



Legislative Assembly of Alberta

The 28th Legislature
Second Session

Standing Committee
on
Families and Communities

Ministry of Education
Consideration of Main Estimates

Tuesday, April 8, 2014
7 p.m.

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Second Session**

Standing Committee on Families and Communities

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Jablonski, Mary Anne, Red Deer-North (PC)
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* substitution for Heather Forsyth

** substitution for Rachel Notley

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Barnes, Drew, Cypress-Medicine Hat (W)
Bikman, Gary, Cardston-Taber-Warner (W)
Hehr, Kent, Calgary-Buffalo (AL)
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Standing Committee on Families and Communities

Participants

Ministry of Education

Hon. Jeff Johnson, Minister

Greg Bass, Deputy Minister

Ellen Hambrook, Assistant Deputy Minister, Education Program Standards and Assessment

7 p.m.

Tuesday, April 8, 2014

[Ms Olesen in the chair]

**Ministry of Education
Consideration of Main Estimates**

The Chair: I'd like to call this meeting to order and say welcome to everyone. The committee has under consideration the estimates of the Ministry of Education for the fiscal year ending March 31, 2015. I'd ask that we go around the table and introduce ourselves for the record. When we get to you, Mr. Minister, if you would introduce your staff that is with you.

At this point I'd like to confirm also for the record that pursuant to Standing Order 56(2.1)-(2.3) Mr. Bilous is substituting for Ms Notley, Mr. McDonald is subbing for Mr. Jeneroux, and Mr. Anglin is substituting for Mrs. Forsyth as deputy chair this afternoon.

My name is Cathy Olesen, MLA for Sherwood Park and chair of this committee.

Mr. Anglin: Joe Anglin, MLA for Rimbey-Rocky Mountain House-Sundre.

Mr. VanderBurg: George VanderBurg, Whitecourt-Ste. Anne.

Mr. McDonald: Everett McDonald, Grande Prairie-Smoky.

Ms Fenske: Jacquie Fenske, Fort Saskatchewan-Vegreville.

Ms Kennedy-Glans: Donna Kennedy-Glans, Calgary-Varsity.

Mrs. Jablonski: Good evening. Mary Anne Jablonski, Red Deer-North.

Mr. Bilous: Good evening. Deron Bilous, MLA, Edmonton-Beverly-Clareview.

Mr. Hehr: Kent Hehr, MLA, Calgary-Buffalo.

Mr. J. Johnson: Jeff Johnson, MLA, Athabasca-Sturgeon-Redwater. Do I introduce them now or after?

The Chair: Please. Yes, do it now.

Mr. J. Johnson: I've got Greg Bass, our deputy minister. We have Mike Walter, ADM. Brad Smith is our executive director of strategic and financial services. We also have Ellen Hambrook, assistant deputy minister of education program standards and assessment; Dean Lindquist, assistant DM of learning supports and information management; George Lee, director of budget and fiscal analysis; Neil Fenske, executive director of program standards and assessment; Merla Bolender, executive director, programs of study and resources sector; Laura Cameron, our executive director of capital planning; Camille Weleschuk, our acting director of communications; Tom Bradley, whom everybody knows, my chief of staff; and Dan Powers, my press secretary, because we're not allowed out unsupervised, as you know.

The Chair: Thank you.

Mr. Barnes: Drew Barnes, MLA, Cypress-Medicine Hat.

Mr. Bikman: Gary Bikman, Cardston-Taber-Warner.

Mr. McAllister: Bruce McAllister, Chestermere-Rocky View, and with me, Chair, is my education assistant, Micah Steinke.

Ms Cusanelli: Christine Cusanelli, MLA for Calgary-Currie.

Mr. Sandhu: Good evening. Peter Sandhu, Edmonton-Manning.

Mrs. Leskiw: Genia Leskiw, Bonnyville-Cold Lake.

Mrs. Fritz: Yvonne Fritz, Calgary-Cross.

The Chair: Thank you.

Hon. members, as you know, the Assembly approved amendments to the standing orders that impact consideration of the main estimates. Before we proceed with consideration of the main estimates for the Ministry of Education, I would like to review briefly the standing orders governing the speaking rotation. As provided for in Standing Order 59.01(6), the rotation is as follows. The minister may make opening comments not to exceed 10 minutes. For the hour that follows members of the Official Opposition, Wildrose, and the minister may speak, and you'll decide how you want to split that up.

For the next 20 minutes the members of the third party, Alberta Liberals, if any, and the minister may speak. For the next 20 minutes the members of the fourth party, NDs, if any, and the minister may speak. For the next 20 minutes the members of any other party represented in the Assembly or any independent members and the minister may speak. For the next 20 minutes private members of the government caucus and the minister may speak. For the time remaining we will follow the same rotation to the extent possible; however, the speaking times are reduced to five minutes.

Members may speak more than once; however, speaking times are limited to 10 minutes at any one time. A minister and a member may combine their time for a total of 20 minutes. For the final rotation, with speaking times of five minutes, once again a minister and a member may combine their speaking time for a maximum total of 10 minutes. Members are asked to advise the chair at the beginning of their speech if they wish to combine their time with the minister's time.

Three hours have been scheduled to consider the estimates of the Ministry of Education. With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting.

Committee members, ministers, and other members who are not committee members may participate. Ministry officials may be present, and at the direction of the minister officials from the ministry may address the committee. Members' staff may be present and, space permitting, may sit at the table or behind their members along the committee room wall. Members have priority for seating at the table at all times.

If debate is exhausted prior to three hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and we will adjourn. Otherwise, we will adjourn at 10 p.m.

Points of order will be dealt with as they arise, and the clock will continue to run.

Any written material provided in response to questions raised during the main estimates should be tabled in the Assembly for the benefit of all members.

Vote on the estimates is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on April 16.

I would now like to invite the Minister of Education to begin with his opening remarks.

Sorry; Ms Kennedy-Glans.

Ms Kennedy-Glans: Thank you. I'd like to ask questions on behalf of the independent caucus.

The Chair: Absolutely.

Ms Kennedy-Glans: Thank you.

The Chair: Thank you.

Mr. Pedersen, welcome. If you would read your name into the record.

Mr. Pedersen: You bet. Blake Pederson, MLA for Medicine Hat. Thank you.

The Chair: Thank you very much.

Now we will ask the minister to open with his remarks.

Mr. J. Johnson: Thank you, Madam Chair. [An electronic device sounded] Am I done already? Is that what that beep is? I'm out of time?

I'm very happy to be here and happy to present the ministry's 2014-2017 budget estimates and business plan. This budget reflects the government's commitment to supporting Alberta's families and communities through strategic investments in education. We're investing \$7.4 billion to ensure Alberta kids continue to have access to leading-edge learning opportunities and that the best education system in Canada continues to be strengthened. We're putting more support in place to accommodate Alberta's booming student enrolments and changes in student demographics. We're ensuring the funds are there for priorities like small class sizes, inclusive education, and new school infrastructure, all of this to ensure our kids get the education that they need to be successful.

This year's budget reflects our commitment to a student-centred education system and to bringing Inspiring Education to life in our schools. We're continuing to prepare for growth and keeping with our building Alberta plan, and there are six programs in the budget.

Our voted estimates begin on page 53 of the estimates book. We have two primary funding streams that are important for you to note. The voted operational expense is supported by revenues from the general revenue fund. This accounts for a total of about \$4.2 billion, or about 65 per cent of the total operating education budget. Education property taxes total about \$2.1 billion. Approximately \$1.9 billion of this amount resides in the Alberta school foundation fund. The remaining \$204 million goes to local separate school boards that choose to collect their education property taxes directly from their municipalities. These amounts are outlined on page 54 and on page 59 of the estimates.

Now on to the estimates for 2014-15. A total of \$649 million will be spent to support new construction and modernizations of Alberta schools in this year. Details of this spending can be found on page 59 of the estimates. As you can see, \$12.2 million of the capital funding is statutory and will not be voted on as part of this budget. In addition, \$377 million is allocated to the teachers' pension plan. This nonvoted amount, or statutory expense, is outlined on page 54 of the estimates.

When you combine the \$4.2 billion in voted estimates, the \$2.1 billion in education property taxes, the \$649 million in capital expenses, and the \$377 million in support for teachers' pension – and there are additional dollars for teachers' pension that I'll speak to in a minute – that \$377 million in statutory expenses, support for the K to 12 education system reaches \$7.4 billion and will grow to \$7.8 billion over the next three years.

The breakdown of the ministry's six programs begins on page 54 of the estimates. As we go through the following program breakdowns, you will know that the majority of expenses are in

program 2. These expenses flow through the ministry to support the operations of school jurisdictions.

The first program in our budget, ministry support services, represents the corporate function of the department, including the minister's office, deputy minister's office, corporate services, information and program services, and communications. This program increases by .7 per cent, or \$165,000, and that is due mostly to minor adjustments to supplies and services. In Budget 2013 we reduced our discretionary spending requirements such as travel, hosting, equipment purchases, consulting services, and conditional grants. In Budget 2014 the department will continue these strategies in restraining our administrative spending.

The second program is operating support for public and separate schools. The voted portion of this program is \$3.9 billion. If you include the nonvoted amount from education property taxes and the statutory obligation for the teachers' pension plan, operating support to public and separate schools grows by \$201 million to \$6.4 billion, a 3.2 per cent increase this year over last year.

7:10

What does this budget provide to school boards? Government's fiscal year spans over two school years. Part of the increase under Budget 2014 must go towards the last five months of the '13-14 school year. It provides for general student enrolment growth in September 2013. This budget also supports grant rate increases and student population growth for the 2014-15 school year, where enrolments are expected to grow by approximately 3 per cent. That's over 18,000 new students coming into the system.

With Budget 2014 government continues its commitment to inclusive education and the small class size initiative. Both programs will receive 2 per cent grant rate increases for the 2014-15 school year, which brings the total support for inclusive education to over \$402 million, thereby giving school boards the flexibility to meet the unique needs of all students.

Under the small class size initiative funding will increase by \$17 million, or almost 7 per cent, 6.9 per cent. Total funding under the initiative will reach \$265 million this year. We expect that school boards will continue to determine their own class sizes and direct our investment where it has the most impact in the classroom.

Albertans expect us to help every student to be successful. In Budget 2014 we are providing \$45 million to provincial school authorities to help with programs and instructional supports to improve First Nations, Métis, and Inuit student achievement.

Also included in Budget 2014 is \$61 million for the regional collaborative service delivery, or RCSD. This is an increase of \$2 million, or 3.4 per cent, over the previous year. RCSD is a new model to support schools and community partners – it's not completely new money; it's a new model – in meeting the needs of children and youth as well as families who have children and youth with complex needs.

Maintaining healthy and safe learning environments for Alberta students and staff remains a government priority. In Budget 2014 we're investing \$476 million in plant operations and maintenance for the day-to-day upkeep of the school. We're also providing \$6 million in plant operation and maintenance, or POM, funding to private schools to recognize the cost associated with providing a healthy and safe learning environment for their students.

In Budget 2014 we have also included an increase of over 3 per cent to the equity of opportunity funding to ensure equitable access to education programs for all Alberta students. This brings total funding under this envelope to \$113 million this year. This grant continues our commitment of the \$107 million that was put back into the budget two years ago to ensure equitable access to

educational programs for all students and recognizes the unique issues faced by rural school boards due to declining enrolment and distance challenges.

Under this budget we'll continue to support a safe transportation system for nearly 300,000 K to 12 students across Alberta. As in previous years I encourage boards to take an innovative and collaborative approach to transportation planning and consider how they can deliver these services most effectively.

As part of Budget 2014 we are also providing mitigation funding to eligible school boards. This one-time funding will ensure that no school board will get less funding than what was provided in the previous school year, using estimates from enrolment as of February 2014. Mitigation funding helps provide more certainty to school boards as they begin planning for the upcoming school year.

To the benefit of our students Alberta teachers continue to have some of the highest compensation levels in the country, and this includes a generous pension plan. Under Budget 2014 contributions made by the government of Alberta on behalf of teachers for current service increases by \$20 million to \$377 million. Government is also contributing an additional \$455 million for the cost of the pre-1992 teachers' pension liability.

Boy, have I got a lot of notes here. But I'm sure we'll get to all of it. Maybe I'll skip to the end here if we have an end. There are a number of programs, obviously, to get through.

The good news is that all the enrolment is completely funded, 2 per cent increases on inclusion and class size. The maintenance and the capital dollars are the good news in this budget. They've increased. The dollars for modular classrooms have increased.

One of the challenges that we have is the fuel contingency. We were not able to put that back in the budget. We had to focus our dollars on the enrolment increases, which is driving a demand of about a \$217 million increase to the operating budget of the Education department, which is about 3.3 per cent.

With that, I will thank you for the opportunity to open today, and I'm happy to take questions.

The Chair: Well, thank you very much.

Before we move on, I'd like to welcome MLA Jeff Wilson and MLA DeLong, who have joined us. Thank you.

Before we start a rotation, MLA McAllister, will you be taking the questions?

Mr. McAllister: I will.

The Chair: And how would you like to proceed?

Mr. McAllister: I'd like to go back and forth, Madam Chair. If there is a chance near the end, depending on how time goes and how much the minister and I are able to get through, I may refer a few minutes to the Member for Cypress-Medicine Hat, if that's all right. I'll see how it goes.

The Chair: Mr. Minister, that's fine with you?

Mr. J. Johnson: You betcha.

The Chair: Great. Thank you. Whenever you're ready.

Mr. McAllister: Okay. Thank you. And, Minister, thank you for the opening remarks. I wish your 10 minutes wouldn't have gone by so quickly. I would have liked to have heard what else was in there because I don't want to be redundant and ask things that you probably were going to tell us about. I know you've been a bit under the weather also, but I hope to let you do most of the talking

tonight. So you can hold me to that. I think people want to hear your responses, more so than long-winded questions.

I also will acknowledge as we get started that it's not an easy job to sit in your chair. It's tough to be all things to all people, and I know that from travelling as the Education critic, the Official Opposition critic, which I'm proud to be. You can't do everything everybody wants you to do. I certainly acknowledge that and also that, you know, I think we agree on a lot of things although lately we've disagreed on a few. I'm sure we'll touch on them.

I would start with capital and try and ask you a few questions just for some clarity more than anything. The budget for school facilities infrastructure, I think you just mentioned, is \$610 million this year. From the capital plan we also see that that's \$109 million to complete the 35 new schools and modernizations announced in 2011 by the same government but, I guess, previous to the last election, \$108 million for maintenance and renewal, \$345 million for the new 50/70 project, \$2 million for modulars. Are you able to tell us how much has been spent on the 50/70 plan to date?

Mr. J. Johnson: How many of the dollars have been spent on the 50/70?

Mr. McAllister: Yeah.

Mr. J. Johnson: I don't know that any, really, have been spent on the 50/70 other than – we're talking about to-date numbers? We're not talking about the budget. We're actually talking about this year, right?

Mr. McAllister: Yeah.

Mr. J. Johnson: Okay. You know, I can't answer that. That's probably a better question for Public Accounts because it's this current year or past years rather than looking at the budget going forward. The 50/70: none of those, of course, have a shovel in the ground, so there are no construction bills in for those yet. The dollars that would have been spent on those are strictly planning dollars, so those would be in the Infrastructure ministry's budget. Those guys are doing the planning on those as well as school boards.

I've just been passed a note because I didn't have it off the top of my head – so thank you for this – and it's not in this budget in that level of detail, but the planning dollars that we have in this year, which is last year's, which is this year's, right? So we're talking about '13-14, just to be clear. What gets confusing is that the Education budget, the fiscal year spans two school years, too. So \$63 million was in the budget for the planning design work for the 50/70 out of the previous.

Mr. McAllister: Thank you. I appreciate that from time to time you're going to reach out – there are giant columns here – to try and figure out where it's all going.

Mr. J. Johnson: We have experts to do that work.

Mr. McAllister: That's good. You've got a lot with you tonight, and good for you.

Do you know how much has been spent on the 35 schools and the modernizations? Do you know how much has been spent on those up to now, the previous announcements?

Mr. J. Johnson: This is the ASAP?

Mr. McAllister: Yeah.

