



Legislative Assembly of Alberta

The 30th Legislature
First Session

Standing Committee
on
Families and Communities

Ministry of Education
Consideration of Main Estimates

Wednesday, October 30, 2019
9 a.m.

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**Legislative Assembly of Alberta
The 30th Legislature
First Session**

Standing Committee on Families and Communities

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Standing Committee on Families and Communities

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Ministry of Education

Hon. Adriana LaGrange, Minister

Brad Smith, Acting Assistant Deputy Minister, Strategic Services and Governance

Michael Walter, Acting Deputy Minister

9 a.m.

Wednesday, October 30, 2019

[Mr. Ellis in the chair]

Ministry of Education
Consideration of Main Estimates

The Acting Chair: All right. Good morning, everybody. I'd like to call the meeting to order and welcome everyone. The committee has under consideration the estimates of the Ministry of Education for the fiscal year ending March 31, 2020.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Minister, please introduce the officials that are joining you at the table. I am Mike Ellis, MLA for Calgary-West, and I'm substituting for Ms Goodridge as chair for this committee. We'll continue, starting to my right.

Mr. Shepherd: David Shepherd, Edmonton-City Centre, substituting for Ms Sigurdson as the deputy chair.

Mr. Yao: Tany Yao, Fort McMurray-Wood Buffalo.

Ms Lovely: Jackie Lovely, Mickey Amery's substitute.

Mr. Neudorf: Nathan Neudorf, MLA, Lethbridge-East.

Mr. Guthrie: Peter Guthrie, Airdrie-Cochrane.

Mr. Rutherford: Brad Rutherford, MLA, Leduc-Beaumont.

Ms Glasgo: Michaela Glasgo, Brooks-Medicine Hat.

Mr. M. Smith: Mark Smith, MLA, Drayton Valley-Devon, substituting for Mr. Nixon.

Mr. Long: Martin Long, MLA, West Yellowhead.

Mr. Walker: Jordan Walker, MLA, Sherwood Park.

Member LaGrange: Adriana LaGrange, Minister of Education and MLA for Red Deer-North. I have with me Michael Walter, acting deputy minister; Brad Smith, acting assistant deputy minister, strategic services and governance; Richard Arnold, acting executive director, strategic financial services; and Jeff Willan, executive director, capital planning.

Ms Ganley: I'm Kathleen Ganley, MLA, Calgary-Mountain View.

Ms Hoffman: Sarah Hoffman, Edmonton-Glenora.

Mr. Deol: Jasvir Deol, MLA for Edmonton-Meadows.

Member Loyola: Rod Loyola, Edmonton-Ellerslie.

The Acting Chair: Thank you very much.

Just for the record I'd like to note the following substitutions: Ms Lovely for Mr. Amery, Ms Hoffman for Mr. Carson, Member Loyola for Ms Pancholi, Mr. Smith for Mr. Nixon, and Mr. Deol for Ms Sigurdson. Mr. Shepherd is acting as deputy chair.

Please note that the microphones are operated by *Hansard* and that the committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. Please set your cellphones and other devices to silent for the duration of the meeting.

We'll do the process review for the speaking order and time. Hon. members, the standing orders set out the process for consideration of the main estimates. Standing Order 59.01(6) establishes the speaking rotation while the speaking time limits are set out in

Standing Order 59.02(1). In brief, the minister or member of the Executive Council acting on the minister's behalf will have 10 minutes to address the committee. At the conclusion of her comments we begin a 60-minute speaking block for the Official Opposition, followed by a 20-minute speaking block for the government caucus.

The rotation of speaking time will then alternate between the Official Opposition and the government caucus, with individual speaking times being set to five minutes, which, when combined with the minister's time, make it a 10-minute block. Discussion should flow through the chair at all times regardless of whether or not the speaking time is combined. Members are asked to advise the chair at the beginning of their rotation if they wish to combine their time with the minister's time. If members have any questions regarding speaking times or the rotation, please feel free to send a note or e-mail to either the chair or the committee clerk.

A total of six hours has been scheduled to consider the estimates of the Ministry of Education. The committee will continue its consideration of the ministry's estimates at 3:30 this afternoon. With the concurrence of the committee, I will give a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having a break? Okay. Hearing and seeing none, we will have that break.

Ministry officials may be present and at the direction of the minister may address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area. Pages are available to deliver notes and other materials between the gallery and the table. Attendees in the gallery may not approach the table. Space permitting, opposition caucus staff may sit at the table to assist their members; however, members have priority to sit at the table at all times.

If debate is exhausted prior to the six hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and the committee will adjourn. Points of order will be dealt with as they arise, and the clock will continue to run.

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

The vote on the estimates and any amendments will occur in Committee of Supply on November 19, 2019. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. The original amendment is to be deposited with the committee clerk, and 20 copies of the amendment must be provided at the meeting for the committee members and staff.

I now invite the Minister of Education to begin with her opening remarks. Minister, welcome. You have 10 minutes.

Member LaGrange: Thank you so much. I'm pleased to join you all today to discuss Education's 2019 budget and main estimates. I've already introduced my representatives here at the table, but I also have in the gallery Nicole Williams, my chief of staff; Colin Aitchison, my press secretary; Chris Bourdeau, communications director for Alberta Education; and Emily Ma, director, budget and fiscal analysis for Alberta Education. I look forward to today's conversation.

Before I take questions, I'll give you a brief overview of the commitments our government has presented to ensure that all students can access a high-quality education while also ensuring we are prudent with the public money we spend. Overall, Budget 2019 is a balanced plan to create jobs, grow the economy, and protect vital public services. I am very pleased to say that, as promised, we are prioritizing education as an investment by maintaining funding and accounting for enrolment growth.

This year's overall Education budget is \$8.2 billion, which is the same as actual spending for the previous fiscal year. I am sure you will know this, but I just want to highlight that this fiscal year budget covers parts of two school years: the five months of the 2018-2019 school year are covered as well as the full 2019-2020 school year. As you will remember, shortly after the election we committed to respect the funding commitments made by the previous government for the remainder of the 2018-2019 school year to ensure stability to our school board partners.

For this school year enrolment growth of 2.2 per cent, or about 15,000 students, has been accounted for, meaning that each new student entering a school will be funded. This was accomplished by reallocating three grants and further creating a one-time transition grant. All public, separate, charter, and francophone school boards will receive this transition grant in the 2019-2020 school year.

We recognize that different boards have different growth rates, and that is why the urban and rural transition grant rates are different. Metro, urban, and charter school boards will receive a \$203 per student one-time transition grant while rural and francophone school boards will receive a \$356 per student one-time transition grant. Our approach supports our commitment to rural schools and equitable education. Metro and urban boards have economies of scale with growth that rural boards do not.

The three reallocated grants are the classroom improvement fund, the class size initiative grant, and the school fees grant. In addition to accounting for enrolment growth, this approach gives school boards more flexibility in how they address local priorities. As I stated with the release of our class size initiative review, the class size grant was not successful in reducing class sizes. These dollars can be put to better use. This funding is not disappearing; we are reallocating it to allow additional flexibility to more effectively meet local priorities.

As our report showed, Alberta has spent over \$3.4 billion since 2004 and was not able to move the needle, particularly for the kindergarten to grade 3 cohort. The budget decision to reallocate this funding was made through the lens of what is best for our students and what will be most effective in improving student learning. We owe it to parents and children to get better outcomes for the money that is being spent on education. Flexible funding allows boards to better address classroom complexity and composition and to better support teachers. Local boards determine their own class sizes and direct our investment where it makes the most impact in the classroom.

