrolment, and that maybe we should be looking at rolling that in somehow.

MR. L. DERKACH: It hasn't been done to date.

HON. J. STORIE: No, I acknowledge that, but we may have to look at it.

MR. CHAIRMAN: The Member for Fort Garry.

MR. C. BIRT: Mr. Chairman, as the hour is almost 10, I would suggest that we rise, but I just have a couple of questions for clarification.

When the Minister earlier this afternoon gave me Mr. Buhr's comments on the questions relating to the Teachers' Retirement Allowance Fund Board, there's just one area that wasn't explained.

At the bottom of page 3 in the appendix, it says, "Investments and Subsidiary" - that's No. 2 - "The Teachers Retirement Resources Investment Corporation of Manitoba, Inc., a wholly-owned subsidiary of the fund . . ." I'm wondering if he could provide me with an explanation as to why did they create a corporation. Was it to limit liability; was it for tax purposes - some explanation why a fund would create its own company to deal with the question of resources, and that ties in with all the other questions. It was the only thing that was missing.

Now if it's going to take too much time, maybe he could give me a phone call. I'd just like some explanation of it.

HON. J. STORIE: Okay.

MR. C. BIRT: The other point, Mr. Minister, is I believe you said the provincial levy, in response to questions by the Member for St. Vital, it's a constant for home and rural at about 43.7 mills for about the last five years.

I'm wondering, in the information that you provided, can you take this back, going - that would take it back to I guess about '82, whenever that constant thing is - so that we could see the columns? So you would have '82, '83, '84, '85, '86, '87. Could that be done just for the special levy, not for the constant? We could then get a better picture as to the increase in the mill rates in the various school divisions.

HON. J. STORIE: We'll provide that.

MR. C. BIRT: Thank you, Mr. Chairman.

MR. CHAIRMAN: The Member for St. Vital.

MR. J. WALDING: I have one question, Mr. Chairman.

There is a footnote on the bottom of page 59 of this Supplementary Information indicating that one clinician position is to be eliminated. We're going from 91 to 90.

Does this indicate that the clinicians are more efficient or that we have less children using their services?

HON. J. STORIE: I can only respond by suggesting that it may be because of the declining enrolment in one of the regions that it was deemed possible to - I presume this one . . . It may in fact have been a vacant SY, and because of the ability to redistribute the workload, that it was deemed possible to eliminate one position.

MR. J. WALDING: Can I ask for some more specific information as to which part of the province or which school division, and what was that clinician responsible for?

HON. J. STORIE: Yes, we can certainly undertake to do that.

MR. J. WALDING: If there is with it some rationale other than a guess as to why we are eliminating this position, I would certainly appreciate that.

HON. J. STORIE: I will undertake to get the member the background for that.

MR. CHAIRMAN: The hour now being ten o'clock, committee rise.

SUPPLY - COMMUNITY SERVICES

MR. CHAIRMAN, C. Santos: Committee, please come to order.

We are considering Item No. 1.(e)(1) Financial Services, Salaries; 1.(e)(2) Other Expenditures - the Member for Rhineland.

MR. A. BROWN: Thank you, Mr. Chairman.

Just before we adjourned, the Member for St. Norbert was asking to see whether we could have copies of the internal audit. There's a specific reason, Mr. Chairman, why we are asking for copies of the internal audit. That is so that we could be informed at an early time, to see whether there was anything going wrong within the finances of the various agencies that we have, so that we could all zero in on that particular problem. The Minister made the statement that this would take reams of paper in order for us to get a copy of this.

Mr. Chairman, I believe that if we had one copy, we would be very pleased if we could have one copy of the internal audit so that we could take a look at what is happening. We would be very pleased, and I don't think that the extra cost of these reams of paper would be wasted at all.

So I wonder if the Minister might reconsider the statement that she made that this would require reams of paper. Maybe she is going to reconsider her stand on giving us a copy of the internal audit.

MR. CHAIRMAN: The Honourable Minister.

HON. M. SMITH: Mr. Chairman, I think I should correct the member opposite. I don't think I referred at all to reams of paper. I referred to the process whereby how the internal audit works. It basically ensures compliance with all government management policies within the department.

The Provincial Auditor is the person who does an external check to see whether the department is indeed complying. I think that source of information is available to the member opposite. The internal audit is again looking at the financial compliance. It is not the program audit. The process by which the members opposite can review the programs of the department are by the annual reports, the budget, the supplementary information, and indeed this very session where question and answer and information can be provided.

So I think again, with that correction, that I stand by the comment I made earlier.

MR. A. BROWN: I wonder if the Minister could comment on that the Child and Family Service agencies are saying that they will be forming an association to develop a new funding formula for the agencies. This was reported in the press of March 20, 1987, where Mr. Schellenberg said that the association is working with the province to develop a new funding formula for agencies. Right now, they bill the government on a monthly basis for child care, but getting block funding on an annual basis would give the agencies more flexibility so that they could determine where the money ought to go.

So these agencies are lobbying the Department of Community Services at the present time to assist social workers and agencies on more than just caseload.

I wonder if the Minister has any comment? Is she considering giving block funding to the agencies?

HON. M. SMITH: Mr. Chair, at the risk of repetition and being out of order in terms of the section that

we're dealing with, I will answer the question and I did refer to it earlier.

We encouraged the formation of that association and we're happy to see it occur. One of the reasons that we are very supportive of community boards is that we do value and respect their role in being close to the community, identifying the needs and giving us information about those needs.

With regard to their funding, I think I said earlier today and I said it last year and said it publicly on several occasions and to the executive directors and presidents, we want to move to the point where they have the global funding base. That is where they get a total sum of money and then manage it within their particular region, prioritizing the needs and flowing the money in the most cost-effective way available to them. But I also said, and I think the agencies will agree, that the reason we did not move to that format when they were first formed was that the pattern of experience prior to the regionalization was not the best basis on which to come to the assessment of need, and the experience of the last two years has borne that out. The pattern of need, the caseloads, the types of service delivery that are evolving in each agency are significantly different. The total need level has in fact gone up significantly, which we attribute to the agencies being more accessible and offering a wider variety of services.

Some of their funding they get in a block grant and another amount they can access, the child maintenance portion, by billing the Provincial Government and it, in a sense, has been open-ended. Now we would like to be at that point where that too would be, in a sense, capped and year by year the agencies would have the money and they could then manage their budgets.

But it's provided a very healthy and valuable safety valve in this growth period. We have told the agencies that we are willing to move to global funding. At first we said, as soon as they could come to an agreed-on approach. We have since added to that our willingness to move them one or two at a time. They don't all have to move in lockstep.

So they are actively reviewing that option at the moment, and we have agreed with them that to prolong the current method of funding indefinitely, in a sense seems to give a reward or an incentive, if you like, to go for the more costly interventionist type of care rather than the supportive and preventive care in the community. But I think they also would agree with us that to have moved prematurely and cut off the funding amount prematurely would have left them in a very difficult situation. So in short, we do agree with that move. We have a process for achieving it, and we look forward to a significant step forward during this year.

MR. A. BROWN: Mr. Chairman, four of the agencies in Winnipeg are running substantial deficits again this year. The Northwest Agency, I believe, expects to have a deficit of about \$200,000; the Northeast Child and Family Services expects a deficit between \$150,000 and \$200,000; the Central Winnipeg Agency, a deficit of about \$60,000; the Child and Family Services of Winnipeg West is anticipating a deficit of about \$100,000.00. These agencies had huge deficits last year.

I wonder, is there any way in which the Minister, on this particular area of Financial Services, where they

can project closer spending estimates than what we have been doing at the present time, because these agencies seem to consistently be running up huge deficits for the particular areas which they represent?

I guess the question is: Is the Minister going to be picking up these deficits again, as she has in previous years, or would a different method of funding, such as block funding, would that help the situation where the agencies could then allocate the monies as they saw fit?

HON. M. SMITH: There are several factors here. One is the total amount of money that is in the system and how it's accessed; the other is the volume issue. As I have said before, the pattern of service delivery that predated regionalization was not as accessible to people. There was not as much activity among the Native community in meeting their family needs, and there was not the big thrust on in identification and reporting of child abuse. All those factors have made the Child and Family Services increase its volume and complexity of work very significantly.