Mr. J. Johnson: No. I can't answer that, but we can endeavour to get you that.

Mr. McAllister: Okay. You've announced the 50, obviously, and have begun to plan. Do you have any idea of the planning stage? I know you just mentioned that it's another department, but do you have any idea what it costs before you get the shovel in the ground for each of these projects?

Mr. J. Johnson: No, because – you know, that's an interesting question. I'm sure there's an industry benchmark in terms of what kind of per cent of the project overall would typically go into planning. I don't know if – 10 per cent? Ten per cent is what I'm being told.

7:20

Mr. McAllister: Thank you, Mr. Walter.

I guess what I'm trying to figure out at the end of the day, you know, is what we've spent and what we're going to wind up spending. As I think back to last year and our discussions, it's tough to nail down when you bundle schools in different ways and you have the P3 builds, et cetera, et cetera. You can't, I gather, figure out the cost up front, but do you have any idea what this 50/70 plan will cost?

Mr. J. Johnson: Well, I think we have a fairly decent idea. I mean, it's over \$2 billion. You know, we've got some kinds of benchmarks to the tune of maybe even 2 and a half billion dollars. Of course, until the planning is done and the tendering is done and we get the numbers back and you have a look at how these are actually going to be procured, which has to do with Finance and Infrastructure as well, you don't get the exact numbers, but we anticipate it to be up over the \$2 billion mark.

Mr. McAllister: You just mentioned that we don't have a shovel in the ground on any of these yet. Do you have any idea when these projects – we know how much we're going to spend on them – are going to be completed or started?

Mr. J. Johnson: Well, you know, you've heard the Minister of Infrastructure talk about it, and he's made some pretty strong commitments that they're doing everything they can to have these open in the 2016 school year, which was always our intent. The ones that have been announced that have had substantial planning done already, the ones that were announced in the spring, are obviously going to be easier and many of the modernizations will be easier than some of the larger new ones.

The other thing that's happening right now is we're getting requests from school boards to give them more time because many of them are wanting to do the projects themselves. They're wanting us to give them the money so that they can plan the projects and do them locally and maybe leverage partnerships and resources, especially in rural Alberta. I've been talking with the Minister of Infrastructure, and we're very open, I think, to accommodating school boards that are saying: "Hey, we want to partner with the postsecondary. We want to partner with the municipality. We want to use, maybe, some local resources."

Mr. McAllister: And rural Alberta is talking about it, too? I know you've got a deal with the CBE.

Mr. J. Johnson: Oh, yeah. Rural Alberta, you bet. They're asking as well.

Mr. McAllister: I'll follow up on that point in a little bit because I'm curious to know how that's all going to work.

I guess you don't really have a number. Do you have any idea of how many of these projects are going to be completed by 2016? Would you care to take a guess?

Mr. J. Johnson: Oh, I think we've got a good shot to have them all open in that 2016 school year. Absolutely. You know, the 2016 school year is within that three-year window of the announcement of just about all of these schools, certainly the ones that we announced in the spring and the ones that we've just announced now. That's two and a half to three years. So that's the typical window on doing these school projects.

Mr. McAllister: Okay. Last year I know I asked you the question, "Would you be able to honour the commitment and get the 50/70 done in the four-year term?" and I think you were pretty clear that it would take an extra year or two. Given that none of the projects have started yet, you'll understand that the public is pretty skeptical as to whether they're going to get done. Can you tell us here tonight when these projects are going to start?

Mr. J. Johnson: You'll have to ask the Minister of Infrastructure those questions because he's the one managing the projects.

Mr. McAllister: If I was in a community, say, that had a school promised and I've had a sign there and I said to you as the Minister of Education, "When will you start this project so we can have some hope in our community?" what would you say to that community member?

Mr. J. Johnson: I think I'd say exactly the same thing I just told you.

Mr. McAllister: I bet you wouldn't.

Mr. J. Johnson: We'll have to ask the Minister of Infrastructure. He's the one managing the project.

Mr. McAllister: Yeah. You see what I'm getting at here. I mean, I would assume that in Education you would know – it's your department – when these projects are going to start, or even some of them. You must have some at a point where they're close.

Mr. J. Johnson: Oh, I think we have. You've got to understand that we have close to 200 projects on the books right now.

Mr. McAllister: Sure.

Mr. J. Johnson: So if you have a specific project in mind, maybe one in your constituency that you want to know about, I can sure dig that up.

Mr. McAllister: No. I think I've got one that's done, which I'm thrilled about, Kinniburgh school, which your deputy minister and I were at a groundbreaking for some time ago. But I'm not thinking specifically. I think you'll appreciate, as we all can here, that you're going to get questions from everybody. If you're in a community and you had a school promised, you're just wondering where you are and when the projects are going to start. So I don't think it's unrealistic to ask you: for the 50 promised schools in the last two years, when are you going to start building them?

Mr. J. Johnson: Well, it's a fair question, except – I don't know how many times I can say it – I'm not the one that builds them, and I'm not the one who tenders the contracts, and I'm not the one that manages those projects. We've got a process for that in government. Education has a strong role to play in making the decision on which projects get funding, but the expertise and the

core capacity for competency for managing the projects resides in Infrastructure. So if you want a lot of detail about the projects and the timelines, that's the minister to ask.

I can tell you that all the projects have started design, all have had kickoff meetings, and the procurement, which is the tendering – of course, the contracts haven't been closed on tender yet. So until those happen, you're not going to get a shovel in the ground on those.

The Chair: Just for clarification, I want to get us back on track, discussing the Education budget for 2015. Just so that we can kind of keep on track.

Mr. McAllister: We're talking about the finances committed to the capital plan and the schools that we're building this year, the money that's committed in the budget and when we're going to start spending that money, Madam Chair, with respect.

The Infrastructure minister, when asked when he was going to start spending this money that's committed to these projects, said: you'll have to ask the Education minister. I mean, that was basically what came out of that.

Mr. J. Johnson: On when the shovels would go in the ground or the money committed to the projects?

Mr. McAllister: When they're going to be started.

Mr. J. Johnson: No. The projects and the tendering of the contracts are managed by Infrastructure and local school boards.

Mr. McAllister: Well, I wish that I had the *Hansard* in front of me. I didn't sit in on the meeting, but I was given the impression that he's doing the same thing that you're doing to me by saying: you know, we'd like to start spending this money. Again, Madam Chair, that's committed, as I referred to in the opening, in the budget to starting these school projects.

Mr. J. Johnson: Well, you know – sorry. To clarify that, there's certainly a partnership there, and one of the major roles that our team plays is the collaboration, the facilitation, and the planning of the projects with the school boards. So when you're talking about planning meetings – what does it look like, what's the scope of this thing, where is it going to locate, what are the partnerships involved – our folks definitely are involved in that. But once you get to the actual tendering of it and the shovel in the ground and managing the project, that's what the experts . . .

Mr. McAllister: Fair enough, Minister. I probably spent a little more time on it than I should have. The bottom line from people is this. They'd like to know when those schools are going to be started.

Mr. J. Johnson: Well, I respect that.

Mr. McAllister: I know you do. Whether it comes from you or the Minister of Infrastructure or whomever, you know, that's a question we ought to answer for these communities.

In the Infrastructure estimates also from just a while back the minister said that it would be fair to say that there is no final decision on how these schools will be built. I know that this has everything to do with finances and the money that you're committed, and I know that you're looking for the best deal. Is this the case today? Do you know how those projects are going to be unbundled? Are you going to bundle them? How are you going to build them?

Mr. J. Johnson: No. We don't know. Again, like I said, the managing of the projects and the tendering is something that the Infrastructure ministry manages. So what they do – and I know from being in that chair previous to this one – is they'll look at all the projects that we've laid out. They'll look at the opportunities there are for bundling and where it makes sense to bundle or to P3 or to do design/builds or design/bid/builds or traditional builds or just grant the money to a school board. They'll look at each one of those individually and then make decisions on how they do it. Then they have to also work with the Minister of Finance on the funding. As you know, a lot of these projects are going to be financed projects. P3s are one way to finance a project, but obviously there is money to be borrowed for others.

Mr. McAllister: Sure. We do know that there are 19 schools bundled, though – right? – and there's money being spent there?

Mr. J. Johnson: There are 19. Out of the first round of the announcements in the spring, 19 of those were going to be P3s. That's right. They were going to be bundled. That's not necessarily – well, that's one form of bundling. You bet. So that's correct.

Mr. McAllister: Okay. You know, one of the criticisms was with doing it this way. One of the strengths, according to you and your department officials – and I'd love to see the numbers back it up because it would probably take away the criticism from people – is that this is a more financially efficient way to build schools, and these 19 tendered projects make more sense. It's my understanding that there was one bid for these projects, right?

Mr. J. Johnson: Yeah.

Mr. McAllister: And wasn't the object to have more competitive bids so that you could bring the number down?

Mr. J. Johnson: Always. Always. Yeah. Do you want me to speak to that?

Mr. McAllister: Yeah, yeah.

Mr. J. Johnson: Again, this is – you know, I don't want to tread on the toes or step into the realm of the Infrastructure minister because this is his purview, but I know the file from my previous experience there, so I can elaborate. The issue of having one bidder on the P3s is not an issue in terms of value for dollar for the taxpayer and making sure that the competitive test and the open transparency for market competition are there. The reason for that is that the P3 bidding process is far different than the traditional one. What we do, actually, is that we don't RFP; we RFQ. We put out a request for qualifications first. What you do is that you find companies that are interested that have the proper qualifications to go through the bidding process, and typically you try to nail those down or shortlist those to three. Then you take those three through an RFP process.

7:30

Now, what happens with the P3s as you're doing that is that government does a traditional silent bid. It's a shadow bid. It's called a private-sector comparator. So we actually put together if we were building this project under traditional methods with traditional financing: what would it cost the taxpayer?

Mr. McAllister: Effectively, you're setting a line that says: if nobody is at this line or below it, then we're not awarding this project.

Mr. J. Johnson: Exactly.

Mr. McAllister: Okay.

Mr. J. Johnson: The Auditor General, you know, is in tune with that process, and it's a good process. At the end of the day even if you have three winning RFQ proponents and they make it through the process, none of them may get the bid unless one of their bids is below that private-sector comparator.

Mr. McAllister: I appreciate you taking the time to lay that out. If you had to call on your previous ministry experience, I'm grateful that you did. It's a question a lot of people are asking.

Madam Chair, obviously, we're talking about, you know, every penny that's being spent on building schools, so I'm trying to stay there. If it does wade into Infrastructure, Minister . . .

Mr. J. Johnson: I'll do my best.

Mr. McAllister: I'm happy that you'll do your best.

Do you know anything about the company? Wasn't it Build to Learn?

Mr. J. Johnson: No, I don't, unfortunately. Most of these P3s are not actually necessarily a company but a consortium of companies because there's maintenance involved and there's financing and there's construction and project management. Often several companies put together a consortium, and it might have a name on it.

Mr. McAllister: Infrastructure would probably know more.

Mr. J. Johnson: And my people might, too, but personally I don't know anything about the company.

Mr. McAllister: Is it possible that this process in any way is causing the delay, that we're two years in and none of the projects have been started?

Mr. J. Johnson: I don't believe so. I don't believe that that one is taking any more time than the other P3s have. I can't speak specifically, but I don't have anything that would lead me to believe that.

Mr. McAllister: Do you know what the per-school cost is of the 19 in the P3 bundle?

Mr. J. Johnson: Those 19 are part of the \$2 billion, roughly, in projects. Laura or somebody might be able to give you the numbers.

Mr. McAllister: I don't even mind if you take a minute.

Mr. J. Johnson: Yeah. We'll see if we can look it up. It's probably something that we wouldn't talk about. We wouldn't talk about what we'd expect those 19 to come in at right now in terms of a bid – right? – because we don't want to forecast what we think it should come in at, not publicly to tenders. When you're bundling 19 projects, the bidders don't actually split out the price of each school or even the price of the school. You get a global price for the school, including the financing, including 30 years of maintenance, and you get a total package, right? So you don't actually see those things split out.

Mr. McAllister: I can sure appreciate not wanting to give a competitive advantage, but I'm sure that you can appreciate, too,

the taxpayer saying: I'd like to know we're getting value for our money. Right? So how do we balance that at the end of the day?

Mr. J. Johnson: Well, that's why the private-sector comparator is there, and that's why the documents that we have online and the studies, the poststudies that we do on the value for money on the P3s, are available. Those are online as well. Obviously, the Auditor General looks at the site. I know from the earlier P3s that we did that the time to getting the schools built and the cost saving were very substantial and very worth while, so we just have to keep an eye on that as we go with every one of these rounds of P3s.

Mr. McAllister: Right. Is there any doubt in your mind, Minister, and I'll maybe give this topic a rest and move on to something else, at the end of the day that these schools will – maybe I'll phrase this differently. Are you convinced that bundling these schools like this is saving Alberta taxpayers money?

Mr. J. Johnson: Oh, absolutely. I have a lot of confidence in our teams that work on this. There are, you know, not just the experienced folks from Education and Finance and Infrastructure, but there are outside experts, especially when we're talking about the shadow bids and the private-sector comparators, and then there's the Auditor General. So there's a lot of oversight and a lot of navel-gazing on this. I would admit, I think, that the earlier P3 contracts had potential issues with them, and I think we've improved on those as we've gone. That's why we haven't been quick to say: okay; this group is going into a P3 or this group is going into a design/build. We've got a body of schools we need to build, and we explore which ones would best fit into what kind of a procurement method.

Mr. McAllister: I appreciate that, and I'm also appreciating your answers when they tread into infrastructure. Again, you know, at the end of the day people just want to know, obviously, well, number one, that the schools are getting built; number two, that we're getting some value for your money.

You mentioned the CBE . . .

Mr. J. Johnson: I think in Alberta many people question if they're getting value on the infrastructure side. The costs of construction in this province are pretty high.

Mr. McAllister: I think you mentioned the CBE's proposal for them to do some of the building themselves. You know, there are some questions that are associated with that as to where the money is in the budget. First of all, I guess, can you point us to that, where it is in the budget?

Mr. J. Johnson: Yeah. You bet. Mike will give me the page here. I will just talk about the capital a bit. There is over the next three years almost \$1.9 billion in capital in this budget. Obviously, in this year with respect to capital it's \$649 million. If you guys would tell me which page I'm supposed to be on here – 666 is the number, which is, you know, an unfortunate number to have as a page, but it is a scary piece of work, all this infrastructure.

Sorry; I thought I just answered your question.

Mr. McAllister: Okay. I was watching you and Mr. Walter. I thought you were digging for something else there, and I was just giving you a second.

Mr. J. Johnson: No, no.

Mr. McAllister: How many schools, then, have you worked on with the CBE to say, “You go ahead and build on your own”?

Mr. J. Johnson: Now, I don’t know if that is exactly settled yet. I know the intent is for us to support them and others if they want to, essentially, manage the projects or have the money in the form of a grant, but I can’t say that the exact projects have been finalized. But, obviously, there are, I think, 20 new schools and six modernizations in Calgary. How many of those are the CBE’s? Off the top of my head I can’t recall.

Mr. McAllister: Does any of your group know the answer?

Mr. J. Johnson: I’m sure Laura or someone will get us an answer before we . . .

Mr. McAllister: As Laura passes that to you – I’m not trying to set you up. I was sure you would know that. I was understanding that there were six new schools from the latest announcement, three modernizations, a replacement, and the Elbow Park school. Does that sound about right, Ellen?

Mr. J. Johnson: Five new. The Elbow Park is not part of this. We don’t have the number of the modernizations, but five new.

Mr. McAllister: Okay. Can you explain to everybody that’s going to be wondering how this process is going to unfold how you’re going to pay the board to build the school, when the payments are going to take place, and when you’re going to transfer money to the CBE? As you say, rural boards will want to be doing this, too, and maybe some others so, you know, I guess we need to find out how that’s going to work.

Mr. J. Johnson: Well, I guess I have to say with respect to every school board that it depends. It’s a different situation by board and by project and whether it’s a modernization or a new school, whether we’re involved in helping with the project management, what level of design it’s at, integration and co-location with other partners, and joint-use agreements. So I can’t give you one answer that this is how it works for every school.