As for the classroom improvement fund, school boards and teachers knew that this funding would end after the 2018-2019 school year. Reallocating restrictive grant funding gives boards more flexibility and allows them to use funding more effectively to meet their local priorities, which is the same reason we reallocated the school fees grant. We want to give boards as much flexibility as possible.

Looking again at the overall budget, when compared to other jurisdictions, Alberta still has one of the best funded education systems in Canada. The MacKinnon panel recently highlighted this fact.

9:10

It's important to note that this is a transition year for Alberta's education system as we move from the current K to 12 funding framework to a new assurance in funding model. As you know, my department's staff have been engaging with school jurisdictions, trustees, and other stakeholders and partners on the new model. Our intent is to contain cost growth, predictably allocate funds, increase the share of funding going into the classroom, and ensure rural

jurisdictions are treated equitably, along with several other objectives.

The new model is expected to be incorporated into Budget 2020, with the implementation in September 2020. Ultimately, a sustainable and predictable funding model for education will deliver the best outcomes for our students.

Moving back to Budget 2019, we believe that every single child in Alberta deserves an education that prepares them for success. That's why we've been focused on improving classroom education for all students, including those with special and complex needs. We'll be looking at ways to better support these students with the funding we flow to school boards for inclusive education. Budget 2019 provides \$471 million for inclusive education, which is slightly higher than last year.

Student transportation is an integral part of the education system. Funding for transportation will be \$294 million, which is also slightly higher than last year. Alberta Education provides student transportation funding directly to school boards as they are in the best position to use funding to meet the needs and priorities of their students and to provide transportation services accordingly. School boards are encouraged to take a collaborative approach to transportation planning and to consider how they can deliver these services most effectively.

Both the inclusive education grant and the inclusive education transportation grant are slightly higher this year because enrolment has increased. Our government places a high priority on supporting all of our students, including those with special needs. We recognize that transporting students with special needs carries a higher cost. Additional funding is provided for students who cannot ride a regular bus route due to the nature of their disability. Through Budget 2019 we'll provide school authorities with about \$23 million in special-needs transportation funding.

We are also very committed to improving education outcomes for our First Nations, Métis, and Inuit students. In Budget 2019 we are providing approximately \$81 million to support enhanced education programs and supports for First Nations, Métis, and Inuit students attending provincial schools.

We also recognize that good nutrition positively impacts student learning. That's why we are maintaining funding for the school nutrition program, with \$15.5 million for the program in the 2019-2020 school year. This funding means approximately 35,000 students will receive a daily nutritious meal this school year. This funding matches the funding previously provided to the program, and each school authority will receive the same amount of funding as in the 2018-2019 school year.

Several school jurisdictions have told us that they recognize the importance of the school nutrition program, but they would like to get out of the business of managing the program. With this in mind, we are investing an additional \$3 million into the pilot program that uses nongovernment organizations to manage school nutrition programs for schools with the goal of maintaining or enhancing the quality of school offerings and distribution.

All students in Alberta deserve an education that prepares them for success no matter where they live. We know that rural schools often face unique challenges such as declining enrolment, serving students from across large geographical areas, and operating small schools by necessity. Alberta Education allocates funding to school authorities based on the demographic and geographic environment in which services are delivered to students.

The equity of opportunity grant has a per-student component for school authorities and a density-and-distance component to recognize the additional costs rural school jurisdictions may face to obtain materials, supplies, and services. For the 2019-2020 school year the allocation is projected to be \$116 million.

The density allocation provides additional funding for school authorities with schools and population centres of fewer than 5,000. The distance component provides funding to school boards that operate at significant distances from major service centres. Additional funding is provided through the small schools by necessity allocation as government recognizes keeping schools open in sparsely populated rural areas is difficult. The 2019-2020 school year allocation is projected to be approximately \$50 million.

The Acting Chair: Thank you, Minister.

I hesitate to interrupt, but for the hour that follows, members of the Official Opposition and the minister may speak. The timer will be set for 20-minute intervals so that members are aware of the time. We will take that five-minute break after the government caucus has their first opportunity to question the minister in estimates.

Who's up? Member Hoffman, would you like to go back and forth with the minister?

Ms Hoffman: Yeah. I think if we could try that for the first 20-minute chunk and see how it goes.

The Acting Chair: For sure. All right. Thank you very much. You may begin.

Ms Hoffman: Thanks. I just want to begin by first of all expressing my gratitude to everyone for being here and for the work that I know goes into a budget. It's not a simple process, of course, by any stretch.

I also want to begin by saying that there will probably be times where there is an answer and I feel like we've got what we need and I may interject. I know that that happened a little bit yesterday. I just want to say: no hard feelings if an answer is going on. Even though we have six hours, I feel like it will probably fly by and that we will still have remaining questions at the end. If we're at a point where I interject, it's not because I'm trying to be rude. I'm just trying to make sure we get through all the questions that we have. I just wanted to say that off the start. I know that you were helpful in facilitating that yesterday, Mr. Chair.

I would like to just start with a couple of assumptions, to make sure we're on the same page. The first one is around inflation. I went to the Conference Board of Canada and looked at their projections for this year, and they said: 2 per cent inflation. I just want to have concurrence that we aren't arguing about what inflationary costs are this year or that the Conference Board of Canada is the pre-eminent authority on this matter.

Member LaGrange: Well, thank you for the question, but I would say that that would be a Treasury Board decision in terms of what the inflation is set at. They set the inflation assumption, so I would feel that that would be a question to provide to Treasury Board.

Ms Hoffman: Yeah. I think that's fair for you to say. It's not a determination that they would make; it's something that evidence would point to. I will tell you that the evidence – I reviewed the Conference Board of Canada projections, and they said that inflation this year is 2 per cent. If we have information that Treasury Board sets it at a different rate, I'd be happy to receive that.

Member LaGrange: Well, I'd be happy to steer you to page 86 of the fiscal plan. There's an actual chart there where you can see over the years the enrolment of 25 per cent increase, the inflation at 33 per cent over that time period, yet we have had operational funding increases of over 80 per cent. You can see that our education system has actually outpaced inflation and enrolment over that time period.

Ms Hoffman: Yeah. I'm just asking about inflationary projections for this year. The Conference Board of Canada says that it's 2 per cent. That's what my assumption is.

Member LaGrange: Again, I would ask you to steer your questions to Treasury Board. They set the...

Ms Hoffman: If officials have any information that Treasury Board set it at something different than the Conference Board of Canada, I'd certainly welcome that information because I think it's relevant to this discussion.

Member LaGrange: Well, I certainly feel that you could go and ask Treasury that. But at this point in time we've got a fiscal plan here, and Treasury Board has set their assumptions.

Ms Hoffman: If officials have information different than what the Conference Board of Canada set – true, I'm sure that your officials are talking to Treasury Board constantly – I'd be happy to receive information. It's just that these are some assumptions that I think go into setting a budget. If that's a false assumption, if we're not using the Conference Board of Canada rate, I would find that information helpful in being able to analyze the remainder of the Education budget.

Another piece that I just want to reinforce, based on your documents. It says: 2.2 per cent student growth increase this year. I just want clarification because usually budgets come out before the September 30 head count, and this year, obviously, it's after. So I just want clarification: is 2.2 based on spring projections, or is it September 30 actuals?

Member LaGrange: On September 30 actuals.

Ms Hoffman: Excellent. That's really, really helpful.

Because I usually compare budget to budget and we only have one year of actuals and the actuals are rolled up, some of the questions I'll ask are around specific line items and how those relate to last year's actuals.