Our funding policy has been to work along with them to increase the planning capacity, both of our system through developing the computerized information systems and so on, and committal accounting rather than being billed after the fact, so that we could have timely information and project more clearly; also a workload study so that we could clearly identify the mix of cases, because the agencies now have a greater variety of cases than they used to have. They have some where counselling a family, where placing a homemaker in a family, parent-aid services are available, whereas before they basically had foster care and adoption care and group home care.

So the workload study will again help us to identify the mix of workload in each agency and, through all these measures, along with the cooperative work towards global budgeting, we intend to arrive at a much tighter and more accurate budgeting, both at the agency level and in our department.

Again, I think that the factors that I identified in the opening address that identify some of the social change going on out there have to be remembered when we're talking about this service, the stress in families and the negative things that are going on for children in our society. I think none of us should be complacent that we somehow had arrived at a magic level of service delivery, and all we're doing is just giving it in a different way. In fact, we are discovering a great deal of malaise, suffering and need among children that was not identified or dealt with before.

We are not being too easy on the agencies in terms of picking up all their deficits or being very undemanding in terms of what they're accountable for. We have carefully reviewed their current situation and have done some deficit reduction for this year, but we have clearly signalled to them that they must manage some of their accumulated deficit into next year and must continue to work at finding the most cost-efficient way of delivering their mix of services.

It's very much a cooperative venture and one where we very much need the information and experience that each group has, but the final determinant is going to be whether we've levelled off yet in terms of

identifying the approximate numbers of children in need that the system should be dealing with or whether, the further on we go, we're going to find increasing workloads. We certainly hope that the system will level off, and in fact we are seeing evidence of that in one or two agencies but the most needy areas have not yet been able to demonstrate that levelling off.

MR. A. BROWN: I notice that we have \$125,900 worth of Other Expenditures. I wonder if the Minister could give me a list of what the Other Expenditures would be in an area such as this?

HON. M. SMITH: Yes, Transportation \$17,000; Communications \$17,000; Supplies and Services \$35,000; And Other Operating Monies \$56,900.00.

And again this would deal with - it's a monitoring and control process, sometimes it requires departmental people going out to agencies. In other cases it's going over their budgetary material in our department.

MR. CHAIRMAN: 1.(e)(1) Financial Services: Salaries—pass; 1.(e)(2) Other Expenditures—pass.

1.(f)(1) Administrative Services: Salaries; 1.(f)(2) Other Expenditures - the Member for Rhineland.

MR. A. BROWN: Thank you, Mr. Chairman.

Administrative Services provides management and information systems development, data processing, administration of office space, office equipment and departmental fleet vehicles.

I wonder if the Minister can tell me who is doing the data processing? Is the data processing being done by the Administrative Services, or is data processing being done by another agency?

HON. M. SMITH: There's a mixture. The Manitoba Data Services provides the basic support for financial assistance and then we also have in-department staff particularly working on the child and family service system.

MR. A. BROWN: Has there been any substantial increase in office equipment and departmental fleet vehicles within the past year? I don't think that we have opened any new offices and I was just wondering whether there had been any substantial amount of office equipment or departmental fleet vehicles increased.

HON. M. SMITH: No. We've remained very stable in the office side and we've actually had a slight reduction on the vehicle fleet by watching very closely - I was going to say mileage - but the kilometrage of the individual vehicles.

MR. CHAIRMAN: 1.(f)(1) Administrative Services: Salaries—pass; 1.(f)(2) Other Expenditures—pass.

1.(g)(1) Human Resources Services: Salaries; 1.(g)(2) Other Expenditures - the Member for Rhineland.

MR. A. BROWN: Thank you, Mr. Chairman.

I notice that in this department, spending is planned to increase 14.8 percent in 1988. Over the past five years, we have seen an increase of 95 percent.

I wonder if the Minister can explain to me why have we had such a large increase in Human Resources Services; and why, when we're trying to cut back in every area, would we have an increase in Human Resources Services like we're seeing?

HON. M. SMITH: The basic increase is because the Civil Service was carrying the affirmative action process for government. They have now given us that responsibility and we have one staff person who is the Affirmative Action coordinator. The other minor increase has been in general salary increase and increments.

MR. A. BROWN: Can the Minister give me an explanation of just exactly what does she mean by having an extra person to look at the affirmative action? Does this mean that whenever staff is hired - do a certain number of these have to be women? Are we trying to reach a certain percentage or what does the Minister mean by affirmative action?

HON. M. SMITH: Our Affirmative Action Program follows the general government Affirmative Action Program. It's our belief, as the government, that the numbers of women, disabled persons, Native people and visible minorities, should more gradually approximate the proportion of those persons in the community but, in more specific sense, persons with appropriate training for the jobs open.

We also believe, in addition to achieving this balance over time, that it's very important to work with the existing staff or with the unions. They have been used to a seniority approach to government and often if not brought on side in understanding and cooperating with an Affirmative Action Program, may in fact be resentful of it or at worse, not even cooperative. So a lot of planning has gone in.

There are representatives from varying levels of work in the department, varying areas, staff people who have worked with the coordinator to develop a department plan. Included in that is information about what mix we currently have about those particular groupings and then, as vacancies come up, there is a form that is used by the Civil Service which enables an applicant, if they choose, to identify themselves as coming from one of those minority groups. Again, they are given preference only where experience and ability are on a par, but the effort is also there to overcome any traditional barriers that may have existed for persons of those groups.

I guess when you get into affirmative action, you find that the dearth of people from those groupings has often been because of perceptions that perhaps the hiring group has which undervalues the job skill and ability of a particular group because of secondary characteristics and what we're doing in all our interview procedures, hiring procedures, is attempt to discount those irrelevant factors and thereby over time bring those minority groupings into the Civil Service in greater numbers.

We have, in terms of success, I have actually the data from April 1 to December 31, 1986; of 301 appointments made, 7 were Native or 2.3 percent; 1 physically disabled or .3 percent; 3 visible minority or 1 percent; total appointments to female under represented classifications were 59 or 19.6 percent.

As well, the branch undertook 64 classification reviews, because in some cases we find that the work performed by minority groups, I guess most significantly females, is underclassified. When a classification review occurs, independent factors are looked at in terms of the skills required in the work content and checked against other job positions to see that the classifications are indeed accurate.

MR. A. BROWN: Mr. Chairman, I appreciate the answer that was given to me by the Minister. This was going to be my next question as to the breakdown; but I'm sorry, I had the breakdown on the minority groups, but I did not get the breakdown male versus female.

Can the Minister give me that figure again?

HON. M. SMITH: Again, I'm only counting in areas where females were previously underrepresented, so it's not all of the categories in the government, but in areas where they were underrepresented, 59 or 19.6 percent of the appointments were for women.

MR. A. BROWN: My next question then is: Does the Minister have a breakdown between male and female employees within her department?

HON. M. SMITH: In the total department, as of March 1986, of 2,200 employees, 1,068 or 48.5 percent were female; as of March 1987, the total complement of 2,330, 1,180 were female or 50.6 percent.

MR. A. BROWN: Mr. Chairman, as far as I know, this is one of the major items where we have development and training of staff resources. This particular area has been criticized grossly by everybody concerned about Community Services, especially in all the reports that we have received on Community Services.

Can the Minister tell me what kind of development and training of staff resources do we have at this particular stage of the game; and how do they interface with other training and development in staff resources?

HON. M. SMITH: The Human Resources group is primarily responsible for the general personnel issues. The training needs and the mode of delivery are the responsibility of individual program people in the program areas, and they may have quite a variety of training formats; they may bring outsiders in; they may hire their own, depending on the need.

But we've put a high priority on training our own people, people in agencies and volunteers, for the kind of work that is being done particularly in emerging areas such as more and more community boards, more and more work on areas like child abuse for which there really was not a lot of expertise in the field. It's been extremely important to develop those programs.

Again, I'd be glad to comment on that when we come to the individual program areas. There is, as well, a general training program provided to all government personnel through the Civil Service Commission.

MR. CHAIRMAN: The Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Mr. Chairman.

One can assume that in this area, the managerial individual who was paid \$37,300 last year, and is now

paid \$51,000, is indeed a different person. Can the Minister confirm that?

HON. M. SMITH: Yes, Mr. Chairman.