With the CBE I expect – and, like I say, we don’t have the agreements or have, I don’t think, all the schools nailed down exactly, but the intent is that we flow the money to the CBE, and they manage the project. That’s after some initial planning and kickoff meetings between them and our folks and Infrastructure. We empower them to manage the project, and if they want to skimp here and put some more in there, they can, and if they want to capture resources or partnerships from a certain area of the community, they can, and if they want to take a little bit more time, they can, right?

Mr. McAllister: The reason I think that they’re doing it is because they don’t want to take any more time; they actually want to, you know, start getting these schools built. Do you commit, then, Minister, to making sure that the money is in their bank account when they’re ready to go as opposed to being billed and then billing you?

7:40

Mr. J. Johnson: Yeah, we do. I can tell you that the school boards across the province, generally speaking, and certainly the CBE have some pretty healthy reserves, so they’re not going to be short on cash even if we were slow, theoretically, flowing the cash to them. We flow the money to them based on the milestones of the construction project, and we’re ahead of, obviously, what they have to flow out to their vendors who are doing the work.

Mr. McAllister: Okay. I think you can appreciate that question. I’ll ask you about the reserves here in a bit, too. But you can appreciate that question. Anybody taking on the projects are going to say: wait a second; we want to pay for these up front. But the last thing we want to do is see bridge financing or something take place where we wind up paying and then coming cap in hand, saying: hey, we’re moving ahead here. Again, if this gets schools done faster, then I’m happy to see it taking place. Whatever boards are capable of doing it, that’s a good thing.

I guess maybe one more question I’d ask. Would you commit, Minister, that the end result of this won’t wind up costing the boards more than it would have had you built the school? In other words, there won’t be some things taken care of and some not. If you’d build the school, you’d pay for a hundred per cent of it, and I just want to make sure that’s the case if the boards are building them, too.

Mr. J. Johnson: Well, you know, the short answer and the intent of that is yes. I think I can say that, if I understand the question, probably by handing this off to boards, basically no students or communities are going to be shortchanged. But the flip side of that is that the boards in those communities are taking some responsibility for managing the project, and in return for that they get more latitude on how the project is managed. So if they decide they want to take more time to explore other partnerships, change the design of the school, there’s always risk that if they want to do those things, the scope and the cost could creep on them. If they do that, there’s some risk involved.

Mr. McAllister: Okay. You know, I guess you just don’t want to see this playing out in the media or anywhere else, where one is pointing the finger at the other, and I don’t want to set us up for failure. I hope this works. I truly do. But I know it’s been raised to me by some officials that they’re a little bit concerned that at the end of the day their interpretation and yours of how the contracts are laid out may be a little bit different, and suddenly they’ll be paying for costs that they wouldn’t have had you built the school up front. But you’re telling me today that you don’t see that happening.

Mr. J. Johnson: No. That’s not the intent of how this works. Obviously, we’re responding to the ask, the request from school boards. It’s not something we’re asking them to do.

Mr. McAllister: Okay. Maybe I’ll follow up on reserves, Minister. I know because of the tight times that you’re facing as a province, as we’re facing as a province, frankly, that you’re asking the school boards to make sure that they’re not sitting on excessive reserves. Do you know what the CBE has percentage-wise?

Mr. J. Johnson: Percentage-wise on the operating, I do, yeah. It’s about 2.6 per cent of their overall budget, their accumulated operating surplus. That is about \$30 million. So the interesting thing on that is that that is an increase, if my memory serves, of about \$10 million over last year. I just need to check another page to see if I’m actually right on that. Yeah. Up \$10 million, so that tells you that they ran a \$10 million surplus last year. You know, in a year that they forecast to run deficits and lay teachers off, they ran a \$10 million surplus. That was typical across the province. There were some surpluses run that were quite out of the ordinary. As a matter of fact, the accumulated operating surpluses globally of the province were about \$200 million previous to this school year, and now they’re \$300 million.

Mr. McAllister: I think you and I may see this the same way, if you'll indulge me to just ask another question or two on it, but the numbers are important. The Alberta School Boards Association has come out, as you know, and suggested, obviously, that each board have a reserve, somewhere between 2 per cent and 4 per cent. You may have the number. It wasn't that high. If the CBE is there currently – on your Alberta Education website, I think it was, you're suggesting that these boards, because times are tough, use these reserves. The problem is that they see these reserves as savings accounts, clearly, that are there for times of emergency; you know, the flood of last year. If there's something they need – snow removal, modulars, et cetera – they need to have reserves on hand. So wouldn't it make more sense, then, to maybe not have them deplete them totally? Are you looking to have them depleted totally, first of all?

Mr. J. Johnson: No, no. Absolutely not.

I just want to correct what I just said. The accumulating operating reserves went not from \$200 million to \$300 million but from \$300 million to \$400 million. They did increase by \$100 million last year. That's the accumulated operating surplus. The capital reserves are well over a hundred million, too, about \$136 million. Then on top of that, you have the deferred revenue. So the total reserves sitting in school boards' bank accounts across the province are over \$700 million, which is substantial. They need reserves. No question. Every decent business needs a contingency. The question is: how big, and should you be running surpluses like you ran last year when you've already got decent-sized reserves?

Mr. McAllister: Right. Okay. Well, we've found some clarity, I think. You're not suggesting that they run their reserves to zero. You agree that there should be a percentage there.

Mr. J. Johnson: Absolutely. Yeah.

Mr. McAllister: The ASBA has said somewhere between 2 and 4 per cent. Do you have a preferred number from the province's standpoint?

Mr. J. Johnson: I don't, and we don't. I mean, there are lots of rules of thumb that different groups will throw out, whether they're accountants in different types of business and need different amounts. I think that maybe different sizes and types of school boards need different amounts. School boards know what's coming up next, and any good business will want to put money away to plan, whether you know that IT infrastructure is coming up or a fleet of vehicles or whatever, right? So you want to give them that latitude, but if it's the case that there's money in the bank that's planned for something, it's going to be depleted.

Mr. McAllister: Yeah.

Mr. J. Johnson: It's not going to be big as it has been.

Mr. McAllister: Yeah. As I said, I think we do see this one the same way. My interpretation from some was that you were asking them to deplete reserves. Period.

Mr. J. Johnson: No. We've never said that. Absolutely not. Not to zero.

The Chair: You've got 28 minutes.

Mr. McAllister: Excellent. Twenty-eight gone or 28 left?

The Chair: Twenty-eight left.

Mr. McAllister: Okay.

Mr. J. Johnson: It's about the same, isn't it?

Mr. McAllister: Not quite. There are a couple of minutes' difference there.

I'd like to maybe transition into operational spending found in the budget. Maybe a good segue for us is a question that touches both on the expenditures and capital spending. Last year – and we discussed some of this – you cut the plant operations and maintenance funding for independent schools, right? This stands out to me now more than ever. We've got a space crunch everywhere. We know these schools take care of things. Effectively, some of these that are providing space are now in a much worse position. By the way, there are terrific schools like the Webber Academy, et cetera, et cetera, but they're not all schools charging a lot of tuition to kids. There are many special-needs schools, et cetera, et cetera, that depended on that. Do you have plans to reinstate that funding that you cut?

Mr. J. Johnson: Yeah. That's part of this year's budget. We did a couple of things. You're right that we cut that back. We eliminated that for the privates, for the independents, but there was also some mitigation funding in its place. It was about a \$9 million envelope. We eliminated it, but we did put some mitigation funding in place so that they weren't actually all hit to that level, and we've agreed to slowly reinstate that. So we actually put about \$3 million back in this year and \$6 million in the year coming up, in this year's budget, and then there'll be \$9 million the year after that. So over the next two years they'll be back to where they were.

Mr. McAllister: Thank you.

I appreciate that you almost held the line, I think. Again, there are so many line items in here that if I've got it wrong, I'm sure you'll correct me. On the expenses in your own office I'm always curious, as everybody should be, if there are costs that could be streamlined. I'd like to direct your attention to page 54, line item 1.3, corporate services. Information services is page 54, line 1.4. It's a \$21 million combination in ministry expenses. Can you explain what that \$21 million is for?

Mr. J. Johnson: I can. Yeah.

Mr. McAllister: Take all the time you need.

7:50

Mr. J. Johnson: Okay. The corporate services provide for support in a number of areas. This would include the financial administration, all the contracts, records management; legislative services, all the things to do with legislation and regulation; the office of the ADM for strategic services, which is Mike; the ADM's office for people and research – those are the people that do all the ATA negotiations, the professional development, pieces like that – the human resources piece, all managed out of corporate services; and the correspondence unit to respond to everything that comes to the deputy minister's and to the minister's offices. So that's out of corporate services.

The information and program services area is where all the information and technology management is worked out and policy work and planning and systems support.

Hopefully, that sheds a little bit of light on what kind of sits in there.

Mr. McAllister: Well, it does. If you did that all without a note, I'm impressed. I didn't notice if you got one slipped your way there or not.

Mr. J. Johnson: We always seem to have a few notes passed around.

Mr. McAllister: You just had a couple handed to you?

How many employees – do you know? – are in those two departments?

Mr. J. Johnson: Oh, boy. These guys will pass me a note. I don't think I can answer that. Off the top of my head I know I can't, but if you keep talking, we'll get that for you.

Mr. McAllister: Sure. Well, obviously, with the categorical breakdown of those two departments, you know, it's significant.

Mr. J. Johnson: I believe it's around the 190 mark. I mean, we've got about 650 FTEs total. So the strategic services is about 111. People in research, around 60 or 75 if you include secondments, probably.

Mr. McAllister: All right. It's a tough question to ask, but it's a question that has to be asked, I think, because right now – and we'll talk about the class size initiative; hopefully, we'll have some time left to do all of that. Everybody wants to see more teachers in the classroom, Minister, and these are areas that you might trim. Have you considered that in these areas?

Mr. J. Johnson: You know, it's a good question. Obviously, last year was a challenging year, but it was a good year because it really forced not only us but all the school boards to really look closely. At least, I hope it did. So I can say without any doubt that I think our ministry, our department, was one of the ones that cut the most from administration, tried to keep the most in the classroom.

I can tell you that out of the \$7.4 billion budget in the Ministry of Education the Department of Education only has \$122 million of that. Everything else flows out in grants to school boards and private schools and transportation and capital. Before last year the department's budget was \$138 million. We cut \$18 million, or 15 per cent, out of our department last year, and we eliminated 86 positions. I think that is the deepest cut probably in any department in any ministry in the government, and we did that to make sure that we could protect school boards and protect the classroom from any further cuts. You know, it's not something to brag about, that you let 86 people go. Those were great people, and they were doing really good work, but we changed the way we do the business, especially on the learning resources side, moving to more digital content and some of those things. Our department budget is \$122 million this year, up from \$120 million, but the previous year it was \$138 million.

Mr. McAllister: It is a tough question to ask, too, frankly, because nobody wants to sit here and say, you know, that people aren't worth their paycheque. I'm glad you did make strides last year. I remember having this conversation, and that's why I was wondering what these departments are doing this year and if you were making any movement.

I believe you said 648 employees?

Mr. J. Johnson: Six hundred and forty-nine.

Mr. McAllister: How many are certified teachers?

Mr. J. Johnson: Do we know that, guys? You know, a large number of those are because we need those qualifications for people that are working in the curriculum and the assessment field, which is the bulk – the bulk – of what the Education department does. You know, the other folks are folks that are out working in the field with school boards as kind of liaison or field people. They need that experience. Then you have people that are negotiating contracts, and they need to be former managers that understand these things. So the bulk of our folks would be former teachers or educators.

Mr. McAllister: I recognize that you need the expertise, and I know you recognize a lot of people would love to see more teachers in the classroom. Something tells me that some of the other guys, when they get their chance, are going to ask similar questions in that vein.

Many of the expenses listed under Operating Support for Public and Separate Schools, page 54, line item 2, stand out. You know, they're day-to-day operational expenses that individual school boards would use in their schools. You've listed them and made sure those numbers are identified, and I'm assuming that is so that you can track and make sure that that money is – it's envelopes of money to track to make sure that that money is committed to those specific areas.

Mr. J. Johnson: Yes and no. For the most part, these are envelopes of funding. You know, there are even more than those inside of some of these others. In all there are about 20 different envelopes that flow to school boards. You know, our philosophy is that the local folks know best. They're duly elected school boards. They should have a lot of latitude in what they do with that money.

So there are certain things that are earmarked and should go to certain areas, particularly class size. For the most part, if a school board gets money, they can take money from one area and put it into another if that's an area of greater demand. We don't want to see them running surpluses in one area and just shovelling the rest of the money in the bank.

The reason we have the different envelopes is to try to equitably distribute the money. You can appreciate that. You've got a rural constituency; you have some smaller schools.

Mr. McAllister: Percentagewise is what you're talking about, some formula to make sure that everybody is represented fairly.

Mr. J. Johnson: If you just attached the same dollar figure to every student in the province and said, "This is what that kid gets," you would decimate rural Alberta and small schools. Kids that need extra support, whether FNMI or whether they're special needs, wouldn't get it. So you need different envelopes to recognize that diversity, right?

Mr. McAllister: I certainly do. And I know that the gentleman beside you knows that very, very well.

You know, we've got a very interesting area there in Chestermere-Rocky View. We're bursting at the seams in much of it, and then there are the rural schools that you describe also.

Can you look at line item 2.2 for me there, regional collaborative services delivery, and break down that budgeted amount? I think it's \$61 million.

Mr. J. Johnson: Yeah, I can. I can to the best of my ability. Sixty-one million dollars, I think, is what we're at if my memory serves, up about \$2 million. RCSD is kind of a new way of doing the same business. It was previously funded under three different

areas: the student health initiative partnership, also children and youth with complex needs, and RECS, regional education consulting services. There was \$60 million or \$59 million in that previously. These were three different programs, but at the end of the day they were all about kind of wraparound services trying to support students with whatever it is: mental health, occupational health, speech pathologist, all those kinds of things that kids need support with that aren't just part of a regular educator's life, right? So this is a different governance system, combining those three old models into one governance model and getting those supports into the school.

Mr. McAllister: Is there a formula for equitable distribution there, too? On the capital plans of the school boards I think it's just listed as \$61 million on them all.

Mr. J. Johnson: Yeah. Although there's \$61 million there, about \$42 million of it is just a per-student allocation. A lot of the funding formulas that we have work this way. A chunk of it is just per student, and then the balance of it is based on socioeconomic mapping or other demographic pieces that come into play.

Mr. McAllister: Okay. The class size initiative, line 2.6. You said in your opening comments and it's listed here, too: \$265 million, I think. It's a lot of money. It's needed, obviously. Is the class size initiative working?

Mr. J. Johnson: I can say that it's doing good work. Certainly, I think the only way to say that it is effectively working is to only look at your baseline, which would be: what would it look like if we didn't have it? I can't do that. I would say that, personally, I know that keeping class sizes small in the primary grades is a lot more effective – you know, the dollars that you put there are a lot more effective than in the older grades, so that's where we target those dollars. But if you had those dollars to spend again, you may put them or any incremental dollars, as opposed to putting them in there – you know, research is telling us, international tests and studies are telling us now that jurisdictions that are putting their money into quality of teaching and supporting teachers are getting more bang out of that buck than if they had put it in the old metrics of just trying to keep a class size to a certain level. The jurisdictions across the globe that are doing the best actually have some of the largest class sizes.

8:00

Mr. McAllister: Okay. There's a lot to go on there, and that would eat up the last 15 minutes. I mostly want to follow up on the point of: it isn't working.

Mr. J. Johnson: Oh, I didn't say that it isn't working.

Mr. McAllister: Okay. Well, many people say that it isn't working, all right?

Mr. J. Johnson: Okay. Those are your words, not mine.

Mr. McAllister: You just said that you couldn't say that it is working effectively.

In any event, Minister, you know that we're struggling with class sizes, and I appreciate your commitment to trying to make it work, particularly at the young grades. That's what we all want to see. But right now it isn't. I think it was the ATA, some of their numbers from '09-10, 2013-14: 41,000 new students enrolled, with 106 new teacher positions. You know, my point on all of this is that it would be nice to see some measured targets here on the

class size initiative. What are the targets for K to 3, and how many boards are meeting them?