Just to reiterate, in terms of population growth and inflation, that's essentially 4.2 per cent, using any sort of objective measure. The class size initiative, school fee reduction, and the classroom improvement fund, that were mentioned at the beginning, Minister, were all cut in this budget. The value of those grants for 2018-19 is something that I'm hoping you'll be able to start by sharing with us so that we can assess what those were actually last year, not just the projections for last year, because I know we have the projections. Then I'll have subsequent questions about what those formulas would have equated to for this year if they were still in place.

9:20

Member LaGrange: First, I just want to correct something you were saying. They were not cut; they were reallocated. Those were reallocated to support enrolment growth.

Ms Hoffman: I'm not trying to pick at different words, but those line items don't exist anymore this year. They're not in the budget: classroom improvement, school fee reduction, and classroom improvement fund.

Member LaGrange: Those were all put back into the budget. When you look at those amounts of those particular funds, they were all reallocated to support enrolment growth. They also support the additional growth in transportation, in inclusion, et cetera, et cetera.

Ms Hoffman: Okay. That's fine. So can we have the information about the class size initiative, the school fee reduction, and the classroom improvement fund from 2018-19, the dollar amounts for each of those, and, if those formulas existed this year, what the dollar amounts would have been?

Member LaGrange: Again, we are looking at – I'll draw your attention to page 88 of the fiscal plan. You will notice on page 88 that the total operating expense for 2018-2019 was \$8.223 billion and that the current 2019-20 estimate is \$8.223 billion, so we are maintaining funding to education . . .

Ms Hoffman: Sorry. I'm not asking about the total operating expense, though. Yeah, I understand that. I'm asking about what the broken-down line items were last year, so what the dollar amounts were, because we have the projections based on what we anticipated class size being last year. I'm asking what the actual amounts were in last year's budget. When it was all tallied at the end of the day and implemented, how much was invested in the class size initiative, the school fee reduction, and the classroom improvement fund? Just those three line items based on last year's actuals. I've done my own projections here, but I'd like to know if they're accurate based on the actuals that your officials certainly have.

Member LaGrange: The class size initiative was \$291 million, the class improvement fund was \$77 million, and as you know, that was due to expire August 31, 2018.

Ms Hoffman: Sorry; \$75 million or \$77 million?

Member LaGrange: Sorry; \$77 million.

Ms Hoffman: Thank you very much.

Member LaGrange: I apologize.

Ms Hoffman: No problem.

Member LaGrange: And school fees was \$60 million, for a total of \$428 million that was reinvested to support enrolment growth and to also support the one-time transition grant.

Ms Hoffman: I was off. I had class size and classroom improvement accurate, but I thought the school fee reduction was only \$54 million. So just to clarify, it was \$60 million in the actuals?

Member LaGrange: Sixty million dollars.

Ms Hoffman: Okay. That's really helpful.

So if those same formulas were in place this year, given the new student counts what would that dollar amount have been this year? Those were based on per-pupil counts, and we obviously have more pupils, so would each of them be 2.2 per cent more, or is the formula slightly more complicated than that?

Member LaGrange: Given that the classroom improvement fund was due to expire, that would have been zero. Given that the class size reduction was rolled into support growth, we don't have those specific . . .

Ms Hoffman: But if it was a broken-down line item, the same formula would have essentially been used. I'm assuming that class fee reductions would have increased by 2.2 per cent given that student enrolment increased by 2.2 percent. Is that accurate?

Member LaGrange: I would say that we've made the decision to move in a different direction, and we have supported the enrolment

growth. So we have taken the existing fund – I draw your attention back to page 88, where we said that we are maintaining education funding, and we have maintained education funding. We had an overall operating expense of \$8.223 billion last year; we have an overall operating expense of \$8.223 billion this year. So we have met our commitments that we said we were going to do. We are maintaining education funding.

Ms Hoffman: I want to say that I agree that it's a net zero change to the Education budget. I think that that's different from saying, "We're funding growth," which I know was said in the spring, and saying that we're going to be . . .

Member LaGrange: Every single student that crosses our doors will receive the exact same base funding they received last year, plus all of the additional ones if they come with special needs, et cetera, et cetera. So every single student is funded.

Ms Hoffman: Maybe I'll pivot a little bit, then. Thank you.

How did the minister and department determine which boards would receive which rates to account for the elimination of the classroom improvement fund, class size reduction, and the school fee reduction grants? It was mentioned that they were set at different rates for different boards. How was that determined?

Member LaGrange: The only difference is in the transition funding, and that was between a metro and an urban. It was established that any metro or urban was having a centre with a population greater than 30,000 people. All charter schools are considered metro-urban. The transition grant – metro, urban, charter – was \$203. The rural francophone is \$356, as I had said in my opening.

I will actually turn it over to Mike to elaborate further on this.

Mr. Walter: Sure. As the minister has said, for those centres, again, we looked at: do they have a centre of 30,000 or more? So even though we have some jurisdictions that would have a rural component, if they did have a centre – like, Sherwood Park is an example and Elk Island – they were determined to be in the metro-urban category. Obviously, if they had no centre in their geographic region that hit that 30,000 threshold, then they were deemed to be in the rural. All of our francophone boards were also placed into the higher rate of rural as well.

Ms Hoffman: Thanks for that clarification.

Just to restate it one more time to ensure that we're all on the same page, if you are a district that has any communities that are 30,000 or more, you only get \$203 per student. If all of your communities are fewer than 30,000, you get \$356 per student. How was that determined to be equitable? I know equity was something mentioned in introductory statements. I think that for many MLAs around this table, knowing that different kids are getting different rates of funding not based on their educational need or based on prior assessed need for equitable distribution of funds – I'm wondering how that was deemed to be equitable.

Member LaGrange: Again, I believe I mentioned it in my opening statements, but I'll reiterate it. We feel that the urban-metros have the ability to maximize economies of scale. There's obviously growth in the highway 2 corridor, and rural boards have declining enrolments and therefore would be adversely affected if we didn't equalize the amount that they received. So it is equitable versus equal.

Ms Hoffman: I think that equal and equitable are two very different things, and I think what was just said was around trying to equalize funding for rural communities.

My estimates are – and if officials can either confirm or clarify – that the one-time transition for urbans and metros, based on \$203 per student, works out to \$95 million, and the one-time transition for rural works out to \$58 million. Is that accurate?

Member LaGrange: Again, I would draw your attention back to the fact that we're funding every single student at the same base rate. This is an additional funding that we are providing, additional transitional funding while we are continuing.

As far as directing questions, you would direct them to me, not to my officials, and I will ask my officials. But at this point in time I would say that . . .

Ms Hoffman: Is \$95 million accurate for one-time transition to metro-urban, and is \$58 million accurate for one-time transition to rural?

The only reason why I said through you to officials is because I know that the minister – any minister – has a lot on their plate, and it takes a village. I'm trying to just get the accurate numbers. It's not that I'm trying to be disrespectful in any way to anybody.

Member LaGrange: Right. I will turn it over to Brad.

Mr. B. Smith: Member, the amount for the '19-20 school year for rural boards is approximately \$75 million, \$74.6 million.

Ms Hoffman: Okay. And the amount for the metro-urban?

Mr. B. Smith: The total of the grant is about \$153 million, so the balance you're looking at . . .

The Acting Chair: Minister, for the future, when one of your staff talks, if they can just introduce themselves for the record, I'd appreciate that. Thank you.

Member LaGrange: Thank you.

Mr. B. Smith: Brad Smith, acting assistant deputy minister. Approximately \$74 million to the rural boards that are in that category of rate.

Ms Hoffman: And \$78.4 million, then, for the . . .

9:30

Mr. B. Smith: Correct.

Ms Hoffman: Okay. Urban metros are smaller than I would have anticipated.