MRS. S. CARSTAIRS: Can the Minister explain yet, once again, because I don't understand why a government, when it's hiring someone, deliberately goes out of their way to hire somebody that they have to pay 36 percent more than they had to pay that individual the previous year?

HON. M. SMITH: We put a great deal of emphasis on the human resources development, both at recruiting good personnel policies and human resources development issues. We also have the affirmative action thrust. In fact, the person we recruited - we wanted someone who would bring a much more pro-active role to this particular position.

MRS. S. CARSTAIRS: As the Minister is well aware, most of the administrative support in all of these departments tends to be, for the most part, women. We talk about affirmative action, and yet the administrative support part of the budget goes down by 3.8 percent; whereas the managerial and professional and technical - one goes up by 36 percent and one goes up by 18.1 percent. Can the Minister explain why administrative support women don't seem to get the same kind of salary inducements as those in perhaps higher categories?

HON. M. SMITH: In fact the managerial position is held by a woman, a very well qualified and experienced woman. The administrative support - the slight variation in pay levels there - has been because with change-over, people have come on at a lower level; they would be less experienced. Overall, the government has been offering administrative support women training opportunities to move up the ladder. Prior to fairly recently, they tended to go up rather quickly and then along - what we used to call the horizontal path - and their pay would often depend on who they worked for.

Whereas what we are trying to provide is more of a career ladder. Quite a few women have been accessing that particular opportunity. As well, the pay equity process should, over time, in assessing the mix of tasks and the skill, effort, responsibility, working conditions of this particular group; I have no doubt that it will lead to a significant upgrading. But you do tend to see reflected the historical patterns that are one of the reasons that we've introduced the pay equity.

The problem has always been somewhat twofold in that many women see themselves as occupying support roles, rather than moving on to the professional, technical or managerial. Perhaps they didn't access the appropriate education or don't have as long work experience. But it's our belief that many of them are very well endowed with the basic capacity, and with both encouragement and on-the-job training opportunities, we will start to see quite a bit of movement there.

MRS. S. CARSTAIRS: Can the Minister tell us if this Affirmative Action Policy and Procedural Manual is now

in production, or when it is anticipated it will be in production; and will it be one that could be applied to all departments or will it be limited to the Community Services Department?

HON. M. SMITH: The manual is in draft form now, and will be in its final form by July of this year.

MRS. S. CARSTAIRS: Would the Minister answer the second part of that question, which was: Will that manual then be applicable to other departments or strictly to Community Services?

HON. M. SMITH: A comparable process is going on in other departments. There are some elements of it that will be common throughout government, and others will be specific to our department, so it has both qualities. But this particular manual is for use within our department.

MRS. S. CARSTAIRS: Well, Mr. Chairman, that has to lead to the next question, that we have 25 government departments. Are we going to end up with 25 manuals, costing \$10,000 each?

HON. M. SMITH: It's one of those questions that deserves a both/and answer. There is coordination through the Civil Service. There are substantial elements in both the programs and the manuals that will be similar. Then there are some sections which are specific, but that kind of coordination to avoid duplication does occur.

MR. CHAIRMAN: The Member for Kirkfield Park.

MRS. G. HAMMOND: Mr. Chairman, I just wanted to ask further, what will be the specific differences in this manual in Community Services, say, that would be different from any other department?

HON. M. SMITH: Mr. Chairman, because our department is a very large employer - it's one of the largest, certainly not the largest - and because there are a mix of services and institutional employment elements, we in fact do have a very active recruitment policy.

We are engaged in delivering many services, one could say almost a disproportionate number of services relative to the population to Native people. That has been one of our concerns that we haven't, in the past, had a very substantial representation of Native persons. So we've been particularly active in that recruitment area.

Again, the directions and procedures are similar, department by department, but the particular approach we have permits flexible movement, depending on the circumstances.

Attrition is a little different in each department and the program mix, but we probably hire more people who require relatively less formal training, so we are able to provide entry-level jobs for people. But again, I guess it's because of the particular type of programming that we have that we're really very active.

MRS. G. HAMMOND: Just the last question, Mr. Chairman - the Minister specifically mentioned the Native community component.

Would this apply then in her department? Would the handicapped, because of the size of the department, would that be another area where they would hire more?

HON. M. SMITH: Yes, there is a thrust. There are four groupings that we're dealing with, and we are already facing the issue of access and so on, accessible washrooms and so on.

We've been working hard, training the managers to help them remove systemic barriers in their evaluation or assumptions about minority groups. We have an inventory of applicants to facilitate affirmative action, and we're helping with career pathing, along with the Civil Service, to help people come in at a manageable level and then, over time, to move along.

MR. CHAIRMAN: 1.(g)(1) Human Resources Services: Salaries—pass; 1(g)(2) Other Expenditures—pass.

There will be no resolution on Item No. 1 until after the Minister's Salary.

Item No. 2., Registration and Licensing Services, Vital Statistics: Salaries 2.(a)(1); Other Expenditures 2.(a)(2) - the Member for Rhineland.

MR. A. BROWN: Thank you, Mr. Chairman.

The provincial statutes have been preventing parents from giving their children the mother's surname or a hyphenated name, and this of course is being struck down by The Change of Name Act. I wonder if in fact this change of name, is this already being implemented by Vital Statistics? Are they already being allowed to give the mother's surname or a hyphenated name under this particular area?

HON. M. SMITH: Currently, Vital Statistics does enable people to give their children their name of choice. The change under the new act will be that the name at birth will still be the name of choice of the parents, but the successive changes to that name will go through somewhat different procedures. Well, we've discussed it in legislation but primarily, if there is a separated couple, the spouse who has custody would have to notify the other parent within due time. If there's no response, the director would have the authority to authorize a change.

MR. A. BROWN: I notice that the Vital Statistics Branch has moved to new headquarters. I wasn't aware of this. I went down to the old place a couple of days ago, and I had some business over there. I noticed that they have moved over to a new space, and I believe that they do have more space over there and it looked to me as if it was quite a nice place that they had moved to. So I would like to compliment the Minister on that move. I think that this is a good move, because they seemed to be rather crowded in the facilities they were in previously.

There has been very little increase in the spending of this particular department. There was a 2 percent total spending increase in 1987, and a planned increase of 7 percent total in 1988. Over the last four years, I believe there's only been a 10.3 percent increase from 1984 to 1988. However, fee increases under The Vital Statistics Act have really increased from 1980, when you paid \$5 for birth, marriage or death certificates.

That was increased in 1984 to \$8 and now, in 1986, to \$10.00. Now that's 100 percent increase. If we compare the increase of the birth, marriage and death certificates as to the overall increase of expenditures in Vital Statistics, then you wonder where the Minister can justify this 100 percent increase.

HON. M. SMITH: I'm glad we can find one area of clear agreement between myself and my critic. We too are very pleased that the Vital Statistics group has been able to move to the renovated Bank of Nova Scotia. In fact, they were in very crowded, not too attractive quarters in the basement of the Norquay Building, and it was fire and safety concerns that dictated the move. Although we might have wanted to do it for cosmetic and comfort reasons, we are not going out of our way to add offices or change them. But in this case, it was clearly indicated and we're quite delighted that they do perform a public and important function that they are in fine new quarters.

With regard to the budget of the branch, in fact, the workload, judging by the numbers of live births, marriages, deaths, and stillbirths per year, has stayed relatively constant.

The reason for the fee increase is that, contrary to suggestions opposite that we don't know how to manage a peanut stand, we have learned that, to the extent that we can balance the cost of a public service with the income, we should do so. It's our belief that these fees, we did compare with other provinces, and we are somewhere very much in the middle of the truth in terms of cost comparability. So we think it's a good principle that, where possible, we have the cost covered by the fee.

MR. A. BROWN: Mr. Chairman, I understand that this area has just recently been computerized. Can the Minister tell me whether the computerization is finished and, if it is, has it really improved the service to any extent? Can the Minister tell me what the cost of computerization was?

HON. M. SMITH: The full operation of the system won't be for another six months, at which point we will be providing the certificates. We are computerizing the information for the last four years. There is a backlog of information which has not yet been entered. More information will be available, and it will be available in a more timely fashion. So we believe it's well justified. But we do have some monies in this year's budget to complete the hardware and software purchase.

MR. A. BROWN: Can the Minister tell me what the cost of computerization is going to be?