Mr. J. Johnson: I don't have in front of me which boards met it or which did not, but almost all of the boards met the overall class size guidelines. Of course, that's not measured by each classroom; it's an overall, system-wide average of a cohort. You know, our goals, our guidelines for K to 3 are 17 kids, for 4 to 6 it is 23, for 7 to 9 it is 25, and for 10 to 12 it is 27. So the only cohort that we actually as a province didn't meet is the K to 3. Obviously, in some areas and in some of the Calgary areas where we have a lot of the growth pressures, high school was the issue, but that's not the case on average across the province.

Mr. McAllister: Okay. Whether we phrase it differently or not, we know that it's a big issue. You know, you mentioned earlier that you don't know how many employees you have that are certified teachers, but that might be one way, going forward, to solve this crisis, to try to get more of those teachers into the classroom.

Mr. J. Johnson: Yeah. We want as many teachers in front of kids as we possibly can, and that's one of the reasons we took the steps we did on the administration side. Also, when we did the budget last year, the envelopes that we either eliminated or trimmed back were envelopes that didn't affect the classroom, and the envelopes that we increased were the envelopes that funded the classroom. We asked boards to cut their administration by 10 per cent, and many of them tried to do that.

Mr. McAllister: Let's talk about transportation and a couple of what I think will be quick answers for you first. This is probably all publicly accessible, but do you know how many students in Alberta take the school bus?

Mr. J. Johnson: About 300,000, just under half of our kids.

Mr. McAllister: Okay. I was curious as I was putting this together: are there boards that don't charge for transportation?

Mr. J. Johnson: You bet.

Mr. McAllister: Obviously, clearly, not rural boards, and they're facing a burgeoning cost given last year's reduction in one of the grants that you had provided.

Here's a question you get a lot and that I get a lot. I think you're making some movement on it, so I'd like to see where and what. There are some school boards co-operating on busing, where you have the separates and publics sharing buses when they can, and some are not. Is this part of the Education Act regulations coming forward? Are you going to be – I don't know if I want to say mandating, but I guess I will. Are you going to be mandating or pressuring boards to combine transportation services?

Mr. J. Johnson: We are keeping a very close eye on that. The ability for the government or the minister to direct school boards to co-operate on busing is in the new Education Act. It's a new element that we put in that you folks helped to pass. It wasn't there in the previous two versions, and it wasn't in there in the previous School Act. It's not intended to be a heavy stick that we would come out with and start swinging, but it's a signal to boards that Albertans are expecting this. If it doesn't get nurtured, then the government might be compelled to take some action. But many of them are doing a good job, and more and more are stepping up to the plate.

A great example is in Edmonton right now. The two boards just did a study together and found out they could save about \$3 million. It looks like they're moving forward with co-operative busing in the city of Edmonton. That's a great story, and I commend them for it.

Mr. McAllister: If I can read between the lines, you're very careful there.

Mr. J. Johnson: It's an expectation, but it's not something that we would mandate right off the bat. Give them time to do the right thing. We have good school boards. Just like with the motion last night, give them time to do the right thing.

Mr. McAllister: Mandatory fees we discussed last year and we discuss every year. The problem with transportation, I think, is obvious. It's costing more money, and there's less money available, but what happens, inevitably, is that these costs get passed on to parents. Having said that, when parents are paying more for school fees every year because there are funding shortfalls, I don't think that's fair. It's, effectively, taxing parents. You said that there would be fences around mandatory fees. I think those were your words. Where is the government with this initiative? Where have you moved on it?

Mr. J. Johnson: Well, that's interesting because that's not what your leader used to write in her columns, which was that if the parents can't put some money into their kids' education system, then why should I?

Mr. McAllister: Minister, how long ago were those columns written?

Mr. J. Johnson: I don't know. Does it matter?

Mr. McAllister: I mean, really, do you want to start digging up 10-, 12-year-old columns from a columnist? I asked you a question that parents want the answer to.

Mr. J. Johnson: Is it not relevant? I think it's relevant. It's part of the discussion. It's part of the debate.

Mr. Anglin: Point of order, Madam Chair.

The Chair: If we could focus on the budget, that would be much appreciated.

Mr. McAllister: Sure. Okay.

Well, let me rephrase. When you cut money out of the budget, parents pay more. I know you're laughing, and everyone at home should know there's a lot of giggling going on from the minister right now, that it's funny that parents are paying more. I don't think it is.

The Chair: That was inappropriate. That was very inappropriate.

Mr. McAllister: Well, I think the whole last two minutes have been inappropriate, Madam Chair.

The Chair: If we could have more proper decorum, it would be appreciated.

Mr. McAllister: The question remains, Minister: what have you done on the issue?

Mr. J. Johnson: Well, for folks that throw a lot of barbs, you've got pretty thin skin.

I'll get to your question. I'm happy to get to your question.

Mr. McAllister: Well, one inappropriate remark doesn't deserve another. If I offended you, I'm sorry. We should stick to the topic, I agree.

Mr. J. Johnson: With respect to fees – and you should know this because we've talked about it many times – the Education Act was passed. To put the Education Act in play, you need to build regulations. We've had a great group of people going out doing the regulatory review, and I hope you've been a part of that. That's been chaired by Maureen Kubinec, who's a former president of the Alberta School Boards Association. Those regulation proposals that they'll be coming back with will outline what they propose we do on fees. We'll be giving those draft regulations to Albertans and to you folks to have a look at here over the summer. Then people will tell us what they want the government to do in terms of any restrictions on school boards with respect to fees.

At the end of the day, we have to put money into the education system. There's only one taxpayer. Either school boards charge for those services or we do. We have to charge for the services one way or the other.

Mr. McAllister: I think you said off the top that \$2.1 billion is what you collected, right?

Mr. J. Johnson: In property tax. But the rest is funded from general revenue, which comes from the Alberta taxpayer as well, right?

Mr. McAllister: In any event, school fees are going up like mad, and you have said that there was going to be action soon. We look forward to it.

Mr. J. Johnson: They're not going up everywhere. They may be going up in your jurisdiction. Every school board has got different challenges that way. Like I said, some school boards do not have transportation fees and have very few or no fees.

Mr. McAllister: Last year, when I asked a question on curriculum, I think it was Ms Hambrook who gave me the answer of \$55 million. I had asked where the line item was that we spent. What is the price tag we're spending on curriculum?

Mr. J. Johnson: It's \$55 million in that program area, in the division that takes care of the curriculum. It's split over two areas here. If you can point them out again for me, Mike.

Education system support, which is line 2.8 and a little bit out of I think line 4.1, basic education, if I'm not mistaken. Basically, there's \$55 million in that division. That's ongoing, regular, every-year work. Some have characterized this as work to do with some of the new curriculum review and redesign. That's not the case. This is money that we have held the line on. We haven't increased it. It's ongoing, regular work; \$24 million of that \$55 million is assessment, so it happens every year. It's PATs, and it's diploma exams.

8:10

Mr. McAllister: Okay. I think I see where you're going. Explain to me, then, the difference in the redesign project. What are we spending on the curriculum redesign project? Is that a different expenditure?

Mr. J. Johnson: No. It's within that \$55 million. Like I say, there's \$24 million that's taken for assessment every year. There's about \$27 million that goes into programs of study and resources, so that's ongoing work on curriculum upgrades and programs of

study and resources for teachers in different languages. There's another \$4 million that's used to support the international education side of things: the francophone regional authorities, official languages, and our role with CMEC, the national body. The specific prototyping work on new curriculum redesign is \$3 million of that \$55 million.

Mr. McAllister: Line 4.1, \$61 million: what is that for? Is that something different entirely?

Mr. J. Johnson: Line 4.1?

Mr. McAllister: Basic education program initiatives. It seems to fit into the category of what you're talking about.

Mr. J. Johnson: Yeah. Part of this comes out of that. It's exactly what you're saying minus \$17 million; \$17 million of that goes towards SuperNet for our schools.

Mr. McAllister: How many people, Minister, do we employ as curriculum writers?

Mr. J. Johnson: Curriculum writers?

Mr. McAllister: If that's not the official title, how many do we employ writing curriculum in Alberta?

Mr. J. Johnson: There are how many FTEs in your area, Ellen? I think there are about 200, 250?

Ms Hambrook: Writing programs of study only, 40.

Mr. J. Johnson: Forty. So 40 writing programs of study. If you want to look at, I guess, a more defined number for curriculum writers, that would be the number we'd look at.

Mr. McAllister: Sure. Well, related to the money that we're spending on curriculum, obviously in three or four minutes we're never going to cover the debate, but I would like to ask you in terms of what you have just announced. You've said that you would make sure that you weave the times tables back into the curriculum. Correct? I don't want to put words in your mouth. Is that what you said?

Mr. J. Johnson: That's not what I said, but putting the times tables in the curriculum is, yes, one of the things we are doing, but they technically never left the curriculum.

Mr. McAllister: What does that mean, that they technically never left? Why would you need to put them back in if they never left?

Mr. J. Johnson: Well, to give assurance, I guess, to you and others who are concerned about it. We've tried to make it clear through question period and other things – you know, you've asked the question; we've answered it repeatedly – that in the curriculum today kids are expected to know their math facts. They're expected to commit to memory their basic math facts, memorization of multiplication. But flash cards and multiplication tables are not as much curriculum per se as a method of instruction. There's a difference between curriculum and method of instruction.

Mr. McAllister: Fair enough.

Mr. J. Johnson: If we say to teachers that kids have to know their math facts, that they've got to memorize these things, that they've got to have them off the top of their heads, that they've got to

understand how to multiply, how they get to that has typically traditionally been left up to the professionals in terms of how they do it.

Mr. McAllister: Well, let me help you with why parents are upset with this, all right? I hear what you're saying. Seek first to understand before being understood. But what parents are saying, Minister, is this. The curriculum changed in 2008, and I think it started in 1, 4, and 7 and then in 2, 5, and 8 the next year, et cetera, et cetera, in those grades. When it changed, the method of teaching changed at the directive of the province, with new textbooks that didn't focus on the mastery of the basics anymore. That's why you've just said to me that you need to weave the times tables back in. I hope you're not saying that you're doing it to appease people; you're actually doing it so that the times tables are indeed mastered.

Mr. J. Johnson: No. What I've said, to be clear, is that we're going to weave numeracy and literacy and the basics and those foundational pieces through all the subject matter, and we are going to be explicit about the times tables because there's confusion about the times tables. People want those in, and parents want those in. I am fine; I am comfortable making that explicit.

I didn't say that we're going to weave the times tables through the curriculum – that absolutely doesn't make sense – but we are going to weave numeracy and literacy and those basics and foundational pieces right through all the subject areas in the new curriculum, which can reinforce what kids learn in the basics, the times tables, and then help them apply those in different situations and do better problem solving, for sure.

Mr. McAllister: Sure. Look, you know, I think it would probably do you a world of good to take the time – I know that your deputy minister has, and I know that your chief of staff has – to meet with one of the parents that is so concerned about what's happening with the curriculum redevelopment and the money we're spending on it. That's Dr. Nhung Tran-Davies. I think that if you did, you might even find some common ground on some of these issues. What's she asking for, Minister, is basically what was done in Manitoba. Manitoba, as you probably know, just reversed and committed to memorization. They committed to the mastery of the fundamentals, and they committed to a new textbook that went back to the basic fundamentals that used to be taught. They, too, were following the same system we were. I would encourage you to do that.

The Chair: Thank you very much.

At this point we will now move on to the Alberta Liberals. How would you like to proceed?

Mr. Hehr: Well, we'll just go back and forth. The minister will respect my time, and I'll respect his, and we'll go forward like that. Just on a personal note, although the minister and I don't always agree, I always appreciate his demeanour to me. I'm glad that his staff is here working very hard. I will say that at the outset.

The Chair: Thank you. When you're ready.

Mr. Hehr: In any event, I'd just like to sort of establish a baseline. I don't even like using this comparator, but I'll use it for the purposes of at least this first couple of questions. When we look at population and inflation growth in this province, which is just to keep the system where it is from a previous year, I believe

that number is around 5 per cent, like, 3 per cent population growth and about 2.1 per cent inflation. Is that fair?

Mr. J. Johnson: You would catch me giving you a wrong number, but I am sure you're in the right ballpark.

Mr. Hehr: I'm in the ballpark. Well, then, that's fair. If we look at this year's per-pupil grant for all grades, the average is that it's only really been raised a few dollars if we look at it throughout the system. Is that fair?

Mr. J. Johnson: You're talking about per student?

Mr. Hehr: Yeah.

Mr. J. Johnson: Yeah. The per-student grants have not been raised by 5 per cent. I'll give you that.

Mr. Hehr: Okay. It's almost fair to say that they're at virtually zero.

Mr. J. Johnson: Well, if you take the enrolment increase out, the entire budget has virtually been frozen for two years.

Mr. Hehr: Okay. That's fair. You know, if you can explain this to me. Generally, the class size initiative and inclusive education funding rates for public and separate schools: you've increased these by 2 per cent. This is, just to help me, an envelope fund that you send to the various school boards for them to allot to various areas where they want to do better on class sizes. Is that how that initiative works?

Mr. J. Johnson: The class size initiative?

Mr. Hehr: Yeah.

Mr. J. Johnson: Yeah. I mean, the money is earmarked. That money is intended to go to reducing class sizes, but particularly in the primary grades is where it's targeted to.

Mr. Hehr: And that's generally where the school boards have been applying it?

Mr. J. Johnson: Yes.

Mr. Hehr: Okay. So even with that amount going to the primary grades, essentially, recognizing the per-pupil grant as well as only the 2 per cent increase, we're still running a shortfall in basically keeping up with population and inflation from even just last year?

Mr. J. Johnson: Well, you know, there are a number of things to look at there. If you want to look at particular envelopes, I mean, you'll always find one envelope that's down. But, overall, if you look at the class size initiative, that envelope is up 7 per cent. It's up because of the enrolment, and it's up because the enrolment is mostly in the primary grades, and that's what we want to fund. It's up because we added 2 per cent to every head. The basic grant amount was actually increased by 2 per cent. The overall increase to that envelope is almost 7 per cent. If you just want to compare each envelope to your 5 per cent, it doesn't quite add up. But, you know, I take your point that the increases in the education system fundingwise haven't kept up this year to inflation plus population, but that's because of some of the fiscal realities we've got. We've got a well-funded system.

8:20

Mr. Hehr: That's fair. I'm glad you granted me that. Sometimes even getting that kind of an admission out of a minister is more

like pulling teeth. I appreciate at least that recognition of the system we have here.

I'd like to run through some numbers here when I go into my second question. Generally, I'm going to keep this to the public and separate systems, and my friend from the Wildrose, Mr. McAllister, did a good job of asking some of these questions. I'd just like to delve in a little further here. If we look at the increase in population numbers in this province, currently the student population is predicted to increase by 3 per cent a year. If this assumption is accurate, Alberta Education will take in approximately 58,000 additional students by 2016-2017. By the same token, there are approximately 594,500 students in the public school system for the 2013-2014 school year, and this is roughly 17,000 more students from one year ago and 41,000 more students from four years ago. So by 2016 the public school system is expected to receive, if we can believe these numbers, approximately 55,000 additional students.

Given that even if you guys built all of these new schools, which, I think, Mr. McAllister did a good job, again, on the questioning around, which I, frankly, have no confidence are going to be done by 2016 despite the Minister of Infrastructure's best efforts and the like, we will require, just to keep up with where we are today, 84 schools. That would be even if we built all of these things magically by 2016-2017. We would need 84. Am I off on this? Is that where we are? That would equal 27 new schools a year until 2016-2017 just to keep pace. Am I understanding this?

Mr. J. Johnson: Well, as usual you're off a little bit.

Mr. Hehr: Okay. Well, then, tell me where I'm off a little bit, and tell me how this government is really getting a handle on this issue because, to me, it doesn't appear, despite the efforts and despite what is going on, that we're making any headway whatsoever on this issue.