Again, just to clarify, when you add \$78 million and \$74 million, through you, Mr. Chair, to the minister, you said that the total was – sorry; can that number be stated again?

Member LaGrange: It's \$153 million total.

Ms Hoffman: Thank you. Last year \$428 million for class size, school fee, and classroom improvement fund was what was stated. So the gap between those grants, that are no longer accounted for in the documents, that aren't broken down, and the use of this one-time transition, which was stated as where this money is going, is significant, almost \$300 million. Is that accurate?

Member LaGrange: That has all gone to fund enrolment growth. So we have approximately \$275 million to fund enrolment growth on a per-student basis to keep the base rate the same. Then when you look at each individual, the transportation is bumped up because of enrolment growth, and all those other funds are getting increases due to enrolment growth. As well, we have the one-time

transition grant of \$153 million. And that totals the amount of those two as well.

Ms Hoffman: Okay. So just to reiterate: \$153 million is what this one-time bridging grant is for. It's almost split evenly between anybody who has any communities with 30,000 or more and rural communities.

Member LaGrange: Every single student is funded. Every single student that walks through our doors is funded at the exact same base rate that was funded last year.

Ms Hoffman: I keep hearing the minister say that, but of course the class size initiative is gone, the school fee reduction is gone, and the classroom improvement is gone, and those were per-pupil rate . . .

Member LaGrange: They are included. They have not disappeared; they have been reallocated to fund enrolment growth and to provide increases in all of the other areas that require increases for enrolment growth, including transportation, our special-needs programming, et cetera.

Ms Hoffman: So has the department done the analysis of the budgets that the boards set and submitted – or the minister, if the minister has done the analysis herself – to Alberta Education/the minister and the provincial allocations that they've received? Has that analysis been done to determine the shortfall for individual boards?

Member LaGrange: Could you repeat the question? I want to make sure I'm answering the correct question.

Ms Hoffman: Sure. Yeah. I really appreciate that. As I'm sure you've signed off as board chair and reviewed and approved all budgets in the past, we submit them to Alberta Education in the spring, and now there's an allocation that's coming in the fall. So I'd like to know that the analysis was done between what was submitted in the spring for school board budgets and what their actual allocations are now so that we can determine what the deviation is between those two.

Member LaGrange: Every school board does provide assumptions in the spring, and then once they get their actuals, which we would have provided after the budget was released – they each would have received their individual profiles – they would, as you would know having been a former trustee, take what is now their funding envelope and work within their means of what is allocated in the funding envelope.

Ms Hoffman: So given that those are submitted to the ministry, to Alberta Education, I would like to know the analysis between what was submitted as the assumptions and what the allocations are today. They submit them for a reason, so the department knows and the minister knows that they're operating within the framework of the legislation. They can't run deficits. I know that they're submitted for a purpose, and I'm sure that there has been analysis done on that. We're hearing lots of projections and assumptions about what those shortfalls are, and I'd actually like some facts.

Member LaGrange: Actually, I'll turn it over to Brad Smith, who has that detail for you.

Ms Hoffman: Thank you.

Mr. B. Smith: Hi. Brad Smith, acting assistant deputy minister. Yes, boards did submit budgets at the end of June. With the

provincial budget not yet tabled, boards made a variety of assumptions for the '19-20 school year. As the minister has alluded to, now that their actual funding allocation and the funding manual have been published postbudget, they will see their total allocation and make decisions if there are differences between the assumptions that local boards approved and the revenue that they will get for the '19-20 year.

The Acting Chair: Okay. Thank you very much.

The first 20 minutes has expired. Want to continue going?

Ms Hoffman: Yeah. I'm happy with this format.

The Acting Chair: Thank you very much. Okay.

Ms Hoffman: Thank you. They submitted them, and now there are actuals. Some people are speculating that they could be as much as \$300 million. I would like to know what the actual number is rather than going off projections. Because they submit them and now we actually have their actuals – and I know that they were posted shortly after the budget was approved – how much individual districts would be allocated, I'm sure that that work has been done to do the comparisons. I've listed a bunch here that I specifically would like to know: Calgary public, Edmonton public, Calgary Catholic, Edmonton Catholic, Red Deer public and Catholic, Lethbridge, Rocky View, and so forth.

Member LaGrange: Of course, we have 61 boards and then additional charters, et cetera, et cetera. Each one would have received their assumptions the same afternoon after the budget was tabled. I also did a conference call with all of the board chairs and education partners on Friday of last week, where they could ask their questions. Further to that, every single school board knows that they can contact our department to have an in-depth, because there have been some misconceptions and some inaccurate numbers being floated around. They actually have the ability to contact Brad and the team directly for further guidance.

I would like to draw your attention again to page 88 of the fiscal plan where, again, beyond highlighting the fact that we are continuing to maintain a very generous \$8.223 billion to Education, school boards also have accumulated reserves. In the 2018 year there's \$392 million in accumulated operating reserves and an additional \$226 million in capital reserves that boards have access to as well. Again, back to page 86, it highlights the fact that operational funding has increased at a much higher pace than inflation and enrolment.

Ms Hoffman: I can assure the minister that I have read the entire fiscal plan very thoroughly. I would like to get to some questions on that a little bit later, but right now I'm trying to just assess what the funding shortfall is.

Through you, Mr. Chair, can the minister or designate please tell us what the difference is between what the Calgary board of education's budget that they set in the spring and submitted to Alberta Education is and what their allocation is that they have just received? What's the net difference between what they projected and submitted to Alberta Education a number of months ago and what they're receiving today?

Member LaGrange: I guess my question would be to ask you what page that particular question is on. When you look in the fiscal plan and what we've provided, can you please direct me to what page I could find that question on?

Ms Hoffman: Yeah. Okay. These are rolled-up numbers that we see. For example, the rolled-up numbers on page 88 continue to be referred to by the minister. I'm asking for more detailed information.

There are posted statements of operations that get sent out by the ministry to the boards. More than just the boards knowing, I think it's important for the public to know. Calgary public planned on one set of budget assumptions. They've been handed a budget that has a number of different factors than what they planned on. I just want to know what the difference is between what they planned for and what they received, and I'd like to know that for a number of other districts as well.

Member LaGrange: I would suggest that you ask Calgary public that because they would have all the numbers.

Ms Hoffman: I think that that's a total delegation and disrespect to the responsibility and authority of the Minister of Education, to be very frank.

Member LaGrange: I disagree. I believe that every school board has the autonomy and authority to govern their board. As you would know, being a former school trustee yourself, that is the purview of the board. The government provides an envelope, and then it's the boards themselves that make the decisions in terms of how to best spend those resources.

9:40

Ms Hoffman: I'll be happy to do the math. What I was trying to do was give an opportunity for the minister to present facts. The minister has the facts about what the budget assumptions were and what was submitted to her office, and the minister has the facts of actually setting a budget. I was trying to give, through you, Mr. Chair, the department and/or minister an opportunity to state facts in this place. I will go ahead and do my own research and will have to try to alleviate a number of concerns, but I'm trying to give the minister an opportunity here to present the facts.

These are allocations that she and her ministry allocate out to boards. Boards are expected to follow the law, which is to not run deficits, and I think that if she's putting them in a position where that isn't possible, it behooves the public to know what kind of changes will be coming down the pipe. If the minister doesn't know, then that's fine. Let's say that and move on, but I'm very frustrated that I keep getting referred back to two pages of the fiscal plan, that I would love to be able to delve into a little more deeply. What I'm asking about is allocations to individual school boards, and I think that is very fair and reasonable. I think these questions have been asked in past years, and they've been answered.

I'm feeling like I will give one last opportunity for the minister to answer along this thread, and if that doesn't happen, then we can move on to a different chain of questioning, but I think that this is within the scope of a budget. How much are your allocations to individual major school boards in our province?