HON. M. SMITH: The cost to date has been a very modest \$80,000.00. There is \$15,000 budgeted for this year to complete the hardware and the software. That will accommodate some more information, collection and preservation.

MR. CHAIRMAN: The Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Mr. Chairman.

I was pleased to hear the Minister say that she was trying to balance cost with income. But I would like

her to explain why a \$250,000 profit last year wasn't adequate, and this year will be going up in this department to a \$687,000 profit.

HON. M. SMITH: I suppose I could say that we're making up for all the past, but in fact that is not the case.

Not all the costs are included in our budget. Government Services does cover the basic rental and utilities and so on. So I think, if we compiled all the costs, that we'd find we're running very, very close.

MRS. S. CARSTAIRS: Can the Minister please give us a little more breakdown on what Other Operating are in this budget at \$85,000.00?

HON. M. SMITH: The indirect operating costs there is \$101,300 in staff benefits; Government Services, the physical plant, \$285,800; mail costs, \$72,100; Finance - Public Account support of \$5,000; and revenue and banking, \$6,000; Attorney-General, legal services of \$12,000; Legislation - that's statutes and regulations, \$6,000; Community Services departmental support, accounting, personnel systems at \$96,500, with a sub total of \$584,700.00.

MRS. S. CARSTAIRS: Well, I'm delighted with that information, but that wasn't the question.

Page 34, under Other Operating, \$85,000 is listed as Other Operating costs for this department, up from \$70,000.00.

HON. M. SMITH: A composite of hotels, meals, computer-related charges, loss, damage, insurance and extraordinary costs, publications, employee education assistance, relocation and transfer costs, other possible membership fees, hospitality, uniforms, conference or convention registration fees and incidental allowances. Again, that's the general type of expenditure that would go in under Other Operating in this particular case. The mix might be specific to that particular group.

MRS. S. CARSTAIRS: In light of the figure that the Minister gave me on a previous question, which was some \$584,700, which I gather are costs for Vital Statistics that don't show up in this budget but in fact show up in Community Services or show up elsewhere, it would have to be considered in the overall operation of this department, so that indeed there would perhaps be a balanced cost with income of only \$102,000.00. Is that approximately correct?

HON. M. SMITH: We estimate we're slightly in the black here by about \$122,000.00.

MR. CHAIRMAN: 2.(a)(1) Vital Statistics: Salaries—pass; 2.(a)(2) Other Expenditures—pass.

2.(b)(1) Residential Care Licensing: Salaries; 2.(b)(2) Other Expenditures - the Member for Rhineland.

MR. A. BROWN: Mr. Chairman, we have now come to an area which I believe is a very important area. It says, "Residential Care Licensing." This is the area in which we license homes, group homes and where requirements have to be met, certain standards have to be met, in order for them to continue.

In 1987, Mr. Chairman, we saw a very small increase, a very slight increase, of 2.14 percent in spending in this particular department. In 1988, we have seen a little further increase of 7.6 percent increase in spending in this particular department; but in the overall expenditures from 1984 to 1988 we have seen a deficit of 15.3 percent decrease in spending.

Mr. Chairman, this is a very vital function that Residential Care Licensing is providing. Why would we have a 15.3 percent decrease in spending? Does the Minister not realize the important function that these people are servicing? We know that there is very little monitoring at the present time of conditions in these group homes; that inspectors, if they go around to these group homes twice a year, then they're doing well. I wonder if the Minister can explain why she is down playing this particular area and is there any fact to the rumour that I've been hearing that the Minister in fact is going to be doing away entirely with residential care licensing with this particular department?

HON. M. SMITH: Mr. Chairman, the licensing process is an important one. This department has been conducting this function for a wide range of group homes. There is a dual type of licensing that goes on. There is a licensing of some types of homes and an approval process done in the regions for another type of home. The system was being developed under the previous government and really came on stream along with a lot of fire and safety upgrading requirements because of improvements in the fire code. The peak of the work was occurring in the '82-'83 time period. We've watched closely the workload and double-checked it and it is our belief that for the factors that we currently register for - remember, this isn't a full program management. This is a registration and licensing for the minimum standards of physical safety, well-being of the residents, having to do with nutrition and medication, that we are able to keep that system functioning in an adequate manner.

There are semi-annual inspections of all of the homes and we find that we can meet that standard with our current complement.

Again, we are always reviewing the way in which we perform these functions and, if there should come a time when there was a major shift in how we deliver a program, obviously the way that we would register and license would be under review as well. But so long as the program pattern remains the same, this size of an office can manage the workload.

MR. A. BROWN: Is the Minister planning to phase out Residential Care Licensing?

HON. M. SMITH: I think I said no. I said, should we move to a new program format in any of the areas, because there's quite a few areas covered. We might review at that time how we're performing the licensing function; but we do see the review of the minimum standards of these homes as an important function to be done. As I say, there's no intention to phase out that function.

MR. A. BROWN: This department regulates fire and health standards for residential care homes. I wonder,

can the Minister tell me how many of the homes have not been able to meet the requirements and have voluntarily closed; and how many beds were involved?

HON. M. SMITH: Since the standards were introduced in 1982, 18 facilities have closed and 2 are currently operating under conditional licensing. The 18 do represent 237 beds. Of those, 2 closed in '81 with 27 beds; 9 in '82 with 121 beds; five in '83 with 59 beds; none in '84 and '85; and 2 in '86 for 30 beds.

There are in total, of the licensed and approved facilities . . .

A MEMBER: Mr. Chairman, we can't hear the speaker.

HON. M. SMITH: There are 144 licensed facilities with 1,340 beds.

MR. A. BROWN: I'm sorry, Mr. Chairman, we could not hear that answer because it was not coming through our system, and the Minister was speaking rather quietly.

I wonder if she could repeat the answer and give us those same figures once more. I understand that the Minister said that there were 18 homes closed, 237 beds were involved, but that's as far as I got.

HON. M. SMITH: This is from 1981 to 1986; these are homes which did not meet the licensing standards. Just one moment while I clarify; I'm trying to find out if this is the specific type of home or whether it covers all.

Just to give you some total, of licensed and approved facilities, there are 625 facilities in the province. They break down into 376 for mental retardation; 154 for mental health; 31 for infirm and aged; and 64 which are mixed. The total number of beds represented are 2,278. Of those, 1,340 are licensed in 144 facilities, and 938 are approved in 481 facilities; they are the smaller-scale ones.

Now the ones which have closed for not meeting licence standards are in the private guest home for the infirm, aged and mixed populations. From 1981 to January 1987, there were 18 facilities, comprising 237 beds. The bulk of those were in the first two years of the program.

MR. A. BROWN: Of the 18 homes which closed, either voluntarily or otherwise, these persons who had to be put in other facilities; can the Minister give me a figure as to what the extra cost was for the department in order to get these persons moved into other facilities?

HON. M. SMITH: Again, I repeat, that many of the homes which we license, are operated under private auspices and the residents themselves are private payers. Our role has been to see that they are safe facilities.

Therefore, the close down and the movement of people to other facilities was not a charge to the government or to our department. The only variables would have come if some of those persons were on some form of assistance; but, by far, the largest number of people in these homes are self-paying.

MR. A. BROWN: Are there any residential care homes operating who still have not met fire and health standards?

HON. M. SMITH: Yes, there are two facilities that are operating on conditional licences. Both are facilities which existed prior to 1981 and are being grandfathered into the system: St. Norbert Lodge and a Smith facility on Talbot. Of these, one has just about completed their qualifications, and the other we aren't sure yet.

MR. A. BROWN: If some of these operations were to be closed, does the government have any alternative accommodations where these persons could be placed?

HON. M. SMITH: Yes; in fact when the previous homes did close down, there was assistance given with relocation. In this case, there would be some notice and assistance given to relocate.

MR. A. BROWN: The residential care operators within this province are unhappy because they say they cannot operate under the allowances which they are given at the present time, and that they do need extra funding in order for them to continue, in order for them to meet the kind of standards which are required by the department.

I can see where the department would want to make certain that fire regulations and health standards were met. Yet the Minister, again, seems to be very reluctant to give these agencies the kind of funding, which would allow them to meet fire and health standards.

Yet, if these persons who are in those residential care homes at the present time, if they were going to be put into other residential care, for instance, care homes operated by the province, the cost would be much, much more than what the residential care operators who are looking after these people at the present time and what they're asking for would be.