Mr. J. Johnson: You make a good point. It's obviously a challenge that we've got. You can't, however, just take the enrolment increase and say, "We need this many more schools" because we've got a surplus of space in the province right now in virtually every community. We've got some real growth pressures in some communities. So if 500 students move to Athabasca, I don't need a new school in Athabasca because I've got a school that's already got surplus space for 500 students. We've got 50 schools in Edmonton alone that are under 50 per cent utilization. We've got a number of schools in Calgary as well. Granted, these schools are not in the same location or community where a lot of the growth pressures are, but you can't just equate growth with "We need a new school for every new 700 kids who come into the system" because some of those kids are coming into communities where our schools are half empty.

You make a fair point in that we do have some real capital pressures, but I want to point out, you know, that we're in a much better situation than we would have been if we had not won the election two years ago because we're the only ones that were talking about building schools and promising to build schools. We've actually announced 120 projects, which is the largest capital plan this province has ever seen. We've taken the biggest steps that this province ever has towards school capital, not only in modernizations but new schools and replacement schools and modular classrooms. A significant amount of capacity was added this year, and right now we've got on the go about 170 school projects.

Certainly, we need more, and as the capital requests come in from school boards here now with their capital plans, the guys will

be doing the work to see what we need to take to Treasury Board to ask for more money to try to announce some more schools. It's something that we certainly know that we have to do more of, but you'll have to grant us that the investment in the largest capital plan this province has ever done is a good thing, is a good step.

Mr. Hehr: I've never taken disagreement with that. Nevertheless, if you want to, you can go back to the promising of 50 schools. You also just didn't tell anybody how you were going to do that. But why rehash old things and the like in there and go through things that I'm still working through with my psychiatrist, that I don't think you can help me with? So we'll just avoid the mental gymnastics around that.

Mr. J. Johnson: Maybe you can give me their number.

Mr. Hehr: Yeah. Very nice. Okay.

I'm also concerned, really, that since the baseline years of 2009-2010 there have only been 106 new teaching positions created in the public school system. If the system were to keep up with even the 2009-2010 student-teacher ratio, approximately 37,700 teachers would have been in classrooms teaching for the 2013-2014 year. We'd currently have roughly 2,500 more teachers in the classroom. We're about 2,500 teachers short from that baseline year. Are you sensing there are challenges emerging in our system as a result of not keeping up with hiring teachers? Have we factored that in with the increase in population? Do you have a plan to hire more teachers and the like?

Mr. J. Johnson: You know, we've done a number of things on that front, and one of them was to make sure that we negotiated a contract with the ATA that kept the cost of teachers to a reasonable amount so that we can actually afford to hire more as we put more dollars in the budget and that money doesn't get absorbed with inflationary pressures. Obviously, we'd like more teachers. Obviously, we'd like smaller class sizes.

There are other things at play here as well, and one of those is that school boards are putting money and resources into other supports as well, whether it's aides or whether it's speech language pathologists and other resources, subject area specialists coming in to be a part of instruction and those kinds of things.

We don't track the number of classroom or instructional teachers that we have in the system. I think we should, but, you know, they're not our employees. They're employees of each school board. You're getting ATA numbers, and not every teacher in the province is a member of the ATA. When we look at private and charter schools, those numbers aren't all reflected in the numbers that maybe you get from the ATA either.

Mr. Hehr: No. That's why I sort of at the start of my discussion limited my numbers to, actually, the public and Catholic systems. I tried to actually be fair to do that, and that's what I would do. It's got to be a challenge, too, for the other school systems as well, you know, given the funding that has gone through. Maybe some organizations have been able to handle that better than others, but I have to suspect that when there is less money given for teachers, there is less ability to put them in the classroom.

Just pivoting a little bit here, I find one of the increasing challenges of our education system is the continued diversity of the Alberta population and how we are attracting so many people from around the world who want to come here to work and to find a better life and the like and go to our school system. I think that in order to ensure that those children who are in our education system have opportunities to succeed at the same rate as other students who maybe were born here, the ministry has to

understand that there's going to be a large element of English language learning funding that has to come from the minister, or else we're setting these kids up for failure 20 years from now. Yet at the same point in time as a result of budgeting we've gone from seven years of funding to five, which, in my view, doesn't make things easier for these kids. Can you comment on whether your ministry understands this? Are there plans for what we're going to do with an increasingly diverse education system here in Alberta over the course of the next five years? Are there plans to ensure that these English language learners are getting the support they need so that they can succeed in the Alberta landscape 15 years from now when they graduate from wherever?

8:30

Mr. J. Johnson: It's a really good point. The diversity in Alberta is incredible. It creates pressures on our teachers in the system that most systems don't have. When people point to the top-performing jurisdictions around the world, the few that are ahead of Alberta – Finland or Singapore or Shanghai, China – they don't have the diversity that we have. They don't have an indigenous population like we do. The English language learners are one aspect, but there's a lot of diversity and things we need to make sure that we're keeping an eye on to give those kids support. We talked about one of those demographics last night in your motion, and good on you. The FNMI's are another piece. There are other people with learning disabilities. That's why we've got a lot of metrics within the funding formulas, to try to account for that and recognize that some areas of the business need more money, and English language learners are one of those.

You're right; there was extra funding for English language learners that spanned seven years. We trimmed that back to five. We trimmed it back when we had to find money in the budget to try to hold the line on spending. Like I said, first we went to our ministry; we went to administration; we went to transportation, maintenance, all the pieces of the business that didn't affect the classroom. But there's no real research that we've seen that tells us that seven years versus five makes a big difference on the funding for ELL. So there is no magic year, whether it's three or whether it's eight or whether it's six.

Obviously, we'd like to have more money for everything, but you have to make some choices and priorities. If I went to most school boards right now and said, "You can have another dollar; where do you want it?" I'm going to bet you that almost none of them would say ELL. Even with all the concerns on transportation I'll bet that none of them would say transportation. I'll bet you that almost all of them would say inclusion, inclusive dollars, inclusive funding.

But every community is different, so that's why the boards have that latitude. They can take money and put it in those areas. You should be well aware that boards ran significant surpluses last year, so if we're going to argue that we're short of money, it's pretty tough for me to go to Treasury Board and ask for more money, whether it's for ELL or whatever, if we run a hundred-million-dollar surplus.

Mr. Hehr: Well, let's go back to that because I have some sympathy for the boards when you say that they have surpluses. You tell me that their surpluses went to a hundred million dollars last year, yet at the same time when ASBA says that they should have a 2 to 4 per cent cushion and it seems to me that the CBE, the one you were using as an example, falls within that 4 per cent cushion, you won't tell that school board what you would like that number to be. Just as a roundabout speech here, I know you don't want to infringe on local autonomy, but you sit here and tell me,

though, that they have all this money. I think you've got to spit out a number that says that those school boards in this province should be running at a 2 per cent, not a 4 per cent. I don't think it's fair to them.

Mr. J. Johnson: I think there are two things to keep in mind here. One is the accumulated operating surplus, and one is their year-over-year surpluses. You're talking about giving them a number that they should be at or within or not over on the accumulated operating surplus, the total accumulated dollar, that chunk of the pot that's in the bank. I think every school board needs latitude to say: "Look, we've got to plan for this, and we've got to plan for that. I know this challenge is coming. We're short on space. We've got to fix this. So we need more money in there than the next guy. We can't just be at the 2 per cent."

The second thing, which is more problematic, is that boards every year come out at this time of the year and say: "We're underfunded. We're going to have to cut teachers. We're going to run a deficit." Then every year in August we find they run a surplus. Those are two separate issues.

So what I'm saying is that it's very tough for me to go to Treasury Board and say that we're underfunded and that boards are running deficits when in actual fact those particular boards are running surpluses annually. Edmonton this last year, just as an example, forecast to run a deficit; it ran a \$17 million surplus. So that makes it difficult for me to go back and plead poverty and ask for more money.

Mr. Hehr: Do they accept your definition of deficit? Okay. Okay. Or do they accept your definition of surplus? I'm sure if I go and tell them exactly what you've told me, they're going to tell me that the minister is off his nut, and here's why.

Mr. J. Johnson: It's pretty straightforward, black and white. If it's a plus number, it's a surplus; if it's in brackets, it's a deficit. How's that?

Mr. Hehr: All right, then.

Mr. J. Johnson: But maybe that's the new math.

Mr. Hehr: Maybe that's the new math.

The last thing. There have been many questions about this, the new practice of getting the community together to discuss the curriculum. I'm not necessarily opposed to that. I think it's creating buy-in for the education process, and having people understanding what their education system is, curriculum design, is fine with me. What I'm more concerned about is: where does it go from here, these stakeholder meetings? Are you going to get together, then, Alberta Education and the teachers in this province, and take what you've heard and crank out a curriculum? What's the process from here?

Mr. J. Johnson: Well, the process from here is that there are a number of groups that kind of won the RFPs to lead some prototyping work that's going to happen over the next two years, and if they can come up with good enough ideas that we can build on and broaden and implement across the province and that people are happy with, then it's our intent to do that. But those groups are actually teachers and school boards in partnership with community leaders and business people. We can elaborate on that another time.

The Chair: Thank you. Thank you very much. Now would be a good time for a five-minute break. If we could be back in five minutes, we will return to the New Democrat rotation.

[The committee adjourned from 8:36 p.m. to 8:44 p.m.]

The Chair: Okay. We'll be calling this meeting back to order.

We'll now be moving on to the New Democrat rotation. MLA Bilous, will you be taking this one? Do you want to go back and forth? How do you want to proceed?

Mr. Bilous: I would love to go back and forth in a verbal dance with the minister.

The Chair: You bet. When you're ready.

Mr. Bilous: Thank you, Madam Chair.

I've got quite a lot to go through, so I'd appreciate it, Mr. Minister, if we can both try to keep our comments fairly short. If I cut you off, it's not to be rude. It's merely that I'd like to get through more material.

Going back to the 2011 school announcements, in sup supply this year I asked you for a status update on the progress of the 2011 schools, how many would be ready for the next school year and how many were to be built using the P3 method. You stated that you would provide that information in a follow-up. Actually, it hasn't arrived, and my staff have tried numerous times to get it and have been unsuccessful. So I'm hoping here that you could just let me know. How many schools announced in 2011 will be completed by September of 2014, how many are P3s, and how many are coming in on budget?

Mr. J. Johnson: Oh, boy.

Mr. Bilous: Or could I get that in writing?

Mr. J. Johnson: Yeah. I will commit to get you that in writing. If we haven't followed up on that level of detail for you, I apologize. But I sure don't have that here, particularly because some of what you're asking for resides in the Infrastructure minister's purview. There are seven projects that should be completed by the '13-14 fiscal year that were of the 2011 announcements, I believe.

Mr. Bilous: Do you know how many of those are P3s?

Mr. J. Johnson: No. No, I don't.

Mr. Bilous: All right. I'm happy to get that in writing from you, Minister.

Mr. J. Johnson: Okay.

Mr. Bilous: I'm going to jump to portables. In the spring your government announced new modulars for schools, but the number of modulars announced was well below what school boards were asking for. Rocky View schools, for instance, requested six new portables but only got four, so they're having to go into their instructional reserve fund to purchase three additional modulars. This is very timely with the previous questioners. In fact, even when your department is providing the modulars, you're telling the school boards that they have to pay. So at Rocky View that means the school board is having to dig up \$1.7 million in total, spending money on meeting capacity issues that should have been covered by the province.

The other thing that's important to note is that even when the modulars are paid for by the Ministry of Education, a school board has to actually pay for the installation of the modular. It's not covered within your own envelope of dollars. When we are talking about surpluses and reserves, this is exactly what school boards

need that cushioning for. Otherwise, they won't have these modulars, or they will, but they won't be functional.

In Edmonton and Calgary the problem is even bigger. The Edmonton public school board only received 10 of the 22 modulars they were asking for, and now they're having to pay almost \$6 million from their reserves to make up for it, with \$760,000 of that just being delivery and installation costs. So the Edmonton public school board's reserve fund is essentially gone. They're looking at having less than a million dollars left in it, so the percentage and the stats that you have now for Edmonton public are shrunk to a minimum.

The question, Minister, is: when the same issue comes up next year and the province is still growing and we need more modulars and portables but reserve funds are drained, what happens, and where does the money come from?

Mr. J. Johnson: A couple of things there, and I'll try to be quick, too. You're right. That's what reserves are for. The alternative is that the taxpayer has to go out and borrow money while they actually have cash sitting in the bank across the province. So do we tap into those cash reserves, that the taxpayer has, to get these classrooms built, or does the Minister of Finance go out and borrow money, that we'll pay interest on, when we've got cash sitting in the bank?

We went to school boards last year when our traditional modular budget only gave us enough money to deliver about 40 modular classrooms, and one of the things we said was: "Look. If we can tap into the capital reserves, if you'll pay a portion, we can maybe get 100 modular classrooms out the door if we share in some of these costs. We'll pay for the modular classroom; you pay for the installation." In general – not everyone, but in general – boards supported that, and we were able to get over 100 modular classrooms out the door. You're right. Four hundred were requested, but we only had a budget for 40. Because of that support and because of tapping into those capital reserves around the province, we were able to get over 100 out the door.

This year our budget has been increased. We're going to have 132. You're right. If those reserves get depleted, we'll have to relook at that. But I'd agree with you that that's what the capital reserves are for. So I commend Edmonton Catholic, who's actually dipping into some of their reserves and having their kids build the modular classrooms. They've got the plans from Modus, one of our providers, so they're using it as part of their CTS programs. It's a learning experience, it's on-the-job training, but it's also solving the other problems.

Mr. Bilous: I get what you're saying, Minister. I guess my concern is that if all of their reserves, that have been built up over years, are now depleted, what happens when there's a shortfall of funding and they need more modulars? They no longer have those dollars. Or should they need the cushion, whether a roof is about to give way or a boiler goes, I mean, they're really up the creek.

I'm going to jump now to the utilization formula if I can.

Mr. J. Johnson: Let's cross that bridge when we come to it. When we see the reserves actually get depleted, then we can take that seriously.

8:50

Mr. Bilous: Well, again, I mean, Edmonton public has got less than a million.

Right now the utilization formula, used in part in deciding who gets new schools, punishes boards that serve our mature neighbourhoods with older schools. It plays our urban neighbourhoods against our growing suburbs. Larger hallways,

gyms, cafeterias, and boot rooms are counted against these school boards as though they were instructional space. Now, there's been a lot of lobbying of Alberta Education for a change from the school boards, and I know ASBA and ASCA have been lobbying heavily for the change in the utilization formula. My one question, Minister: will you commit to releasing a new utilization formula this year that does not penalize boards that maintain mature-neighbourhood schools?

Mr. J. Johnson: Yes. We do have and have been working on a new utilization formula. It'll be coming in next year. But, no, utilization rates are not the only thing we look at when we're awarding new schools and capital for new schools. Certainly, it's one of the factors, but if you're in a community that has no schools, if you're in Fort McMurray and the next school is 400 kilometres away versus you're in a community where the next school is – certainly, you know, across Edmonton or Calgary, they're big communities, and you have to make choices between those. Those communities certainly hold us accountable for those decisions, too. So the fact that there are close to 50 schools in this city operating at 50 per cent capacity or less is something that we also need to pay attention to to make sure that we're using those assets appropriately and running the system as efficiently as we can.

Mr. Bilous: No. I agree, Minister, although I will say one comment with regard to Wood Buffalo and Fort McMurray. Appreciate my frustration and their frustration with the fact that there has not been a public school built in over 24 years up there. Now, I appreciate that you may not have been minister for that long, but to an extent the shortage of schools was a problem created . . .

Mr. J. Johnson: In Fort McMurray? We just opened five schools up there.

Mr. Bilous: The one school – opened or announced?

Mr. J. Johnson: In the last two years, three years we've opened five schools up there.

Mr. Bilous: Well, anyway, we don't need to get into this debate.

Mr. J. Johnson: We have another five on the go.

Mr. Bilous: When I was up in Fort McMurray a couple of months ago meeting with school boards, superintendents, they made it very clear . . .

Mr. J. Johnson: If they told you that they haven't had a school in 24 years, I think that there's a miscommunication there someplace. Certainly, they need more. We need more in a number of communities. I wouldn't dispute that.

Mr. Bilous: Right. Jumping back to school utilization, I just want to give an example here. One school in Edmonton with less than 50 per cent utilization is Braemar. Now, I don't know if you're familiar with Braemar; it's at 26 per cent utilization. For members of the board or members of this committee, it's a school for pregnant and parenting teens that also offers daycare services to parents. Now, those daycare spaces don't qualify as utilized because they're private. So does it make sense for Edmonton public school board to be punished, in terms of getting new schools, for offering services like that?