Mr. Chair.

The Acting Chair: Certainly, if I can comment as well. I mean, if there is something that the minister or the department is not able to answer at this very moment, which is certainly ...

Member LaGrange: I'm happy to answer; I just couldn't interject.

The Acting Chair: No, no. I appreciate that.

One of the options that we provided earlier is something that could be done in writing, as an example. I'm not going to interject insofar as we'll call it the debate going back and forth. All I will ask

is that we continue to maintain and focus on the business plan, line items within the budget, and that we have a respectful discussion. I think we're doing that, but I just want to reinforce that. Okay?

I'll leave it up to you, Member Hoffman, to continue with your comments. Thank you.

Ms Hoffman: Thank you. I would be very happy to receive that information through the traditional processes of a written response if that would suffice.

Member LaGrange: I would actually like to answer that question.

Ms Hoffman: Oh, great.

Member LaGrange: While we have given the boards' profiles, we do have the actuals for last year. If that is what you're asking for, the actuals for last year and the profiles that they have received this year, we would be happy to submit that to you.

Ms Hoffman: No. What I'm asking for is what they submitted to the Ministry of Education in June and the difference between that and the allocation. They submitted plans. They're submitted to the government for a reason. The government, I'm sure, has done that analysis. They're passed publicly at their board meetings. I want to know the difference between what they passed in June and what they are receiving today.

Member LaGrange: Right. I'll just take a moment here. Those budget assumptions were done without a budget to guide them, and now that they do have their actual profiles and they know what the budget allotments are, they will be submitting an updated budget by the end of November, I believe. But I will turn that over to Brad Smith who has the details.

Brad, could you please elaborate?

Mr. B. Smith: Sure, Minister. Yes, boards did submit budgets on June 30, as I alluded to earlier. Every year when enrolments come in, boards always do what we call a fall budget update, and they submit it to the department near the end of November. Many boards have stated already, though, that that date will be challenging to meet because of the timing of the provincial budget; however, an updated budget for the '19-20 school year will be submitted by each board. Whether they all arrive on November 30 or not remains to be seen, but the June 30 budget submissions by boards were done without the benefit of the guiding information that a provincial budget normally provides in the spring.

Member LaGrange: Thank you, Brad. I would also add to that that we have spoken with boards, and I made it very clear on the teleconference that I did with all of them in the town hall discussion that we had on Friday that our department is very willing to work with each and every board to ensure that they have accurate numbers and that they're able to meet their requirements.

Ms Hoffman: Just to reiterate, if a board doesn't spend the money that they have within combined income, if they spend more than that, they're breaking the law. What I'm asking about is how many would be in a position where they're breaking the law based on the assumptions they had? I get that they'll be revising budgets, but the only way you can do that mid-year is either by getting more money or laying off more people or, I guess – well, if you're doing layoffs, there would be other implications there.

What I'm trying to understand, and I get that it's different this year because never before, even when there was a budget passed after September 30, has a school board not had those assumptions back in the spring when they've created their budgets. I know that

we asked a number of questions about this and had a number of exchanges on it, but the big difference is that this year they had no actual information to set those assumptions on. I'm trying to understand what the difference is between what they've hired and staffed at based on those assumptions that they sent in back in June. If they were wrong, it would have certainly been helpful for them to be notified prior to, you know, two months into the school year. That's my challenge with that.

In terms of payments to boards and school authorities, they received payments in September and October that I imagine stem from the interim supply, but now we're operating under different assumptions than what interim supply did. So my next question is: how will the payments that they received for November, December, and so forth be different from the allocations that they've received for the first few months of this school year?

Member LaGrange: Again, I would draw your attention to the fact that Education operates on a fiscal budget that is different than the rest of the government fiscal calendar. In my budget I had to account for an additional five months, from April until the end of August. Beyond that, we have covered every single line item as we had said we would do. School year allocations will be retroactive to September 1, 2019, for that full funding that we're providing, the \$8.223 billion that continues to maintain at \$8.223 billion. For the finer details on that, on how it rolls out, which is what I believe you're asking, I will turn that over to Brad, who has those details.

Brad Smith, please.

Mr. B. Smith: Thanks, Minister.

Yes, Member, the September and October payments were issued and labelled interim supply. That is correct. Now that the budget is out, the regular reporting of monthly payments to boards will kick in and reflect the budget decisions, including the transition grant and so forth. Whatever a board was provided in September and October doesn't change their now total school year allocation. As we move forward into November and through to August 2020, the total amount will be provided to school boards, but it is effective September 1, 2019.

Ms Hoffman: Thank you very much for that.

Member LaGrange: I just want to clarify something. You had said it was a law that they could not spend their reserves. In fact, that's a policy, not law. School boards, as I stated earlier, have overall very healthy reserves. You know, we're looking for them to minimize impacts to the classroom.

Ms Hoffman: I'll be happy to get to reserves in a little bit.

If I can just clarify, and it's a level of detail that I imagine even in the vast number of binders isn't available, I'd like to, through you, Mr. Chair, request that we receive a written response to how much the allocations for individual districts will be adjusted between what they received through the interim supply September, October transfers and how much the allocations will be in November and forthcoming based on this budget. I'd like that broken down for individual boards.

The Acting Chair: Well, I mean, that's certainly a question that the minister or ministry should be able to answer. If not, then I will certainly leave that up to the minister whether she and her department choose to provide a written response or not. That's not my decision to make on that.

Ms Hoffman: Isn't it our decision, what we request for a response?

9:50

The Acting Chair: No. I mean, my understanding is that you're asking me if they are going to provide a written response. Is that what you're asking me?

Ms Hoffman: Sorry. I'm happy to have a verbal response today with the breakdown. I appreciate the high level, that allocations will be different for November based on a new budget as opposed to the interim supply. What I'm asking for is the difference between what was distributed in September and October and how much boards will be getting in November and forthcoming. I get that it's retroactive, so it will be cut even more from what it was previously. I'm just wanting that actual number of how much smaller the allocations will be to boards in November as compared to how they were in September.

Member LaGrange: What was provided was interim supply. It was on, you know, what were the assumptions. Now that we have the actuals, it'll be the actuals.

But I will turn it over to Brad to provide more clarity.

Mr. B. Smith: Brad Smith, acting assistant deputy minister. The total school year allocations for a school board, in totality for 12 months, don't change due to the timing of a fall budget. However, because boards are required to be funded on a monthly basis, we had to provide a September and an October payment. If, for example, a school board's allocation is \$12, with \$1 provided each month, and we provided one and a half dollars in September and October, it still doesn't change the fact that \$12 is their total school year allocation. Moving forward we will adjust each month's payment in order to still provide \$12 on a total school year basis.

Ms Hoffman: Thank you very much for that clarity. So, nine divided by 12 is 75 cents instead of a dollar. What I'm asking for is if it is 75 cents – to have that clarity so that we know what the difference is between what was distributed in September and what will be distributed in November and so forth. That's my question. I'd just like to know how much those transfers are. Maybe some will go up, and I'd love to know that as well. Maybe these assumptions are false, that they'll all be going down. It would be great to know what the deviation is.

Member LaGrange: I would say that that is information that boards can provide to you should they wish to do so. We respect the boards' ability and autonomy to do so.

Ms Hoffman: This is public money, Mr. Chair.

The Acting Chair: Just to provide clarity, Member – I just wanted to confirm with the clerk. I mean, certainly, through me to the minister you can ask for that, but it's not up to me to demand or order or to have her provide a written response. Her decision and the decision of her ministry can be to provide you an answer right here, right now, or they can certainly, as an option, provide you a written response, but I can't order them to provide a written response.