So I wonder - can the Minister tell me - is she absolutely intent on phasing out the residential care operators who are there at the present time, or is she going to make it possible for these operators to continue to meet the standards so that residents can be looked after at much less money than what they would be under governmental care?

HON. M. SMITH: Well, I repeat that the vast majority of the people living in these homes are self-paying. It is substantially a private system where our role is licensing to see that minimum standards are met. The area where we have specific responsibility for program, the mentally retarded, we have a very well-developed scale of grants to ensure that all the program needs of that particular group are met. With regard to all the other, the aged and infirmed and post-mentally ill and some physically disabled and so on, primarily aged and infirmed though, they are basically paying out of their own pockets, out of their savings, or through their family. There are just a few who are on some form of social assistance and those rates, as you well know, are set by ESES, Economic Security and Employment Services.

Again, the overall issue of funding for residential care I think is one that is going to take our attention as we move along to the year 2000. But it was the members opposite, when they were in government, opted to go for a licensing approach to this particular residential need and, themselves, did not develop any funding policy for those groups of people. I think we have said

that, yes, it is a concern in the long run but along with addressing it - if it does come to a point of where people are not able to manage on their own resources and it comes to public funding, there are many related issues that would have to be dealt with. Along with that would be whether or not the profit homes would receive public funding, whether program needs require enrichment and so on. And I think I've commented on this in various questions, that we're not unmindful of the fact that this is an underdeveloped area. There are minimum standards being observed but the full program needs and development have not been on this government agenda, nor were they on the prior government's agenda when they chose to go the residential licensing route.

I think to the extent that seniors are assisted with pension and better pay and so on, more of them are in a position to be able to care for themselves when they are older. Of course, as you know, if their conditions should deteriorate and they require personal care homes or hospitalization, then they are covered. But to date no government in Canada has tackled this particular area of need. Again, it's one of those unmet needs and there are many in the social services field that there could be work done, but we are satisfied that minimum standards of safety and cleanliness are being observed.

MR. A. BROWN: I have one more question which I would like the Minister to answer before I'll turn it over to someone else. I may have some further questions later on.

But what I would like to ask the Minister, and I'm referring mainly to the aged and the infirm at the present time. I'm talking about residential care operators. Now some of these are looking after people who are really at the Level 4 stage and who really would qualify for personal care homes if space was available for personal care homes. Now these are the people who are posing a real problem. They are being looked after by the residential care operators, but the cost of looking after them is quite a bit more than the allowable cost or the allowable payable under the Old Age Pension. Therefore, they do require some kind of subsidy which at the present time the Minister is not willing to grant these people.

Now if these people were in personal care homes, the cost would be four times the amount of what these residential care operators are willing to look after these people for.

So my question to the Minister is: Is she going to take a good look at the residential care operators and cooperate with them and help them to look after these seniors who do need special care where there is substantial cost to the operators in order to care for these persons, because we know very well, Mr. Chairman, that the government does not have the facilities to look after these people?

HON. M. SMITH: Mr. Chairman, we have announced that we will be putting out a consultation paper on vulnerable adults legislation. Of course, along with any legislation where you're attempting to set minimum standards and guidelines, is a concern for access to programming. That's one of the items that we can look

at, but I would remind the member that, rightly or wrongly, the responsibility for the aged and infirm has rested with the Department of Health. They have gradually extended the public support, the care, from acute-care hospitals to extended care and to personal care homes.

Now there has not been any move anywhere in the country to date - and we haven't made it - to extend fully funded care or even partially funded care beyond that level of need. People are panelled and, should they require a high level of care, they are moved up the waiting list and into the personal care home, so there is that system in place.

Again, some of the ability of an individual to care for themselves at this stage of their life is determined by the type of income they have earned or the type of pension that they receive or old age security. As the public systems have gradually improved with OAS and GIS and things like the Manitoba Supplement and so on, and CPP, and as women's salaries start to improve, some of these almost poverty-related issues, because people who haven't been able to build up many personal resources have to rely completely on public assistance - it's only as we're gradually able to raise the income of those groups that we will in fact be able to improve the financing of these types of homes, unless the member opposite is proposing -and again I would actually welcome such a proposal - but if he's suggesting that this should be a major new thrust for which we should either raise our deficit or add another tax or an area where he would like the Federal Government to start to cost-share with us, I think those avenues are worth exploring. I'll look forward to his suggestions and contributions during the consultation on vulnerable adults.

MR. CHAIRMAN: The Member for Gladstone.

MRS. C. OLESON: Thank you, Mr. Chairman.

MR. CHAIRMAN: I give everyone a chance.

MRS. C. OLESON: I've been concerned about the whole subject of residential care for some time and, more particularly, in the City of Winnipeg. The government seems to be moving into a situation where the only homes that they're encouraging to operate are the small homes. Some of that may be partly to do with the Welcome Home Program or other, so I'm not going to discuss that. That, no doubt, will be discussed elsewhere.

But it seems to me that there is no magic number in the size of a home where people who, for reasons of age or infirmity or mental illness or mental disability, all the reasons the Minister has just told us, that's no reason that they should be forced into living in places other than where they would wish to. It may be suitable for some to be in a smaller home, some in a larger. Some like smaller more home-like situations, and others are very happy in a larger residence in a more structured centre but there should be, where it's practical and possible, some choice for those people.

The problem seems to be with government philosophy and government policy. For instance, it seems to be government policy to require all residents to be panelled

and placed in homes by a field support team who place them where they wish to place them. They admit them to what they deem as appropriate places. It may be out of their own community; it may be somewhere not close to their next of kin. So they, to my mind, don't have a great deal of choice in where they are sent.

Also, there is not a great deal of choice by the owners and operators of these residential care homes. There isn't a great deal of choice into what clients they accept. So they can't regulate their structures and their level of care, so that they can provide the utmost care possible for the allowance, allotment of money they are allowed.

It also allows with this selection committee, if you will, for one facility to be used more often than another. For instance, I've had complaints from people who say that referrals are sent - there is favouritism, shall we say, in referrals of people to these homes. It is very difficult for operators to operate if there are empty beds in their facility. It cuts down on their efficiency and their income and makes it difficult for them to operate. Some operators are finding that they are passed over for one reason or another and people are referred to other facilities.

There is a problem, I'm told, with cash flow in that sometimes some of the operators have to wait for six to seven weeks for payment from a government agency. So this all adds to the difficulty of the operators. And as my colleague, the Member for Rhineland, has talked and questioned the Minister on the upgrading to meet standards, now we all of course agree that certain standards should be met, and I'm sure that many of the operators would be happy to comply with those regulations and standards if they had the finances to do so. But under the present rate structure, it is very difficult. The regulations came along, but there were no changes in order to make it easier for them to comply.

I think the Minister has failed to come to grips with this aspect of health care, of care in our province. At a half-hour meeting, which she allocated to the Association of Residential Care Home officials, the Minister's only answers to the whole problem of residential care was to tell them three things: first of all, the program is bankrupt and we have no money, she told them; secondly, the department has to rethink the whole program; and thirdly, she advised the association to do a study and pay for it themselves on the whole aspect of the residential care homes and the problems they were encountering. An estimated cost of this study would be \$15,000.00. Mr. Chairman, I think if that association could afford the \$15,000, I don't think they would have been at the Minister's doorstep complaining about the project, about the problem. They don't have that kind of funding to initiate a study into something that the Minister should be looking after.

Now when the Minister says that the department has to rethink the whole program of Residential Care Licensing and Residential Care, what was she meaning? How was it to be rethought? What sort of structure was going to take place? A study? What did she have in mind when she said that the whole program would have to be rethought?

HON. M. SMITH: Well again, I don't think the member opposite was here in the House prior to '81 . . .

MR. CHAIRMAN: No reference.

HON. M. SMITH: . . . Mr. Chair, and nor was I, but the system that the then government put in chose to go the route of licensing guest homes, residential care homes, and not dealing with direct operation or sorting out all these issues.