Mr. J. Johnson: Well, what the DM is just confirming for me is that we write off that space, and it doesn't count on the lease, at least in the new utilization formulas.

Mr. Bilous: The new. It will be changed, but right now it counts against them.

Mr. J. Johnson: No. I don't believe it does, does it?

Why don't you answer this question? You're getting into technical detail that I don't have the answers to.

Mr. Bass: Okay. Thank you for the question. When boards lease out space to private operators, if that's what you're describing, then that particular gross area is written out of their overall gross area for the jurisdiction, so for the school. For example, if it was a modular or two and you had a daycare in those two facilities, that school's gross area would be reduced by that amount for as long as that lease was in place.

Mr. Bilous: Okay. So you're saying that for private operators it's taken out of the utilization or counting as utilization space.

Mr. Bass: Correct.

Mr. Bilous: Then the next question is: if they are nonprofit or publicly run, are they not counted against the utilization formula of a school; say, a public daycare that's in a facility?

Mr. J. Johnson: If they're leased out, they're leased out. It's the same principle. But, you know, when you're talking about the utilization rates, I'm not sure what – is there a particular concern on this? The point I made is that the utilization rates are not necessarily the thing holding back new schools from being awarded. It's competition for those dollars across the province. When we looked at the modular classrooms, I mean, you mentioned the numbers from Edmonton, but actually Edmonton public was very happy with the numbers they got. I think those are the largest numbers they've ever had in a year for modular classrooms, and they got more than Calgary. So the utilization rates obviously are not having that big of an impact on the award of the capital.

Mr. Bilous: But utilization rates do affect schools and whether schools stay open and school closures. I know from speaking to a principal of a school, whom I won't name, that their utilization rate was at, I think, around 30 per cent. They went out and aggressively looked at strategies to get new students, more students to the school. They increased their enrolment by, I think, 90 students, and it bumped up their utilization rate formula by 2 per cent or 3 per cent, so it was marginal. Now, again, for them to get to a point where they would not be in jeopardy of being closed, they'd have to add, you know, a thousand new students. I mean, it would be virtually impossible. A large part of it, again, was the formula that punishes the mature-neighbourhood schools.

Mr. J. Johnson: No. I disagree with that. There's nothing in Alberta Education, funding-formulawise, regulationwise, that compels school boards to look at closing schools at any utilization rates. Those are decisions that school boards make, and they make them based on programs, not on how many kids are in the school necessarily or how big the utilization is in that particular school. So you may have a school that's half empty, but half the school is full of community groups, daycare, things you're talking about. I mean, that's a real, viable community facility. If the programming is viable from the education perspective, boards, I'm sure, will keep that open.

On the other side, if you don't have enough students in a school to give good programming and the economies of scale for the number of kids in a classroom to provide the right instructional expertise are

there, then school boards have to look at that, and they say: well, could we provide a better educational experience for this kid over at this school because the economies of scale will be there with the number of students? That's really what, you know, they're compelled to look at. There's nothing regulationwise, utilization-ratewise, in legislation, in funding conditions that compels school boards to look at closure based on utilization rates.

Mr. Bilous: No, but that is one of the things that's taken into consideration.

So, again, you are reviewing the utilization rate formula, and that will be changing.

Mr. J. Johnson: You know, what we're doing is that we're responding to what people have said. In a nutshell, they want the instructional space that's available to be the prime thing that we look at for utilization rates, so not some of those ancillary things, not some of the space we lease out, not the hallways and maybe the gyms and all those types of things.

Mr. Bilous: Okay. A quick question before I go into per-student funding. The Task Force for Teaching Excellence was set to file its report to you on January 31 of this year. Two months later the report still isn't public. Can you provide us any indication as to how that report has been incorporated into the budget or how it will be moving forward? When can we expect to see the public release of it?

Mr. J. Johnson: Yeah. Good question. The task force has done a lot of really good work. They've looked at best practices and research from all over the globe and some of the latest kind of changes in models that are happening in the postsecondary education system, in the assurance models, in the professional structures, all those things. The report is finished. I don't have a copy of it yet. One of the reasons I don't have it is that I had told the stakeholders that we're going to go and give this report to them when we get it, because we're not going to take this internally like we do typically with reports.

Mr. Bilous: I've heard that you did have a copy and that it was shared with your caucus.

Mr. J. Johnson: No. We had a verbal briefing on some of the key elements of it, but we do not have a copy of it and haven't had it in detail. That was a draft early on in the – well, not early on, but the report wasn't finalized at that point in time yet either. I anticipate and hope that we would be bringing this out in May. We'll be working with the stakeholders on how we release that and making sure it's in their hands right away. We can get them to have a look at it and give us feedback as soon as it gets made public, before we make any decisions on what we do, obviously.

Mr. Bilous: Okay. Jumping to deferred maintenance, a longstanding concern of school boards which I'm sure you're aware of. Partially due to insufficient levels of plant operations and maintenance funding, the conditions of our schools are deteriorating. That's actually reflected in the Ministry of Infrastructure's condition reports. We pointed out that in Edmonton Catholic the board is considering closing certain schools that have deferred maintenance as high as \$20 million. Now, again, it seems like a poor investment strategy to let our schools deteriorate to the point where they're beyond saving and then forcing boards to close schools in order to get a new one. Can you provide some sort of ongoing evaluation process that justifies this chronic underfunding of schools?

9:00

Mr. J. Johnson: Well, I wouldn't characterize it as you just did. I would support you in that I would love to be able to put more money into that. Obviously, it's a good investment. It's one of the areas where we trimmed the budget last year, but it's the area of the budget that's getting the greatest increase this year. The IMR money, which we call the infrastructure maintenance and renewal dollars, was \$77 million in the budget this last year; it's \$100 million next year. So it went up by 30 per cent. It's got the largest increase of any of our envelopes because we recognized that we had to rein that in, that we can only do that for a short period of time, and that it's an important piece of the budget to increase.

The plant operation and maintenance is the other piece that plays with the maintenance. That's more the utilities and the lights kind of piece of the business. That was increased as well, and that amount now is up to close to half a billion dollars. So there are significant dollars there. Just in those two buckets there's about \$600 million.

The deferred maintenance across the province is substantial.

Mr. Bilous: Do you have that figure?

Mr. J. Johnson: Actually, Infrastructure is doing a study on that, but the numbers that we have seen, the estimates, are in the \$800 million range.

Mr. Bilous: Okay. The numbers that I have for Edmonton public and Calgary, CBE, are about a billion themselves.

Mr. J. Johnson: Well, I think that that's one of the reasons that Infrastructure is preparing a report. I thought the report was – you know, what I've got is that it's for all GOA-owned buildings. I hope that includes school boards. I thought it had to do with – it does. So it's beyond just GOA-owned buildings; it would be school boards as well.

I think that to a great degree it depends how you characterize these things. When you're looking at aging schools, there's a reality that there are some schools that carry a huge infrastructure deficit that you're never going to repair. You're going to replace it. So those things are on the books but not really true deficit dollars that, you know, the taxpayers have to find some day.

Mr. Bilous: So the one figure that you just gave of about \$100 million: I mean, you're probably well aware . . .

Mr. J. Johnson: The IMR.

Mr. Bilous: That. Okay. So the four schools in the Gold Bar constituency that Edmonton Catholic was discussing and voting on as far as four different schools that they were looking at shutting down to get a replacement school, those four schools, have an infrastructure deferred maintenance price tag of a hundred million dollars. So, again, the frustration is that we starve these buildings to a point where they're crumbling and you have to replace them.

However, you know, if we were to flip that to say, whether it was a homeowner or you own your vehicle – and I've used this analogy before. If you never take your car in for routine maintenance or get the oil changed, eventually it's going to break down completely. But what was more cost-effective? Putting in dollars spread out over years to maintain and upkeep or abandoning putting in dollars beyond your lights and boilers and let it crumble? Anyway, that's a frustration that I think is being experienced province-wide.

I've got about a minute left, I think, if I'm not mistaken, and I haven't even talked about inclusive ed, FNMI, modernizations, or playgrounds, unfortunately. We'll have to sit down and chat.

Per-student funding. While operation funding has gone up this year, \$91 million over the last year's forecast, that's only good for a 3.4 per cent increase. That's roughly the number of new students that have entered our school system. In fact, when we look at the per-student grants outside of the 2 per cent increases to class size and inclusive ed, everything is frozen for the second year in a row. So, in reality, when you factor in inflation, that means the whole education system is yet again being asked to do more with less, all of this after an election promise that increases would be 2 per cent across the board, which would have provided some stability and assurances to our school boards that they wouldn't be looking to make cut after cut year after year. Your government was elected on a promise of long-term, stable, predictable funding increases, but none of that has been delivered. [An electronic device sounded] Pardon me. That's my own timer.

Mr. J. Johnson: Right on cue. Not bad.

Mr. Bilous: Yeah. Not bad.

Mr. J. Johnson: You can be the official timer.

The Chair: Okay. Thank you very much.

At this point we'll move on to our independent rotation. We have MLA Kennedy-Glans.

Ms Kennedy-Glans: Thank you. I think what I'll do is just put all my questions on the table, however long it takes, and then have the minister respond. Okay?

The Chair: Okay.

Ms Kennedy-Glans: Thanks. Okay. I have several questions, and some of them are just elaborations on stuff that's already been presented. In looking at the budget, I wasn't able to discern – I've been asked by constituents quite a bit about moving the minimum age limits to 18, what the budget impact of that is. This has been an ongoing question and, in particular, a question about the access costs if, in fact, students choose to go to age 21, which people anticipate that they will. I think my constituents would like to understand what those expectations are.

The question of reserves. Cash reserves have been well discussed tonight, but I want to ask another question, and it's one we've asked before. The cash disclosure on reserves I thought was very healthy, and people in my constituency comment on that. But in almost sort of an inner-city setting in Calgary we have a board that has a lot of land, and I still think that that land is part of the resources of those boards, especially in a community where we've got so many schools that nobody is going to be building a new school any time soon. So can that be included as part of the inventory?

Another question relates to the money that's contributed by boards, the CBE in particular, to not-for-profits or NGOs, in particular EducationMatters – but it could be any NGO – to support the work of that school. Are there any fetters on their ability to make those contributions placed by the ministry? If there aren't, I think the question is: why not? That is still public money. The CBE seems to have had in the past an unusual treatment of that money as if it wasn't public money, and it seems odd when we're talking about public money passing through to a not-for-profit.

You've talked quite a bit about the P3 model, and the questions from the Wildrose caucus were quite exhaustive. I understand Infrastructure manages the P3 models. We have asked specific questions from our constituency about the role of the Ministry of Education when there is a P3 suggested, that is sort of an unconventional partnership. Certainly, we're seeing it up in northwest Calgary with partnerships with community associations, but even with not-for-profit organizations there are opportunities in our constituency. I know you referred that immediately over to the school board, but frankly from discussions with a lot of our parents and our educators in the constituency I think they wouldn't mind some direction from the ministry on that, and I would like clarity on your role.

I'm going to get very specific on a couple of things, and I will raise the First Nations and Métis question that my colleagues were not able to get to. We have quite a few FNMI students in the cities, and we're finding situations where people are stepping forward either as part of not-for-profits or community associations or even just parent associations wanting to fund tutoring or provide tutoring for some of these students. They're in a bit of a catch-22 because the IPPs say that these students require extra support, but nowhere in there is a commitment for tutoring. So even if somebody wanted to pay for tutoring, they can't pay for tutoring. It seems like it's a bit of a vicious circle. I'm not being overly critical; I understand how these things happen. But I think it does need some more scrutiny. It just seems anomalous that we're kind of going around in circles when other people are willing to contribute time and resources and we haven't got a way to accept that.

The final question I have relates to renewables. I've been in a lot of schools lately talking about renewables, and I'm amazed at the enthusiasm. Young people know more about this than their parents do. There is a wonderful provision in the legislation to allow for, you know, solar panels on a roof within a certain budget, and I think it is a good education tool. I guess in that vein two further questions. One is the education on energy, not just oil and gas but electricity and renewables, and our recognition that that is woefully inadequate and that the perception of credibility from some of the stakeholders who would be motivated to educate students is in question. Really, the Ministry of Education has huge credibility, and I would recommend a mandate. So I'm wondering if that's ever going to be part of your mandate in a more intentional way.

9:10

Finally, I was quite excited when I saw that a Catholic school board in the northern region had built a consortium to purchase green electricity on a long-term basis, actually wind-powered electricity on a greenfield basis. They obviously have to finance that. It's arguably not going to be more expensive than other forms of electricity, but they have to do it on a long-term basis to participate in greenfield projects. They would require your approval as minister to be able to participate in that. I just wonder if you would provide that to them.

That's it.

The Chair: Thank you.

Mr. J. Johnson: Good questions. Let me try to get through them as quickly as I can. If I got one wrong, I might ask you to elaborate or clarify for me.

So the age that you brought forward with respect to 18 and 21 is a really good point. The amount that we think that it's going to cost the budget is actually not scoped out. We don't have that as

part of the budget. We're going to see what kind of implications that's going to have. Really, it's something that's hypothetical at this point. Certainly, there will be something there because the kids that will potentially stay in the system will be the ones that are the higher-cost kids, too – that's one of the theories – and special-needs kids or some of the kids that need extra education and extra time. It's something that we're going to watch carefully. It's a good question, but we haven't fully scoped that out. As I said, it's hypothetical at this point in time.

The land reserves is a really good question because my understanding is that these statements and the capital reserves we see are really the cash reserves, and it isn't the land assets. Now, many of the land assets that we might think are assets are actually municipal reserve. If they're not used for schools, they revert to the municipality for other municipal uses and parks and those types of things. Certainly, there are some pieces of property that are held by school boards that are assets. I really wouldn't mind having a closer look at those things and seeing some kind of study done, especially for any potential metros that might have masses of capital assets that we aren't completely capturing and don't completely understand the value of, to see how those could play into helping capitalize schools.

You had a question on the fetters around contributions from NGOs, but you lost me there. I'll whip through these other ones, and you may want to re-ask that when I get through.

The P3 role, the unconventional P3s, and the minister taking a stronger role or giving more direction: again, a really good question, a policy question for us. The traditional P3s, where you've got vendors building and financing and maintaining with the government, are one thing, but when you've got a whole bunch of potential partners, that might be unconventional P3s, and that's exactly what we want to look at. We don't have a really good mechanism or policy or standards on those, especially for how you go to the market for them if you're going to develop unique partnerships.

One of the ways that we've been inviting people to explore those is to bring those to us. We'll be happy to sit down with them, the Minister of Infrastructure and myself. Then if we have some that make sense, we'll take those to Treasury Board. The second way that we're trying to do this is to actually empower school boards to be seeking these out. One of the ways we do that is by preapproving projects, making sure that they know that they've got the funding if they build something. There are two examples here in Edmonton where they were potentially going to amalgamate schools, but they're working with the community on what the solution looks like. It's hard to develop those partnerships if you have no certainty that the money's going to be there if you actually develop them.

The other way is to say, like in the CBE case, that if you want and you have the capacity, we could grant you the money for the project. Then you can finalize the scoping and partnerships and what these things look like. So there are a few ways to go at that.

The IPP support for tutoring: I didn't quite understand that one, but, boy, I'm sure hopeful that if there are people that want to donate extra tutoring, extra support in any way for underprivileged kids, we would have schools and administrators and leaders and school boards that would take it. If there are rules that are preventing that or roadblocks are getting in the way, boy, let us know, because I'll look into it, and we'll try to remove those if we can.

Basically, you're talking about curriculum on energy literacy in the schools, I think, to capture that one piece. I can't tell you how much we hear about this – and I'm not hearing about this from just energy companies and not just oil and gas companies or, like you

say, the renewables but the average Albertan and parents – that that sustainability mindset of the kids and what’s being taught in the schools and the energy literacy are woefully lacking. That’s actually a piece of what we’ve mandated the folks to look at and keep in mind as we do this curriculum work. We want to be balanced, but we want to make sure that there is that balance there, for sure.