Ms Hoffman: My question on behalf of the public is: what is the difference between what the allocations were in September and October – not allocations. Let's assume the allocation is retroactive. I think that's been stated, and I believe that. How much they received in September, how much they received in November: what's the difference? That's the question that I think all of us as stewards of the public purse would like to be able to have confidence in knowing what the difference is and that that math has

been done. This is something that is public funds, public allocations, so I think it's very fair – the minister is the one allocating these resources or, rather, the Legislative Assembly and government of Alberta are – to ask for that information.

If it isn't provided, if I'm told to FOIP it, then I guess so be it, but this is supposed to help inform all of us in making decisions, that we have confidence in the budget that we are being asked to approve as legislators. That's what would give me greater confidence.

Member LaGrange: Well, I would just add to the clarity that November's payment is actually also impacted by September 30 enrolment. What the assumptions that were made or what was given in previous months was on previous enrolment and then there are further impacts due to enrolment.

Brad, again, because you have more clarity on those pieces that MLA Hoffman is asking for, could you please expand?

Mr. B. Smith: Brad Smith, acting assistant deputy minister. Yes. September's and October's payments would not have the benefit of the September 30 enrolment information from boards for the current school year, the '19-20 school year, so they would have been based on previous enrolment information from the prior school year.

Then for November's payment, it takes a few weeks once September 30 enrolment information is in to establish what the total allocation is, and that will be reflected moving forward.

Ms Hoffman: I hear and understand all that. Is the minister going to provide a response to us about what those individual allocations are? That's what I've asked for.

The Acting Chair: The question has been asked through me to the minister and the ministry.

Member LaGrange: The answer would be no.

Ms Hoffman: Moving on.

The contracts with public employees, including teachers, have provisions for arbitration. So how much is being budgeted to meet the conditions of arbitration that an arbitrator would deem fair, and what line item is that within, and what about other staff groups?

The Acting Chair: The second 20 minutes is up.
Do you wish to continue, Member?

Ms Hoffman: Yes, please.

The Acting Chair: Thank you very much.
Begin.

Member LaGrange: Could you repeat the question, please?

Ms Hoffman: Yeah. Contracts with public employees, including teachers, have provisions for arbitration. What line item is the assumptions around arbitration built into, and what about other staff groups as well?

Member LaGrange: As you know, that arbitration is contractual, and that would be a question better forwarded to Treasury Board.

Ms Hoffman: But it's in the budget for the Minister of Education, is it not? The Minister of Education pays education employees, not Treasury Board, so where would that be in the Minister of Education's budget?

Member LaGrange: Can you point to what line item you're asking about?

Ms Hoffman: That's what I'm asking. Which line item is compensation embedded within, compensation assumptions or maybe even not assumptions? I want to have assurance that that has been taken into consideration in the Education budget, that there will be an arbitrator's ruling coming forth. And if not, what other assumptions are built in, and which line item?

Member LaGrange: As we can't predict what may or may not occur in arbitration, at this time we are budgeting for the current agreement that has been in place and will be in place until August 2020. We will honour that agreement. We will be bargaining in good faith, but, again, as far as the arbitration settlements, et cetera, et cetera, that is for Treasury Board and would be a question to pose to Treasury Board.

Ms Hoffman: With regard to funding for students with special needs, how does it compare to last year? And would the minister please pull out a specific reference to a line item and a dollar amount for funding for students with special needs.

Member LaGrange: Can you refer me to a line item that you're looking at?

Ms Hoffman: That's what I'm asking. Which line item has the embedded funding for students with special needs? In the past this question has been asked and dollar amounts have been given. What's the dollar amount difference between funding for students with special needs this year and last year's funding for students with special needs?

Member LaGrange: Thank you. The amount for 2018-2019 was \$471.5 million. The amount for 2019-2020 is \$480.7 million.

Ms Hoffman: What are the enrolment increases for the number of students that we're funding with special needs? How many more students are we saying there are this year with special needs than last year?

Member LaGrange: It is allocated for all students that fit within the profile of requiring inclusive education funding, and it is accounting also for the enrolment growth in that area of 2.2 per cent.

Ms Hoffman: How many students is that? How many students – I think the minister said – meet the demand for inclusive education funding?

Member LaGrange: For those exact numbers I will pass it over to Mike Walter.

Mr. Walter: Michael Walter, acting deputy minister. The inclusive ed funding: the vast majority of it, I believe 75 per cent of the grant, is based on a per-pupil allocation. It would be given out to school jurisdictions based on their September 30 enrolment count for every student in the jurisdiction. In addition to that, the last 25 per cent is based on largely some Stats Canada identifiers that we have, that are used to differentiate the uniqueness between jurisdictions. So to the member's question in terms of the numbers, it would reflect the enrolment of each jurisdiction that they have submitted on September 30. We have transitioned away from giving the grant out based on – except for charters and privates, which still do the severe disabilities funding where it's based on individual students, this is now based on a flexible model and given out based on the jurisdiction's overall student enrolment profile.

10:00

Ms Hoffman: Fair enough.

Member LaGrange: I would further add that we do have a page that we could provide to you, and it breaks down the ECS program; the PUF funding; the ESL enrolments and funding; the French as a second language; the First Nations, Métis, Inuit; the refugee enrolments; all of those particular pieces, if you would find that beneficial.

Ms Hoffman: Sure. I think if that could be shared through the chair to all members, I would be happy to receive that. Thank you. The next few I had were maybe answered on that, and if we could receive it before the afternoon portion, then I'd have an opportunity to review and tailor my questions to that. That would be helpful.

Okay. I'm going to get to the fiscal plan for a few minutes. The minister talked about a few pages. I'm going to talk about page 87 for a minute here. Page 87 of the fiscal plan says that "revenue from sources other than government . . . is expected to grow over \$100 million in the next four years." I'd just like clarification. It's my understanding that this is essentially school fees, so can the minister clarify? I know that sometimes people will charge, like, a gym rental fee or small things like that, but those, certainly in my experience and I imagine the minister's experience, too, are essentially just to offset the operational cost of that space, having a custodian there after hours, those types of things. I'd like clarity. Is the \$100 million essentially school fees?

Member LaGrange: Yes, I can clarify. Beyond rentals of buildings and other materials, resources there are international students. There are school fees that are set out for sports, extracurricular activities, field trips. In certain areas certain boards are able to, if they have a particular unique need, offer their services out such as repairing other buses for other school divisions, that type of thing. Anything except basic instructional materials, which was included in the Education Act, anything up and above that is consolidated in that. Again, it's \$25 million a year anticipated growth in that area.

I would actually turn it over to one of these fine gentlemen, who can answer the finer details of it. I'll turn it over to Brad.

Mr. B. Smith: Thanks, Minister. Brad Smith, acting assistant deputy minister. Member, yes, the \$100 million over the next four years would be a combination of board decisions on school fee schedules as well as the other own-sourced revenue elements that the minister alluded to, everything from an international student to the rental of a gym to contracting out an asset like a bus for a particular purpose outside of regular transportation. There are many, many elements of own-sourced revenue that school boards have available to them.

Ms Hoffman: But just to clarify, the vast majority would be school fees. The minimal amount from things like renting out a school gym certainly wouldn't account for anywhere near the lion's share. Can that be confirmed?

Member LaGrange: Again, I would draw your attention to the beginning part of that line, which says, "revenue from sources other than government was \$782 million in 2018-2019," which would also take into account the reserves, the operating and capital reserves, which I had highlighted earlier on page 88, where there's sitting right now in school board reserves – there's an adjusted operating reserve of \$392 million and an overall \$226 million in capital reserves as well.