Now, I remind the members that basically most of these homes provide accommodation for the aged and infirmed who pay their own way, prior to them being pannelled for personal care home or admitted to an acute or extended care hospital. In fact, our role is at the residential licensing level. They pay, out of a combination of personal savings or family funds or their GAS-OAS or CPP if they're fortunate enough to have it, and the bulk of the system is out there operating on that basis. There are as well some homes for the post-mentally ill, and a great number developing under our program for the mentally retarded. Now in our case, we have built in mortgage amounts and levels of care amounts, and we've also worked on 24-hour planning and the full program mix, but that has not to date developed in all the other areas.

We could question whether it's even appropriate with the aged and infirm, many of whom their only need is to have some kind of shelter with a little bit of assistance and support. They are not departed from their senses. They still have the power of choice in determining their own lifestyle. So we have quite a mixture of systems out there.

This department in and of itself only makes determinations about size of residence under the mental retardation programs, the Welcome Home, and we're doing that for program considerations. In the other area, whatever an operator is able to get up and running and can make a go of, provided they meet our minimum standards and municipal zoning.

Now there is a complication in that municipalities are often stricter in their requirements than we, as a department, are. We at the moment have an initiative out with all the municipalities, trying to overcome some of the obstacles to zoning and trying to include all types of group homes. We've proposed to them that we go by a certain administrative procedure approach, whereby we would undertake not to license homes that are much larger than the surrounding environment or too different in architecture or whatever, in exchange for which the municipalities would forgo the timely or at least the time-consuming zoning hearings. And that will vary from area to area.

I think in time, I would like to see more fully developed programs for all the variations of vulnerable adults. Again, it's fairly costly. One of the sides does have to do with the income resources of people and of course as all our social assistance or GAS-OAS rates move up and hopefully keep pace with inflation - although with changes at the federal level that's becoming increasingly difficult. But large numbers of people are in fact going to be able to pay their own way.

The question of which types of homes we should be assisting with or funding and what the criteria should be, I think are some of the issues that we'll be getting into on the vulnerable adults legislation. It's going to deal a lot with protection of people from financial abuse and other kinds of abuse, but a quite relevant question should be access to services.

But make no mistake about it, it would be a new major area of public expenditure. If and when we, as a society, decide to move into it, I think we all have to be aware that it is going to be an added cost to the current system. But we do not at the moment run the residential care home system other than in the mental retardation field and, of course, in an umbrella sense, the Child Welfare and the Young Offender area.

MRS. C. OLESON: The Minister makes much of the fact that a great deal of these are private operators and paid for by persons themselves. But I think you have to admit that most of the involvement with this sort of thing is subsidized. So, in essence, they're not really masters of their own house, shall we say, they are subsidized to some extent and not to others. So it isn't what you'd actually call a free-enterprise operation.

Now, more recently, I guess the date is on this, in April of this year, there were a series of articles in the Free Press dealing with residential care homes and guest homes and it didn't paint a very rosy picture. The author of the articles had apparently visited many of these homes and it was very frightening and very depressing to read the articles and some of the things that she had noted on her visits. Now I'm sure there are many well-run and well-operated homes. But those are doing very well and they don't get notoriety, nobody writes them up as being wonderful. Of course it happens mostly with a lot of other things in this world that, when things are going badly, it's the only time it's news.

Now, in the article - I guess it's Part 2 called "Shades of Grey," from that series of articles - there is a quotation, and I'll read it to the Minister, "But a new Community Services Department policy may phase out larger homes. New homes applying for licences may have maximum of only eight residences. We prefer a situation as close to normal family living as possible," the person is quoted as saying. He also said, "Activities may easily be provided," and it goes on from there to describe what might be done.

But does the Minister not concur with me that there is room in this whole field of residential care for varying size of homes, that some are more suited to small homelike settings and some may be very happy or find the facilities in a larger home much better for them? Is there not room for a variation in sizes of facilities or do we have to tailor-make everything to conform to a philosophy of this ministry?

HON. M. SMITH: Mr. Chairman, I do remind the member opposite that the legislation under which the licensing operates was introduced by their government. As a matter of fact, the current legislation omits - (Interjection)- Well, just a minute, I'll get to the size of the homes. I can't comment on all the issues at once.

The current legislation actually omits residential services to quite a few groups. Many of them now voluntarily submit to a licence because they want that protection, but the ones who are omitted are: the physically disabled, the post-mentally ill, women's transitional centres, alcoholic-treatment facilities, probation halfway houses and medical receiving homes. So a lot of them are omitted.

Now in the infirm aged category, we don't say anything about the size of the home. They have to comply with

the basic standards of physical safety, of adequate nutrition, and appropriate administration of medication. It's only really in the area of mental retardation and mental health that in the first instance, Community Services, and in the second instance, the Department of Health, are actively involved in operating homes or in funding community-based homes.

In the mental retardation field, the guest homes, which are private, are few in number for the mentally retarded and the mental health areas. All privately operated guest homes, 65 of them, that are commercial establishments which sell their services, there were 20 in the M.R. field; 26 in the mental health field; 14 in the infirm aged; and another 5 are mixed.

They are allowed to operate - not new ones under mental retardation - it's the only area that I know of where we've tried to limit the size and we have done that by policy choice; I hope not in a sense of dictating, but because we find that the clients tend to do better in a more personalized environment and that is the policy choice. There's only so much money to go around and we, quite frankly, have felt in consultation with the advocacy groups that that's been a responsible move.

But in the other areas - that's an issue that we haven't moved to limit the size in those other areas. Now again, if the members opposite have strong feelings about that, I invite their submissions on the consultation paper because some of those concerns no doubt will come up. But we certainly have no intention at the moment of making any significant change.

There is another influential factor, and that is we will be able to get somewhat better federal cost-sharing on smaller residences. They tend to consider them a community service rather than an institutional service. As I mentioned earlier in Community Services, we have an inversion from the Department of Health where we can get CAP funding for community service, not for institutional. In Health, it's the other way around.

MRS. C. OLESON: Since the writing of this series of articles on guest homes and care homes in the Free Press, has the Minister initiated any investigations into some of the allegations that were made in those articles?

HON. M. SMITH: The department did go over those articles and, again, put together some figures for me and some comments on the article. I guess we disagree with significant elements in it.

The general line that the article followed was that the problems are endemic of profit-making care services for the elderly and they were indicating that there are much worse problems in the Ontario private nursing home system.

We have staked our course in other areas, such as day care and in the mental retardation field, although I don't know of any profit-making groups that have come forward while I've been around who've wanted to provide that service, but in the other areas, if they meet minimum conditions, they're free to operate as commercial establishments. As I say, we're responsible for ensuring the minimum standards. We're not responsible for the program and we don't pay the rates or set the rates of pay for the aged or the mentally handicapped - only mentally-retarded clients.

Commercial operators are free to charge whatever they feel the market can bear.

Currently, almost all the aged are self-paying and those that are paid for through social allowances would come under the Department of Employment Services and Economic Security. But it's probably an undue number of women that get caught in needing these services and wherever there has been a historical pattern of poverty, shortage of pension money, or whatever, it will start to surface with this age group. Now OAS, GIS and CPP, where appropriate, and some of the provincial supplements do significantly enable those people, when they're in the 55-plus age group to access service, but it is not on a luxury level.

With regard to the favouritism or referrals, the Department of Health has been working very hard in its regional look at acute care beds, extended care beds, personal care home beds, and support services for the elderly to adjust this sort of ad hoc system that had developed over time and try to get to some sort of equitable standards, so that region by region, depending on the age mix in the area, people are somewhat equitably supplied with services. I think that some of those issues can appropriately be addressed to my colleague.

MRS. C. OLESON: Last year in the Estimates of Community Services, in this area, I asked about the gentleman that had died of malnutrition in one of the care homes and the Minister's reply to me - I haven't got it in front of me - but the gist of it was that you can't force people to eat and that this really wasn't something you could regulate.

But since then, an inquest has found that the man died of malnutrition and the reason seems to be that the staff were not paying attention to what he was eating. Would the Minister not agree with me that it does bear some investigation to see why that person was ignored to the point of dying of malnutrition?

HON. M. SMITH: Well, I read that report too with a great deal of concern, because one of the problems that I've been aware of since entering the Department of Community Services is not only unmet needs in my own department, because social services - I think it's important to realize where they came from. They came here, there, and everywhere, usually because volunteer groups started a service in their area and government provided service in other areas, but in almost no service area was there a coherent province-wide plan and some management of the chain of services would be there in the most cost-efficient manner. We are living at a time when those two departments were split up on a rather, I don't know, illogical basis, I think, and certain groups have not had the benefit as yet of a fully systematic support system.