Then the last piece you had was on the school boards and the dollars towards the green power but, you know, needing a long-term commitment and what kind of assurances need to be on the paper and how maybe only the minister can sign that or approve it. I believe the new Education Act would take care of that with the natural person powers that we’ve granted to the school boards as part of the new Education Act, which essentially allows them to enter into some contracts in the future that they haven’t been able to enter into in the past. I couldn’t say for sure, but it doesn’t allow them to borrow money for capital and those things, but it should give them more empowerment, I think, for things like this. It’s certainly something that, if it makes sense and they can prove the business case, either I would support personally, or it would probably fit for the natural person powers, I think.

I think I missed one, if you want to go back to it, or we’ll move on to something else?

Ms Kennedy-Glans: Are you okay with that, Chair?

The Chair: Yeah. You guys have time.

Ms Kennedy-Glans: Okay. Thank you.

Actually, two of them. CBE contributes quite a bit of money to EducationMatters, and that money is then filtered out for different purposes. When you talk to CBE about their funds, the contributions that they make to not-for-profits, including EducationMatters, are not part of what – they just assume that they can do that without a whole lot of disclosure. It’s public money. My question is: do you put constraints on how much a school board can donate to a not-for-profit, a.k.a. EducationMatters?

My second question – I’ll let you answer that one first, and then I’ll find this other one.

Mr. J. Johnson: You know, we don’t, that I know of. Those are important decisions that they need to be accountable to their electorate for. They are duly elected, just like a municipality is and just like we are, so they have budgets to work with, and they have discretion in terms of how to spend those. Certainly, you don’t want to see school boards go donating away their classroom dollars to certain initiatives, but if it’s to a like-minded nonprofit that’s doing work that can be done more cheaply than them doing it themselves and impacts their programs or their system, I think it would make, potentially, a lot of sense. The short answer is that there aren’t controls and conditions other than requiring financial statements and elected officials to be accountable to their constituents.

Ms Kennedy-Glans: I can’t remember the other question. I think we’ve got them all. Or do you have one on your list?

Mr. J. Johnson: No. I think that’s the one that I had missed or misunderstood.

Ms Kennedy-Glans: Good. Thank you.

The Chair: Then you’re finished with your questions at this time? Thank you.

Okay. At this time we’ll move on to the PC caucus, and they have agreed to split the time. We have six members who would like to ask questions, but we will see how far we can go.

We will start with MLA Jeneroux.

Mr. Jeneroux: All right. Yeah. I guess I have got to be quick, and I’ll limit it to just the one question, then. I want to talk about full-day kindergarten, and I guess I’m not really sure how to go about this. Minister, there were promises made during the election to fund full-day kindergarten. My daughter is in kindergarten. It’s only half a day right now. Can you tell us the status of the initiative? I have a few more kind of written down here along with that. When will it be implemented? How much will it cost? Can you tell us how many school boards have already implemented this?

9:20

Mr. J. Johnson: Good question. I think many are wondering this right now in light of recent events, whether we’re still committed to this, and not seeing it articulated in the budget. I can assure you that we are. But there’s always a “but.” When you’re talking about full-day, everyday kindergarten, we already fund full-day kindergarten, but it’s half time. We fund half-time kindergarten, you know, half days five days a week or full days half the week. Different school boards do it differently. When we’re talking about funding, full day, every day is what you’re talking about, not just full-day kindergartens.

There are a couple of things that we have to decide, and one is whether we’re going to fund full-day, everyday kindergarten for every kid in the province universally and make it mandatory, so essentially starting school a year earlier, or whether it’s going to be targeted to at-risk students. We’re leaning towards the latter for a lot of reasons.

But there are a whole bunch of other things that we need to figure out as part of this, and one is the infrastructure requirements, which are going to cost money, and the credentialing of who does this and whether we have the capacity peoplewise to deliver this or whether we need to phase it in over a few years like many other jurisdictions have.

What I can say to try to shorten this up is that we are going to move forward with it. We are intending to. It’s still in the planning process, with \$10 million in the budget this year for it. Six and a half million dollars of that is for the continuation of early development indicators mapping. It’s actual geographical mapping of schools and the demographics in various schools. It helps us target which communities and which schools are the ones that should receive full-day, everyday kindergarten based on how many at-risk kids they have in that school. Like I say, it makes more sense to do that than have universal full-day, everyday kindergarten.

There’s \$10 million, 6 and a half million dollars for the EDI, 3 and a half million dollars for planning. Then my hope would be to be back at caucus and Treasury Board this year and try to nail down exactly what this looks like and how much money we need and have that in future budgets so we can phase it in over the next couple of years across the province. Eleven school boards already have full-day, everyday kindergarten, and 14 have targeted full-day, everyday for at-risk kids. So there are already boards doing it today. It’s just: do we provide extra money and supports and that infrastructure?

Mr. Jeneroux: Sorry. Just to be clear, it is that you plan long term to have every kid, not just the at-risk kids?

Mr. J. Johnson: No. To be clear, that's a decision that you're going to have to help me weigh. We haven't made that yet as a caucus. That's a significant policy decision to make.

Mr. Jeneroux: What do you want, Minister?

Mr. J. Johnson: My inclination is that full-day, everyday kindergarten for at-risk kids makes the most amount of sense and gives the best return on the investment and would be the best supported across the province from the research I've seen and the people I've talked to.

The Chair: Thank you.

Mrs. Leskiw: One of my favourite topics. First of all, I'm very, very happy that the provincial achievement tests are going to be replaced with the student learning assessment.

Mr. J. Johnson: Oh, those are back now. Didn't I tell you?

Mrs. Leskiw: Anyway, tell me the progress of what's happening with grade 3, grade 6, grade 9. Where are we at in the implementation stage, and what is the projected cost of switching over from provincial achievements to student learning assessments?

Mr. J. Johnson: Okay. No cost, because we're taking this out of the current budget. We're doing PATs today. We're just retooling and moving forward with changing the assessment. As you know, the intent is to phase these in over three years. So this last school year was the last school year that the grade 3s wrote the PATs?

Mrs. Leskiw: No. The grade 3s are writing this June.

Mr. J. Johnson: No. It's not mandatory. It's optional. Am I correct? Yeah, I am right. There's a first time for everything.

Last year was the last year that PATs are mandatory for grade 3s. School boards and teachers can still write them, but, you know, it's optional. It's at the request of the school board or the parents or the teachers.

Mrs. Leskiw: Well, it's optional depending on how you define optional.

So the new grade 3s in September will be writing the new student learning assessments. Is that correct?

Mr. J. Johnson: Yes. The pilots on the grade 3 SLAs are this fall.

Mrs. Leskiw: And the last for grade 6?

Mr. J. Johnson: This year.

Mrs. Leskiw: This year?

Mr. J. Johnson: This year is the last for grade 6. Next year is the last grade 9.

Mrs. Leskiw: Good. Thank you.

Mr. J. Johnson: That's the plan.

Mrs. Leskiw: That's good. I'm very happy that the plan is going through.

Mr. J. Johnson: We call that the Genia Leskiw plan.

Mrs. Leskiw: Yeah. It took me five years to get it through.

Mr. J. Johnson: It came from private member's bill – what was that?

Mrs. Leskiw: Private Motion 503.

Mr. J. Johnson: Motions have impact.

Mr. VanderBurg: Two issues, Minister, 2.4 and 2.5 in the operational vote. It's on page 54, plant operations and maintenance, and transportation. I'm a little different than most people in the audience here that have small areas to serve. I have four school boards. For one of them the length is over 300 kilometres, and some of my communities are, like, 90 and 100 kilometres apart. If we cut them in half, maybe, and had two school boards, our transportation budget would be substantially higher because we're heading down a highway like highway 43, between Fox Creek and Valleyview or Whitecourt and Onoway. You know, we have the buses going down one route and coming back on another, quite different than a circular route, where you can be a little more efficient. In your transportation budget is there some new money for school boards like Northern Gateway, that are having issues with transportation costs?

Mr. J. Johnson: Yes, but not enough, I'm sure. You said Northern Gateway?

Mr. VanderBurg: Northern Gateway, in particular, is the one that reaches from Onoway past Valleyview.

Mr. J. Johnson: Yeah. All of those areas of the budget were increased, but those areas of the budget other than the IMR, the PO and M and the transportation dollars, were increased primarily due to enrolment increases. The IMR was increased substantially. There are other areas of the budget that we have beefed up in the last two years, in particular the equity of opportunity funding for rural Alberta. There are formulas that weight rural Alberta in density and distance and those types of things that help the schools that have longer to travel and that don't have the higher utilization rates. We try to help in the ways that we can for rural Alberta.

Obviously, when you're drawing boundaries around a school board, you have to draw them someplace, and you can always argue: "Well, if I would have drawn them there, I'd have more money," or "If I would have drawn them there, I would have had more money." But you've got to draw them somewhere. If we wanted to put more money into a system, if we went to Northern Gateway, for example, or mine, not far away, Aspen View, a similar situation, and said, "We've got one more dollar to spend; where do you want it?" they probably wouldn't put it in transportation. Northern Gateway actually ran a \$200,000 surplus last year in their transportation budget even though they have those challenges. So we send that money to them, and they have to make the choices on where they spend it. We just try to make it as equitable as we can.

I appreciate your comment and your advocacy for the rural and remote rural schools, because there's a huge challenge there, especially in the fact that we eliminated the fuel price contingency last year. That's something that we're going to have to look at, especially with these fuel prices, have a revisit of. So we'll have a chat about that.

Mr. VanderBurg: I guess the option for the board would be to take a hundred kilometres of moose pasture out where nobody lives and form school boards Northern Gateway A and Northern Gateway B, and then the transportation budget would go up. I mean, that would be a way to resolve it.

Mr. J. Johnson: Only if they actually had a moose to pick up up there. I think those things are actually based on the kilometres of

road that the buses travel, not just the geography that the school board covers.

Mr. VanderBurg: Okay. The O and M is the other issue that I want to talk about. In small schools like in Rich Valley or Wildwood or Niton the population varies, and, you know, there's a sparsity of students in a lot of those schools, especially these old rural schools. We have declining enrolment in these schools, and we just can't shut the water off and the heat off to allow our operating and maintenance budget to go down. Is there some way that the department can recognize that we need these small rural schools? We can't have our kids on buses for more than 90 kilometres in our constituency. Somehow we've got to look at some of these special instances.

9:30

Mr. J. Johnson: Yeah. I agree, hon. member. You're bang on. Again, it's one of the reasons we have some special envelopes in there, for those exact situations. I mean, the other envelope that we have is small schools by necessity. There is extra funding for rural schools, especially the smaller rural schools.

If you look at what a student in Alberta gets in terms of funding for education, they don't all get the same amount of money. The students in the remote, rural locations get more money than the ones in the denser populations because we recognize that it costs more money to educate those kids in smaller, remote, rural locations. At the end of the day, we want kids to succeed, and we want equitable access to opportunities. That's what we're funding. We're not just funding a student. So you're right.

Mr. VanderBurg: I guess my final comment is that not everybody feels that full-day kindergarten is the answer. You know, our kids getting on the bus at 7 o'clock, grade 1 students, and getting home at 5: it's a long day. To expect children younger than that to keep awake – the bus drivers are waking them up when they get to school now in my constituency. We have an issue, and I don't think one size fits all for full-day kindergarten.

Mr. J. Johnson: Very good point. Thank you.

The Chair: Thank you.
MLA Fenske.

Ms Fenske: Oh. Thank you very much. I just want to go back to you saying something about how you possibly could be motivated to relook at the fuel contingency fund.

Mr. J. Johnson: I think that's one of the areas of the budget, you know, that really regrettably we had to cut back on. If we could get more money into the budget, it would be one of the first areas we need to look at.

Ms Fenske: Thank you. I appreciate that. It's even difficult to get bus drivers. You know, I mean, they do everything from GPS to actually tracking the exact mileage and such in one of my school districts, but it's still tough to get drivers. Is that envelope specific to transportation, then?

Mr. J. Johnson: It's specific to transportation. Traditionally it's been tied to the price of fuel. If the price of fuel goes above a certain mark, we top up their dollars or give them a number of dollars based on kind of how many litres or kilometres that they cover.

Ms Fenske: That's great. A lot was said about the reserve funds, and I know it was talked about whether or not those are adequate.

You mentioned a couple of school boards. You were asked specifically about what they were at; 2 point something per cent was Calgary, I think. What's the upper amount that some of those schools are running in their reserves?

Mr. J. Johnson: There's a number in double digits. One of the highest is 24 per cent. We've got some around 14, 14, 17, 17 and a half. Those are big numbers, and those are just the accumulated operating surplus numbers. That's not including the capital reserves.

Ms Fenske: Thank you. So on those ones do you ever sit down and ask them to give you a breakdown of what they – because sometimes those dollars are allocated for specifics but not necessarily in operating, right? Usually it's for the portables or the capital costs.

Mr. J. Johnson: Yeah. We have those discussions, but, you know, for the most part we do respect that they've got the authority to do that, and they have to be accountable if they're going to build those up or have to have plans. But we don't have a formal mechanism where we ask them to explain why they have certain reserves every year. Maybe that's something the regulatory review committee is looking at and will come forward with their recommendations. I would point out that these profiles are online. You can look at every school board's profile and see exactly what their reserves are at and what their surpluses were last year.

But in their defence, you know, we negotiated a deal with the teachers last year, and some of them were expecting to have to pay money, potentially. So I think it was probably quite prudent for them to hold some back. Then when we came through with our commitment that we would fund the deal we negotiated, which we did, we were able to negotiate a deal that didn't have cost increases for school boards, and they were left with potentially more money than they thought they were going to be. So that might be a good reason why surpluses last year were larger than they anticipated.

Ms Fenske: Great. Thank you very much.

The Chair: Thank you.
MLA Fritz.

Mrs. Fritz: Thank you. Thank you, Mr. Minister. I know it's been a long evening for you so far. Many of our questions have already been answered, thank heavens, but I do have a couple more. One is on the flood recovery initiatives. The operational budget you indicated earlier was \$6.5 billion in 2014. That was an increase of \$200 million, or 3.2 per cent, from the 2013-14 forecast. Then in brackets it says that it's excluding the flood recovery initiatives. Would you comment on that just a little bit further than you had?

Mr. J. Johnson: Can you tell me where you're looking?

Mrs. Fritz: I'm looking under the operational plan in our building Alberta fiscal plan.

Mr. J. Johnson: Do you have a page number?

Mrs. Fritz: I do. Page 43. Also, I can take that answer back in writing.

Mr. J. Johnson: No. That's fine. I can speak to the flood initiatives. If there's a footnote there that doesn't include the flood initiatives, we can certainly highlight those. I mean, there was about \$115 million in flood initiatives with respect to Education.

Some of those have to do with capital, like modular classrooms – there is about \$30 million for that – money for damaged schools; restoration for a number of schools; the Sprung structure that had to be erected in Elbow Park, that was part of a school; extra learning resources for school boards, especially those that were damaged.

Then there was a program that we put together for the school boards that were worried about decreasing enrolment and how that was going to impact them on a short term. We called that enrolment and program stabilization. We had \$30 million that we committed towards that, and that was really well received by the school boards. They wanted some assurance in the summer that: “Hey; if our enrolment drops and we don’t know what it’s going to drop by, we don’t have to lay off all these teachers that are going through this right now in our community.” So we said: “Whatever you had last year with your projections, we’ll guarantee that that’s the amount of money you’re getting. Nobody gets laid off because of this flood, nobody gets sent home, and we’ll guarantee that level of funding for you.” Those are the pieces that are in the flood initiatives.

Mrs. Fritz: Thank you.

A further question I have is not related to that. It’s about the teachers’ pension liability. It says:

Operating support to school boards includes \$377 million in 2014-15 for current service payments for teachers’ pensions, with a further \$455 million budgeted in the Ministry of Treasury Board and Finance to provide for the costs of the pre-1992 teachers’ pension liability,

which was a total of \$832 million for the pensions. I’d like you to comment on how much we’ve paid from when we began to pay back the liability and assist through the teachers’ pension liability and also from the \$832 million now, what that’s added up to and where you see that going, how many years into the future.