Ms Hoffman: So is the minister, then, saying that the \$100 million is strictly from reserves, that boards are going to be asked to take \$100 million from their reserves?

Member LaGrange: No. It says that it “is expected to grow over \$100 million,” and the anticipation is that there could be some growth in the reserves. I’ll allow Brad to articulate that because, of course, that’s on audited financial statements information. As I said, there are always the school-generated funds such as the international students, the rentals of buildings and equipment, et cetera, et cetera.

Ms Hoffman: Sorry to interrupt. I’ve just heard that a few times. I just want clarity. The \$100 million, is this reserves or is this fees? How did we land on the number \$100 million? What were the assumptions that were put into that number, \$100 million?

Member LaGrange: Okay. I will turn that over to Brad to give you that detail.

Ms Hoffman: Thank you.

Mr. B. Smith: Thanks, Minister. Brad Smith, acting assistant deputy minister. The \$100 million over the next four years is a projection. It’s based on school boards and the information that they have submitted, some of it through their June 30 budget information but also based on historical information and patterns that we can see from boards in various sources, from their audited financial statements to their spring budgets to their fall updates. It’s a combination of those sources of information that we used to make that projection.

Ms Hoffman: Okay. Thank you.

So primarily it sounds like one of the main sources was from June 30, and of course they will be resubmitting those. I think it will be interesting to see how they anticipate having to readjust fees or drawing down reserves. I wonder if those were based on assumptions prebudget and how valid they are given the new very clear fiscal reality that we’re being presented with in the budget.

On a recent conference call, it’s my understanding – and I’m happy to have it clarified if it wasn’t – that the minister was asked about school fees and mid-year adjustments. I think the question focused around the dire situation a number of boards are in. While I don’t agree with school fee increases, especially mid-year, I know that some boards feel like they have to decide between firing staff mid-year and charging more fees to parents mid-year. Some are probably planning for both. First of all, I guess, clarity on whether or not boards, through the minister’s new regulation or policy, have the authority mid-year to charge additional school fees and, if so, what the minister believes will be generated from that mid-year increase.

Member LaGrange: In regard to the school fees, under the Education Act school boards can establish the school fee rates. They have that local autonomy. They are accountable to their constituents, and they should be transparent and up front relative to any changes in that area. I can’t really assume to know what individual boards will be doing. Those are, again, local decisions that are made at the local level to address their realities.

Ms Hoffman: Just to clarify, they were previously told that they had to set those prior to the beginning of this school year. Is the new interpretation of the minister through her new policy that they will be able to charge additional fees mid-year?

Member LaGrange: I believe that in the Education Act it says that school boards can charge school fees after they’ve done consultation with their constituents, with their stakeholders.

Ms Hoffman: I’m just trying to get to a yes or no. Yes, they will be able to adjust and charge more mid-year – in December there could be a new school fee request that goes home to parents – or no. Assuming that they’ve done the consultation, it doesn’t say that parents need to agree. But let’s assume that they’ve done the consultation and that they feel it’s a dire situation. Will they be in a position now where they will be enabled to pass along additional school fees to parents mid-year?

Member LaGrange: Again, school boards are in the position that they can either increase or decrease school fees . . .

Ms Hoffman: Mid-year?

Member LaGrange: . . . as they see fit. I would encourage that they always look at ensuring that the resources that they are getting or providing are going to the classroom. I would also encourage that they look at their reserves first and foremost. Again, I draw your attention to the fact that, overall, school boards have very healthy reserves.

Ms Hoffman: I’m just hoping for a yes or no. I think I heard yes, and if I’m wrong, please clarify. Yes, they can increase their fees mid-year as long as they meet the criteria of having consultation. There could be additional school fees past . . .

10:10

Member LaGrange: Again, that is school board autonomy, and it is up to school boards to make the decision.

Ms Hoffman: So yes, they could increase fees mid-year. Is that what I’m hearing?

Member LaGrange: It is a school board decision.

Ms Hoffman: Okay. That sounds like a yes.

Okay. To go to another school board decision, does the minister believe that any schools will be closed as a result of the new fiscal reality? Has any analysis gone into it? I know that one of the things mentioned in the minister’s introductory statement was equitable rural schools. The actual fiscal plan says: “long-term viability.” I’m just wondering if long-term viability has been assessed in this budget and if the minister is anticipating that any boards will be choosing, through their own autonomous ability, of course, just because they don’t have any money, to close schools.

Member LaGrange: Again, I would say that Alberta has an exceptionally well-funded education system. School boards make decisions on whether they open or close schools, and we respect school board autonomy. I would draw your attention back to page 88, where we are providing school boards with the exact same dollars that they received last year in terms of the overall funding envelope of \$8.223 billion. Every single student that crosses our doors . . .

Ms Hoffman: Thanks. If I could just get back to the question. I just heard that.

Member LaGrange: Every single student is funded at the exact same base rate.

The Acting Chair: Okay. Thank you, Minister.
Go ahead, Member.

Ms Hoffman: Yeah. Just back to the question – and I appreciate that, and I’ve heard many times the minister say that – does the minister anticipate that any schools will close this year or next year?

Member LaGrange: Again, school boards make those decisions, but boards can always review their space allocations.

Ms Hoffman: So probably, it sounds like to me. Okay.

Member LaGrange: I believe that you’re speculating.

Ms Hoffman: Okay. Let’s try that, then. Is the minister confident that a school that has steady enrolment will stay open under her new budget? If there’s steady enrolment, if they had 300 kids last year and they have 300 kids this year, will they stay open?

Member LaGrange: I believe that the trustees are in the best position to answer those questions. I haven’t heard of any school closures or even any thoughts of school closures.

Ms Hoffman: The reason why I ask is because the minister in the fiscal plan talks about long-term viability, and if long-term viability is one of the goals that she is working towards – and the assumptions in the budget won’t help meet those – I think it’s important for us to know that upfront before we vote on this budget. I’m just wondering: is the minister confident that schools will have long-term viability, particularly those who have stable enrolment? Her goal is long-term viability for all schools. Is that something that this budget will enable?

Why don’t I go to another question if you want, and then you can ...

Member LaGrange: No. That’s fine.

Ms Hoffman: Okay.

Member LaGrange: We will answer that question. We have not heard of any school closures or any thought of school closures. We respect boards making the decisions. We know that in the past, even in extremely well-funded time periods, schools have closed due to board decisions. They made decisions in the best interests of their communities. That being said, our current model that we have is not sustainable. We collect approximately \$2.5 billion in education tax dollars but are spending \$8.2 billion.

Ms Hoffman: Okay. Thank you.

Member LaGrange: We have the funding and assurance review that is actually going to address all of those issues.

Ms Hoffman: I just know that time is so precious. Okay. Let’s continue with the estimates document, page 79, line 1.3, corporate services. I’m just comparing actual to estimate. Corporate services is cut by 40 per cent. This includes financial administration, operations, policy, legislation development, contract management, project management. This is a very substantive reduction. I’m assuming that these are department employees, department operations. What is the department going to stop doing if they have 40 per cent less staff in this area? How else is 40 per cent going to be found?

Member LaGrange: The \$3.3 million, or 40.9 per cent, reduction is mainly due to government consolidation of information technology services and the office of freedom of information and protection of privacy for corporate services. Those staff are now in a different department, so those dollars have gone to that department. I would also like to highlight that on this particular

page, actually, if you look at operating expense, line 1, you will notice that my minister’s office ...

Ms Hoffman: I’m asking about 1.3.

Member LaGrange: I answered on 1.3.