Now, speaking as a government member, I think what we've tried to do is map out a set of priorities in this bill; then we've maintained our minimum standards in this area; and then we've tried to move in where we thought the most vulnerable people were, the mentally retarded and gradually the building-off of that system for the post-mentally ill.

With the aged and infirmed, there has also been quite a thrust - and again you probably went through this

in the Department of Health Estimates - to develop a whole range of social support systems for older people living in their own home or neighbourhood. The entire issue of residents in guest homes is one which I think is waiting to be dealt with, but it is a big-ticket item and it is one I guess we felt, with the basic standards in place, the monitoring, it wasn't in as needy a state as some of the other services. But again, I invite contributions and ideas from the members opposite when we get into the vulnerable adults discussion paper, because that's where we're going to have to decide as a community, how serious we are about building those services.

Now back to the individual. There was involvement of quite a few workers in his case, from the Department of Health, medical people, the care home itself. And as I recall the conclusion, they were even wondering whether the man was refusing to eat because people were pushing him too much, that he was aging and I suppose it's an issue with more and more aging people that we are going to have to face.

At what point does a person have a right perhaps just to resist sustenance? Are we going to force-feed older people in any and all circumstance? I don't know the answer to that. I think it introduces a lot of ethical questions, certainly when people are non compos mentis, we do. We ensure that they get spoon fed or tube fed. But when they're in that not quite out of it stage and still seem to have a sense of themselves and making their own choices, one can push too soon to try and take away their right to decide.

I don't know the answer on that and perhaps it's a case that when we have a vulnerable adult, a reporting process and so on, it might have gotten picked up a little sooner and dealt with. But even the professionals that dealt with that case in retrospect weren't quite sure that anything different could have been done, short of force feeding.

MR. CHAIRMAN: The Member for River Heights.

MRS. S. CARSTAIRS: Yes, Mr. Chairman.

I understood the Minister to say earlier that there were 625 licensed facilities. And I ask that question because last year she said there were 627 but then she later corrected herself and said that there were in fact 187 facilities and 440 letters of approval. Is that the same ratio this year?

HON. M. SMITH: The total number of facilities approved and licensed is 625 with 2,278 beds. The breakdown is, licensed there are 144 facilities with 1,340 beds, and approved 481 facilities with 938 beds. Now again, there are all those other facilities that are excluded that may come under voluntary licensing.

MRS. S. CARSTAIRS: The Minister, Mr. Chairman, indicated last year there were 187. That's certainly more than the 18 homes that she's talking about having closed in a period of '81-86. What's happened to that 43 between 144 and 187?

HON. M. SMITH: I gave the figures for adult facilities and then there's an additional number of children's facilities - 56 under child and family licensed and under YOA one licensed and 19 approved.

Now, I'm not sure if I caught the number from last year that the member was referring to so if I haven't caught the question - if you'd repeat.

MRS. S. CARSTAIRS: Thank you. That's probably where the differentiation is.

I'd like to refer the Minister, please, to the consultation paper on proposed regulations on governing residential care licensing. In the background to the paper, it indicates some of the data that the Minister has already discussed today - the fact that the mentally ill, the child welfare wards, the mentally handicapped, the infirm elderly persons are, in fact, covered. I understand also the Young Offenders Program is covered under this licensing, but not the physically disabled, the post-mentally ill or adult offenders. There are recommendations certainly in this paper to indicate that they should also come under some form of licensing.

Does the Minister intend to move in this area?

HON. M. SMITH: We're doing quite a broad consultation. It's our belief that wherever, as I guess we expressed with the day care issue, that wherever vulnerable children are collected together in certain numbers on a regular basis, there should be licensing. We would agree that the same principle should apply to adults, but we haven't made a policy determination on that. We are waiting for the feedback. What we're also looking for is a procedural licensing method which would make unnecessary a lot of the zoning hearings. In other words, incorporate residential care places more naturally into the community, following the standards that we have proposed for discussion purposes.

MRS. S. CARSTAIRS: Many of the proposals in this particular consultation paper are very valid, trying to keep the facilities in appearance, to meld into the community, making sure that they are spread out throughout the community instead of concentration, all of those things, I think and hope will be readily supported by the community at large.

But one statement on page 8 has me somewhat concerned, and it says as noted earlier: Manitoba community services is also currently examining the eventual transfer of responsibility for administering this regulation from a central office, to a regionally-based program staff. What kind of regionally-based program staff does the department have in mind?

HON. M. SMITH: What we've been looking at is how best to link the standards with the program responsibility. We also acknowledge that it may be better to keep these separate, in the sense one is a review monitoring mechanism, and the other is a program development mechanism. So at first we had thought the coordination had an advantage over the central function. At the moment, we can also see some wisdom in leaving it as is, but making sure that we brought more of the group homes under that umbrella.

In terms of what staff we would have, they would be all the people who currently work in the health and community service regional offices. There are three main ones in Winnipeg, and they have decentralized sub-offices, and there are seven throughout the Province

of Manitoba, again, the multidisciplinary team of health and community services.

MRS. S. CARSTAIRS: I'd like to raise a particular home that has been recently given approval by this particular section, and I think legitimately so. Let me say that it's located at 189 Kingsway; it happens to be in my constituency; it is going to be a home having less than five; it'll be four or fewer children who come under The Young Offenders Act. Yes, they have had a difficulty with the law; but they have been determined not to be dangerous. There's no reason why they should not be in the community, and there's no reason why they should not be in my constituency.

My only concern was that they seemed to have been moved in very quickly and created an awful lot of furor on a couple of streets that I thought was unfortunate, because I think the community could have been more receptive to their living within their midst if some groundwork had been done beforehand.

Is this customary? I know it is not customary in larger group homes. I know there's a lot of discussion that goes on beforehand. When a situation, however, involves a then-approved home, which means it's quite small, is there no attempt to work with the community to make sure that they know what is going into their block and how these young people will in fact merge with them into the community?

HON. M. SMITH: I think this was the case where the individual who had the licence for the open-custody home lived on Grosvenor Avenue, and then she - (interjection)- Well, I have Grosvenor, but anyway, and then moved to Kingsway. Now the City of Winnipeg actually gave the permit for that move, and then I was required to designate the new home. There are 10 such homes in the city and 17 throughout the province.

The home care operator is responsible for the young people on a 24-hour basis, and there are some penalties along with the use of the probation officers involved. If there are any problems with the individuals, I think I would recommend that people go to the operator or call the probation office. Certainly, I suppose one has to expect the usual age-appropriate behaviour but, if there is anything beyond that, I think something could be done.

I think you asked whether there was involvement of the local community in approval. I don't think there automatically is, probably because we haven't encountered problems with this particular type of service. You know, they may blend in better in some neighbourhoods than in others. Our intention has been to spread them around the city. We've done quite a lot with the - or at least the community boards have - mental retardation homes, and have done a lot I think to make the community more comfortable with the arrival of the home. The stories we're getting is that, in general, even the reluctant people who didn't quite get converted to the idea before the home was set up are usually very happy with it after. Some of the fear is overcome. But as with any group living in the community, there are some potential risks.

I would think that speaking to the group home operator, if there is no satisfaction there, going to the probation people would be the way to go.

MRS. S. CARSTAIRS: I'm certainly not suggesting that the community should approve. I think that, if a home is found and it is an appropriate home and it's an appropriate living situation for those people, I don't think that necessarily neighbours should be able to say, I'm sorry, I don't want it on my block.

What I found, however, when I contacted in this case Corrections, was a wonderfully positive attitude about let's have an information session and we will provide the information session and we will make sure that there are in fact good feelings within the community.

All I'm suggesting is that it might have worked better if in fact the information session had been offered before they moved in, rather than after they moved in.

HON. M. SMITH: We'll pass that helpful suggestion along to staff.

MRS. S. CARSTAIRS: Just a couple of other questions in the area, in terms of the inspection of these facilities, can the Minister tell me why staff contacts the particular home that's going to be inspected prior to their coming to do the inspection?

I find that a preposterous state of affairs. If I was running a less than standard care home, I would think that I could put it in pretty good cosmetic shape in a couple of days for my inspection, but that wouldn't necessarily be a fair inspection.