Mr. J. Johnson: I’m going to ask the guys as we’re talking here to get me an answer to the question of how many years we have left or how much money we have left to pay on that. Brad or Mike? We may have to get back to you. My understanding and recollection was that that was a \$2 billion total contribution or commitment and that we’ve been paying in the neighbourhood of half a billion dollars a year towards that since ’05. So we should be there or just about there. This year’s contribution to the pre-1992 amount is \$455 million. That comes out of the Finance budget, not the Education budget. The \$377 million that comes out of our budget is for current teachers for this year.

Mrs. Fritz: Perfect. Thank you.

The Chair: Thank you. We’re now at the 10-minute segments of our timing. We’re at the Wildrose portion. How did you want to proceed?

Mr. McAllister: I’m going to let the Member for Cypress-Medicine Hat certainly be it.

The Chair: Thank you.
When you’re ready.

Mr. Barnes: Okay. Thank you very much, Madam Chair. Thanks to Minister Johnson for your time here tonight and answering all our questions, and also thanks to your ministers and your staff for your time here tonight and all the work you do for Alberta. We appreciate it.

First of all, I want to talk a little bit more about P3s, please. At the former Premier’s economic summit in Edmonton a short time

ago the CEO of AIMCo said that the transfer of risk in building schools and operating and maintaining schools from the public sector to the private sector was either zero or very, very negligible because of the people of Alberta having to be in the business of owning and operating schools anyway. Minister Johnson, I’d like to hear your thoughts about the transfer of risk to the private sector in the building and maintenance of schools.

9:40

Mr. J. Johnson: Well, I think that’s a matter of opinion. Certainly, there is a risk, and there was a risk, a big risk, when the P3s kind of gathered more legs, you know, when Premier Stelmach was around, and we did several P3s for schools. The cost escalation on infrastructure at the time was incredible. If you look at the span over a large number of years in terms of the risk of infrastructure projects, there are a number of pieces at play, but if you looked at the window of when the first ASAP 1, ASAP 2, ASAP 3 were done, the risk and cost escalation on projects was pretty substantial.

To be able to get certainty from industry that they would bid on a half a billion dollars worth of infrastructure projects and guarantee a price for you and then guarantee that price for 30 years, including maintenance, and guarantee an interest rate, you know, had a lot of risk mitigation to it. The taxpayer can take that risk or the private sector can take that risk, but at the time we came out on the right end of some of those arrangements. I’m sure the businesses still made money. It’s still viable. The Auditor General and some of the reports that have been done prove that some of those were good decisions.

Now, P3s don’t work for everything. You know, there are other operational advantages we get, and one is the certainty on the condition of the building. I mean, the member from the NDP just talked about our deferred maintenance. Well, these P3 projects – those school boards that got a P3 building now don’t need the IMR money for that building. So they just got a grant increase on the operations as well because they don’t have to get more IMR money in their budget – you know what I mean? – because we’re paying that for the next 30 years. That’s a side contract. Not only that, but we know that we’re not going to have a whole big glut of deferred maintenance on those buildings because we’ve got the 30 years of warranty and maintenance worked in. So there are some real advantages.

Mr. Barnes: Okay. Thanks for that. I’d like to explore that a bit more. I appreciate your earlier comments about there being only one taxpayer and your recognition of that. I have heard, though, time and time again from the local school boards, local maintenance people, people with local concerns, local needs, local ideas, that when these P3 schools are being built, something as simple as air conditioning cannot be added economically and affordably at the time of construction, costing that one single taxpayer a lot more money later to add it. Why is that the case?

Mr. J. Johnson: If you’re talking about air conditioning, I can tell you that we don’t put air conditioning in any of our buildings. It’s just not a standard part of the construction of the schools. I mean, they primarily operate through the winter months and are empty during the hottest months of the year, so that’s not a piece we put in. A lot of school boards and parents want it, but it is an extra cost, and it’s not something we put in. It’s one of those things like playgrounds. You either kind of set a standard of what you’re going to build and try to build just what we need so that you can build as many as possible, or you let people have all the add-ons that they want, but then you have the expectation that we might

have two or three communities that go without a school because we only have so much money.

So you're absolutely right; there are trade-offs. If you're going to grant the money to a school board and you say, "Go ahead and build whatever you want" or give them a blank cheque, they'll get more. They might get air conditioning, they might get their own playground, they might have a different school, and it might be customized, but it's going to cost the taxpayer more. When we bundle these projects and we do them together, which we don't do for every round and every project, you'll save money. You'll save money because there are economies of scale on the plans, on the architects, on permitting, on all those pieces. But you're right. You sacrifice some of the customization and the ability to do some of those things.

Mr. Barnes: It seems odd, though, that when the local school board is willing to pay for the air conditioning or willing to pay for the extra, they can't get in and do it at the time of the construction, when it's most affordable to that one single taxpayer.

Also, I'm hearing with P3 schools that one of the problems – and then these two are maybe related – is that because we have the 30-year maintenance agreement, the 30-year agreement where we get them back, I'm hearing time and time again that the fear is that the quality of construction, the quality of maintenance is geared to last 30 years and one day. I'd like your comments on that.

I'm hearing that because of a private operator or private maintenance situation it's costing us as Albertans the opportunity a lot of times for these schools to be the hubs of the community, that the private maintenance people aren't letting the schools be used by other groups, whether it's for floor hockey or meetings or whatever. I'd appreciate your thoughts on that.

Mr. J. Johnson: Yeah. Those are good points. On the first, I don't think anyone has it nailed down that they know how many days and minutes a school will last in good shape. One of the things you see in the P3s is that one bidder might get a better interest rate, so he might take more margins on another piece of the business, which might be the upkeep and the maintenance or the construction. But another bidder might say: "You know what? I want to put the best materials in. I want this thing to last. I want it to be in good shape so that I don't have to spend as much money on maintenance." That's the whole P3 kind of gamble of those consortiums that put in these bids. They don't want to skimp on products because they're paying for the maintenance. That's the flip side of the coin on the argument.

Your other point, though, about the hubs of the community and that these contracts can be a deterrent to that, is absolutely accurate. In my experience and, I think, as one of the things we've learned from the earlier P3 contracts – and I believe and I hope and I expect that we've gotten and are going to get better and better at that – if you signed a contract to maintain a school for 30 years and then people come to you after the fact and say, "We want to use your school, you know, a hundred hours a week instead of 60 hours a week or 50 hours a week," you're going to want more money for the maintenance side of that. So that creates barriers, and then those contracts and those change orders need to be a piece of the business. You know, you made a good comment that that's one thing that maybe was overlooked or not done as well in the earlier ones, and I think we're doing a better job of that now. I hope we are.

Mr. Barnes: Okay. Thank you very much for that.

Page 55, 3.2, Alberta schools alternative procurement, \$30 million: is that the interest portion on the seven now completed P3

schools if I remember that number right? What interest rate would those P3s be at? Would that include maintenance as well?

Mr. J. Johnson: Sorry. I'm lost in thought in looking at the page here. Can you repeat that again?

Mr. Barnes: Yeah. Page 55, under Capital Plan Debt Servicing, 3.2, right in the middle of the page. It's \$29,856,000 in the '14-15 estimates.

Mr. J. Johnson: Yeah. This is the debt servicing, right? So this is the interest.

Mr. Barnes: Yes.

Mr. J. Johnson: This is the interest on the P3s on ASAP 3, ASAP 1, and ASAP 2. It's the interest on all three of those, as I understand it. The guys will correct me if I'm wrong.

Mr. Barnes: Any estimates, Minister Johnson, on how many schools that includes, completed and under construction?

Mr. J. Johnson: They'll get the number because ASAP 1 and ASAP 2 were before my time.

Forty schools.

Mr. Barnes: Okay. Thank you for that.

Priorities. I want to talk to you a bit about how you set priorities that you advance to Treasury and to the Infrastructure minister as to which school boards should get schools built. Do you look at, you know, and contrast it if you can with the rural areas? I continually hear in Cypress-Medicine Hat that for rural schools it is not enough.

The Chair: You could maybe get back on it offline.

Mr. J. Johnson: I would love to if we had more time.

Mr. McAllister: Madam Chair, can I just verify how much time we have left and what the order is?

The Chair: What the order is now is that we will move on to the New Democrats, and they have 10 minutes. We have 10 minutes and one second left in our evening, so he's pretty much going to steal the show.

Mr. McAllister: You can have the extra second, okay?

Mr. Bilous: Thank you.

The Chair: When you're ready.

Mr. Bilous: I'm actually going to do a five-minute block and a five-minute block for this portion, Minister. I'm going to rattle off quite a few different things.

9:50

Mr. J. Johnson: Are you going to stay and listen to my answers, though?

Mr. Bilous: Absolutely.

First of all, I just want to clarify something, a comment you made much earlier where you, Minister, talked about initiatives that were cut in the last couple of years not having affected class sizes. I will challenge that comment. First of all, the AISI funding was cut. Some schools did use AISI for bringing in specialists, also for reducing class sizes.

The second one was, again, the cut for ELL students from seven years to five years. In fact, when the funding gets cut, so does the actual number of staff and teachers.

Moving to inclusive education, first of all, Minister, you've talked about the increase in inclusion funding. You know, inclusion is extremely important, but the increase that you're talking about is still below what your government predicted for inflation over the next year. On top of that, again the ELL funding didn't see an increase; it saw a cut from seven years to five years. At the end of the day, this isn't a win for successful inclusion in Alberta schools, where we need the resources for teachers, for teacher training, lower ratios, and support staff. Your budget is status quo, which isn't good enough. I'm curious to know if you're satisfied with the current standard of inclusion in Alberta's classrooms.

Jumping to playgrounds, the idea that schools in Alberta shouldn't be given funding to maintain playgrounds is quite ridiculous. Playgrounds are a very basic thing that we can provide children to encourage them to get outside to play more, to exercise more. They're easily accessible outside of the school year as well, so it gives kids in the community a way to exercise and burn off steam.

In the fall there was a motion other than a government motion that passed to explore funding the basic site prep work for playgrounds with new school builds, a pretty small ask. The current state, leaving parents to fund raise, can be a very heavy burden on parents that often don't have the time or the funds to contribute, not to mention that it's going to be easier for some parents in some communities to fund raise. Meanwhile kids are going to go to school in other areas without playgrounds. With P3 builds as well there have been serious issues constructing playgrounds afterwards.

We're not just talking about new playgrounds. Old ones are also costly to maintain or replace, so our mature neighbourhood schools get hit as well. Playgrounds, as you know, cost hundreds of thousands of dollars, and it's a tough ask for parents. My two questions: has your department taken any action on the motion from the fall, and if so, what are the results? Moving forward, will you consider providing funding for new or replacement playgrounds?

Just last week the government granted permission to the CBE to build schools in-house with provincial funding because CBE says that they can get it done better and quicker given the size of their district and the expertise they have. Is this an option that's being looked at for other districts, and if so, what criteria are you evaluating the requests on? Given that the CBE thinks that they can do it cheaper and quicker in-house – apparently, the government agrees if you're letting them – is there a reason why we can't bring all of the province's new schools away from the P3 model and do the in-house model?

I also want to just talk briefly about the issue that the NDP has with P3s, some of the joint-use agreements that were negotiated where extracurricular, after-school organizations cannot use the facility because it's privately owned. You've also got issues that I've heard province-wide about in-house staff, janitorial staff, being unable to do simple repairs because it's a P3. They have to file paperwork to go through the company's maintenance people, which takes a lot longer and is actually costlier.

Moving on to modernizations, when you go through the school board capital plan lists and check off the projects you've announced, you start to see a trend. Older schools in mature neighbourhoods, many of them very well attended, seem to be getting skipped in the modernization process. In Calgary it might be a school like Lord Beaverbrook, where they've been seeking modernizations for five years now, or really any of the other 11

modernizations on CBE's list that have been there for five-plus years, all of them. Many include technology upgrades, but they're also tied to general upkeep. In Edmonton administrators at St. Edmund in the Catholic system have expressed disappointment at getting skipped over yet again, and the public school system has three more examples.

If you go through the infrastructure report for these schools, it's clear that they need work. Obviously, the dollars aren't infinite, but these schools have all had outstanding needs for a long, long period of time. When you evaluate school projects, what criteria are these schools missing that sees them skipped again and again?

Just to clarify on full-day kindergarten, by the way, that was an election promise, and we're talking about optional full-day kindergarten, not mandatory, which would take into consideration that there are many facilities that do not have the capacity for everyday, full-day kindergarten, which we recognize.

I got through about half.

The Chair: You got a lot in there.

Mr. J. Johnson: You can keep going if you want. It's your time.

Mr. Bilous: I don't know if I'm allowed to do that, if I can just keep reading it. No?

Mr. J. Johnson: I was busy writing, and I missed part of that full-day, everyday K thing. Can he clarify that for me or not?

The Chair: Yes. Go ahead.

Mr. Bilous: Okay. Thank you.

The clarification was, on our part, recognizing that there are schools around the province that don't have the capacity to do full-day, everyday kindergarten. Again, we were talking about optional full-day kindergarten in schools that desire to, that choose to, and that have the space and capacity to do so.

The question. New schools that are being built: are they being built with a capacity for full-day kindergarten looking forward?

Mr. J. Johnson: That's a good question. Maybe I'll even start with that one and then go back to some of the others.

Like you say, what I'm leaning towards and wanting to take to my caucus and colleagues in Treasury Board is the request to move forward likely with targeted, at-risk, full-day, everyday kindergarten, so not mandatory universal. You raise a good point. One of the challenges we've got is understanding the infrastructure demands and what that's going to put on the system. There might be communities in areas of the province where, if you're going to do targeted, those are communities that you should be doing targeted in, but those are the areas where you have infrastructure shortages, too.

You raised a good point about that if we're going to be awarding new schools or modernizations in the future, yeah, we're going to have to put into the mix: is this a candidate for full-day, everyday kindergarten? Then that infrastructure question is going to have to be part of that.

With respect to skipping projects, I'm not aware of projects, actually, that we've skipped on the capital plans as we awarded these. I think there are certainly lots of projects that haven't been awarded funding over the last five years and, of course, beyond that. It's just simply a factor of not having enough money and having to make difficult decisions on which projects get funding and which don't.

You talked about the CBE's claims – and other school boards might claim the same thing – about being able to do projects

cheaper and quicker. You know, there are a couple of rules of thought there. Some people would argue: "Well, if you've got a school board that has the capacity to accept six, 10, 20 schools and deliver them cheaper and faster than the government or the Minister of Infrastructure, who has a thousand employees, then you've got an administration there that's taking money out of the classrooms. Why do you have a capacity like that in a school board? That's not their core business, building schools or building infrastructure." But we certainly are open to working with them and letting them try. I think there are some school boards that can do some of these things cheaper and quicker, especially if they're going to tap into local resources and partnerships, donations, goods in kind, all those kinds of things. Unless we work with them, we won't know, and we're willing to take that.

The playgrounds not coming with new schools. It was a motion. It was a desire that was out there. It was a pilot that we tried. One of the things we tried to do was to actually go out to some of the private sector to try and find sponsors for this. It didn't work so well. At the end of the day, the decision has got to be that if you only have so many dollars, are you going to build an extra three or four or five or six schools, or are you going to build a playground with every school that you build?

I'd love to build the playgrounds, and we were looking at

maybe some kind of compromise where maybe we'd pay for the fieldwork or the prep work or maybe we'd pay a portion of the cost. But the reality is that a lot of these groups go to some of our other government lotteries and grant programs to help match funds. These things get the community involved, and they are part of the community. Some would argue that the municipality and the community should be kind of stakeholders in that investment, but certainly the province should as well. We do that typically through the culture and the lotteries programs. I'm game to look at doing more, but it takes dollars away from building more schools.

The Chair: Well, thank you very much.

At this time I must advise the committee that the time allotted for this item of business has concluded.

At this time I'd like to thank Minister Johnson and all your staff for all the great work you do year-round. The preparedness that went into this evening is very much appreciated. Thank you very much.

I would also like to remind committee members that we're scheduled to meet again tomorrow, April 9, to consider the estimates of the Ministry of Human Services.

Thank you, everyone, for attending. This meeting is adjourned.

[The committee adjourned at 10 p.m.]