HON. M. SMITH: We are ensuring that the homes are visited semi-annually and, where they're under some kind of conditional or development of licensing, quarterly. We do, as a matter of courtesy, notify them for the semi-annual visits, but the quarterly are random.

In general, the things that we're looking at have to do with the fire and safety provisions, which aren't something that one can quickly put in and remove, and also the training level of the staff and their procedures for handling medication and so on. The nutrition, there's a look at the menus and so on. So there is a mixture. Especially where there's any doubt or conditionality at all, there are some visits made without notification.

MRS. S. CARSTAIRS: I'm pleased to hear the Minister say that, because that has not indeed been my experience with regard to one of these inspections. The Minister and I have had correspondence with regard to a particular home.

I have my own concerns, quite frankly, about this particular home, having sent someone over to take a look at it, so I recognize the Minister's concerns as being legitimate. But apparently, they were not inspected in a whole year, despite her reservations, and they were given over a week's notice. In something as significant as nutrition, I certainly could put a very nutritious meal together if I knew the inspector was coming on that particular day, but that may not be what those residents received the rest of the time.

HON. M. SMITH: Mr. Chair, I would appreciate it if the member perhaps could give us afterwards the name of the home so that we could double-check.

Again, this system was set up based on a, I guess, dual responsibility, and some minimal respect for the operator. They are checked carefully in most instances

- well, I guess I can speak more of the program ones in my own area. The people who operate the homes are checked, the evidence of meal planning and so on. But it's the argument that we've made in the day care field where, by the way, inspectors do show up unannounced that, especially with very young children, the dual protection of the monitor plus the parent board are important, because it's very difficult to completely ensure standards with these occasional visits.

The licensing is a minimum guarantee. It's certainly not optimum, and it may be in time that we'll be developing higher standards. But again, it's like everything else that we move into in the social service field. These things do not come inexpensive, and we have to be very sure that it is the priority area that we want to move in.

MR. CHAIRMAN: The Member for Portage.

MR. E. CONNERY: Thank you.

The Minister, Mr. Chairman, said that licensing was done by the department. Are these MGEA staff who do all the licensing?

HON. M. SMITH: Yes, Mr. Chairman.

MR. E. CONNERY: In no instances is any of the licensing shopped out to groups like the ACL as a sub-contract in any way?

HON. M. SMITH: No, Mr. Chairman.

MR. E. CONNERY: In the case of the Amba Homes last year, which had a little bit of notoriety in the press, in the licensing procedure, do they approve of the director of the home and so forth? You inspect all of the other things. What about the director who runs it? Their problem was not having the facilities or the ability to run a check on the director. Is this not part of the licensing procedure, to make sure the director is a qualified director?

HON. M. SMITH: I can understand the difficulty that members have with all the terminology and the different areas. In fact, the mental retardation program plays a much more active role in reviewing the program planning and services in a residential location than is done in the vast number of other residential care homes. What they would do in terms of the hiring would be to train the boards to perform that function and to give them advice on checking out credentials and training and so on.

I think the difficulty in this particular home was caught very early on in the operation of the home and, in fact, led to a much strengthened training for the boards prior to the opening of a home. I don't think all the allegations about reference checking and so on were borne out in fact. I think the actual concern centered on some other factors. Again, I just throw that in, because sometimes the media reporting, not all the allegations are borne out in a more detailed investigation.

But I think again, the dual protection of the staffperson who comes in to check, the residential licensing people who come to check the fire and safety

and the nutrition, medication-type activity and then the community boards provide as good a set of supports and guardians, if you like, of the well-being as we can.

MR. E. CONNERY: I think it's a little bit of a ridiculous statement for the Minister to say that they train the boards, and then the boards have the ability to check out the directors. Mr. Chairman, these boards do not have the expertise. They do not have the ability to make contacts in other provinces where the department does. Why would the department abdicate that particular responsibility to boards who are inexperienced and just do not have the ability to check out the directors, who they could be hiring, as in this case, from another province? I think the Minister should review that particular aspect of it because I think it's a very dangerous one.

HON. M. SMITH: Mr. Chair, there are about 800 volunteer organizations with community boards that we deal with in a year. I think all those boards, certainly the ones that I've had any direct experience with, don't have all the expertise in the world, but there is among the board representatives quite a fund of experience and expertise.

Also, there is ongoing training, and we've certainly identified it as a need that will be with us for some time. Very often the boards, when they start out, don't know what they don't know, and it's a question of ongoing working with them. But the vast majority have performed their task well and have kept a good eye on the board and on the staff that they hire. I think an important thing for them to understand is that they do have the responsibility and the authority to have staff that they have satisfaction with. If we just put in staff and then had them as an advisory group, I don't think we'd get anything like the level of involvement or personal responsibility that we're currently experiencing.

MR. CHAIRMAN: The Member for Rhineland.

MR. A. BROWN: Thank you, Mr. Chairman.

I would just like to briefly get back to the discussion that the Minister and I had previously whereas we were talking about Level 4 patients being in some of these homes, especially in some of the larger homes, and we all know how they find themselves looking after Level 4 persons because these persons come in there when they're relatively in good condition and they stay there for a number of years and eventually need larger care.

Mr. Chairman, I was here when the Department of Health, Community Services, Income of Security, all of that was all one department. Then in 1979 or thereabouts there was a division and I was part of the group that was making that particular division at that time between the Departments of Health and Community Services. There are always some areas do occur whenever you split up a particular department where you do run into some difficult situations which later on you have to try to resolve somehow or other in the best way that you can.

Mr. Chairman, there was no way that we can look after these persons that we have in some of these larger

homes at the present time who are Level 4 because we just do not have the space available. So we either have the alternative of taking these people out on the street or looking after them in some of these larger homes which we are doing at the present time. However, extra funding is needed for them which the Minister cannot provide out of her budget at the present time and I realize that. But I also know that the Minister should get together with the Minister of Health and see if we can't arrive at some kind of an agreement where funding could be provided for these Level 3, certainly, and Level 4 people who do need fairly extensive care, so that they could be looked after and at least until such time as we can provide alternate care in some other place.

I hope that the Minister is going to take this under consideration because this is really placing these larger group homes in a very, very difficult situation and hopefully we can resolve this area. Because really all that it needs is a little bit of common sense and we can provide the kind of care which these elderly people certainly deserve and which is going to make it possible for these operators, who are looking after them at the present time, which is going to make it possible for them to continue to do so.

HON. M. SMITH: Well, Mr. Chairman, I certainly have had many talks and also with the Minister of Employment Service and Economic Security and we are aware that there is potential there for government action. We haven't moved quickly. Manitoba, in fact, had more personal care home beds than any other province. In the worsening economic climate and decline of federal funding, I know members opposite think that we somehow live on an island here but we don't. We've said our first priority was to maintain and stabilize the services we already have and then we have prioritized as we've gradually moved out to provide new social services.

I think it's important to look at the needs of Levels 3 and 4. There are community regional operations in each region who will panel a person if their condition suddenly deteriorates, so no group home operator should feel that they have indefinitely a responsibility that they didn't expect.

I'm not convinced that the size per se of the home is the factor, but I think the whole area of funding for adult services is one that is I say we will be looking at in conjunction with the vulnerable adults legislation review. I look forward to the inputs from the members opposite, but I do remind them that they get equally exercised when we talk about deficit and our attempts to manage that deficit and still ensure that needy people get the minimum support services they need and just challenge them as we challenge ourselves week by week and year by year to try and manage both the fiscal affairs prudently and ensure that the people with the greatest needs do get their share of the community resources.

MR. CHAIRMAN: 2.(b)(1) Residential Care Licensing, Salaries—pass; 2.(b)(2) Other Expenditures—pass.

Resolution No. 31: Resolved that there be granted to Her Majesty a sum not exceeding \$1,210,700 for Community Services, Registration and Licensing

Services, for the fiscal year ending the 31st day of March, 1988—pass.

Committee rise.

Call in the Speaker.

IN SESSION

MR. ACTING DEPUTY SPEAKER, D. Scott: Do we have a motion for adjournment?

HON. M. SMITH: I move, seconded by the Member for Burrows, that the House do now adjourn.

MOTION presented and carried and the House adjourned and stands adjourned until 1:30 p.m. tomorrow. (Tuesday)