Ms Hoffman: Okay. Let’s go to the next question, 2.6, education system support, cut by 19 per cent. What education system supports are being cut? Again, this is the department. Is this an entire unit or one-fifth from each unit? How are we cutting nearly 20 per cent? Are we eliminating ...

Member LaGrange: Can you please tell me what page you’re on?

Ms Hoffman: Line 2.6, still on page 79. I’m going to stay on page 79 for a bit, education system support. I’m not even going based on budget to estimate again. I’m going on actual to estimate ...

The Acting Chair: I hesitate to interrupt, Member, but time has expired for the first hour.

We will move on to the government caucus, and we’ll begin with Mr. Long. Go ahead, sir.

Mr. Long: Minister, I firstly thank you so much for being here today, and thank you to you and your ministry for your hard work in these first few months. It’s evident to anyone who meets you that children are your priority. I know that when you came to my constituency, to see you in Read In Week getting down on the little, tiny chairs in the elementary classroom, it shows not only your compassion but how genuine you truly are. Thank you for that.

With children as your priority, I know that you and your ministry are focused on ensuring that as much funding as possible actually makes it to the classroom. With that in mind, I just have a couple of questions from page 79. Would you be able to explain the discrepancies in line 1.1, the minister’s office? In 2018-2019 the previous government had only budgeted \$769,000. However, they ended up spending almost twice that amount, \$1.423 million, according to these estimates. Could you answer why there would have been such a significant discrepancy between the budget in 2018-2019 and the actual amount?

Member LaGrange: Yes. Thank you for the question. Basically, there was an overspend by the previous Minister of Education in his department. The former minister’s office had 11 FTEs in the last fiscal year, which is way more than the budget could accommodate, so that’s the extra. My current minister’s office has five. The \$404,000 reduction in the minister’s office is reflective of change in minister’s office staffing from the prior year and payment of severance to former staff members in the minister’s office. The severance amounted to an additional \$250,000 in the 2018-2019 year, but it was paid out in the 2019-2020 year. The vacation payout amounted to \$167,000 and was paid out in the 2018-2019 year. Basically, it was just an overspend by the previous Minister of Education.

Mr. Long: It’s a little disturbing, actually.

As a follow-up to that question, this year’s estimates for your office are just over \$1 million, obviously much below the actuals from last year. Are you expecting to meet this target? As part of that, can I also ask why your office expenses are so much lower than last year’s actuals?

Member LaGrange: Yes. Thank you for the question. I am anticipating meeting this target. My office has a much smaller staff, small but mighty. They’re doing great work, and I want to give a

shout-out to them. In addition, the target was set \$250,000 higher than what I would have set it at to accommodate for the severance amounts for the previous minister's staff. I had to accommodate for that in the budget, but I anticipate my budget being even lower in the next accounting year.

Mr. Long: So you're not anticipating any more severance packages and vacation payouts, I'm assuming.

Actually, the member opposite just sort of touched a little bit on this, but I'd like to follow up a little bit more on it. Again on page 79, if we look at corporate services, 1.3, we look at the \$3.3 million decrease. If you could sort of elaborate a little further on the decrease. More specifically, will any of the services for your department be adversely affected? I know that our government has a very strong message on finding efficiencies and directing money based on finding those efficiencies. If you could sort of touch on that, if any services will be adversely affected by having that decrease.

10:20

Member LaGrange: Right. No, I don't anticipate any services being adversely affected. As I said, the \$3.3 million, or 40.9 per cent, reduction is mainly due to governmental consolidation of information technology services and the office of freedom of information and protection of privacy for corporate services. These services will be provided through Service Alberta. In the deputy minister's department, my overall department, we will be down 40 FTEs, so 40 positions, but those are through attrition. We anticipate that there will be no service delivery imposition.

You know, I will turn it over to Mike Walter because this is the area that he deals with.

Mr. Walter: Yes. There's been a movement to consolidate certain services that the minister alluded to – information technology, freedom of information as well as our HR component – to sort of create this centre-of-excellence concept that serves all ministries as opposed to ministries having their own individual shops. There are certain efficiencies that have come from that, again, that are reflected in the minister's budget.

The other thing I would just highlight is that, you know, through the minister's leadership and certainly through our deputy minister's council all discretionary funding – travel, contracts, and grants – is being highly scrutinized. We anticipate that there will be additional savings that come as a result of that.

Mr. Long: Thank you.

Once again today I have heard a lot of concern from members opposite about the Calgary school board and metro school boards. Coming from rural Alberta, I believe that that focus has been extremely evident during their time in government, and as such rural Albertans largely rejected their approach this past spring. That said, I can appreciate that I hear today that you are stressing that education is actually about all students across our province. It's welcome news in rural Alberta, I can assure you. In my constituency of West Yellowhead I represent a number of rural communities of 10,000 and under. You indicate in your budget that there's currently a funding review ongoing. Could you let us know how rural communities and school authorities will be affected by this review?

Member LaGrange: Yes. We made a commitment to look at equitable funding across all sectors of education. I travelled across this province and met with over 65 per cent of school authorities over the last number of months, since I took office, and what I heard more and more was that the current model isn't working, that we

need to readjust it. Every school board determined that we need to have a different look. We need to go towards sustainable, predictable funding.

What the new assurance and funding review will do: the objectives are to control the cost of growth, the predictability of allocating the funding to the system, to assure the viability of rural schools. We know that whether a school has 50 kids in it or whether it has a thousand kids in it, we still have to turn the lights on, and we still have to provide power. There are fixed costs to it. So we want to ensure the viability of our rural schools. We want to look at increased funding that gets directed to the classroom and also fostering collaboration among boards. Those are the objectives of the new assurance and funding review model. Everywhere that I went across this province this fall, I heard from school boards that that is something they really value and want to be a part of.

Mr. Long: Now, again, being a representative of rural Alberta, I know that in the past few years I heard of a number of issues that our local school boards were having based on previous government decisions and the effect that that had on their budgets and taking funding out of classrooms. I was just wondering. On page 84 of the estimates we see that revenues actually are increasing overall. If we can assume that this includes school boards, as a former school board trustee I was wondering if you can share some of the alternative sources of revenue that school boards have in their operations.

Member LaGrange: Are you asking in terms of revenue and other revenue estimated at \$187.1 million? Is that what you're asking?

Mr. Long: Yeah.

Member LaGrange: Okay. The \$187.1 million in 2019-2020 for other revenue is as follows: \$184.1 million by school boards for revenue items such as sales and services, including lunchroom supervision, after school care, insurance proceeds, property capital gains, rental of school facilities. Increased enrolment and inflation will lead to increased fees collected. This amount is reported by school boards in their spring budget submissions. And \$3 million is by the department for the previous year's recoveries of grant payments to school authorities, sales of educational print services.

Does that answer your question?

Mr. Long: Yeah. Absolutely.

Minister, thank you. That's all I have at this time.

Member LaGrange: Thank you.

The Acting Chair: Who's up next? Ms Glasgo? Okay. Thank you.

Ms Glasgo: Thank you, Mr. Chair, and thank you, Minister, for your responses today. I have some questions for you, and I'm going to refer to specific line items as well as pages within the provided information we have here. I believe that is the operation of this committee as well as how we should be operating ourselves, so I thought we would do that. On page 79 of the estimates is where I am right now. I'm looking at line 2.1. Minister, I know the government committed to funding enrolment growth this year. We've actually talked about this already this morning. There's actually a roughly \$11 million increase I'm looking at there. Can you just elaborate on what that \$11 million represents?

Member LaGrange: Yes. The government did commit to maintaining funding for the education system. I'm very pleased with that. The net increase of \$11 million is mainly made up of additional funding provided to complete the remaining five months

of the 2018-2019 school year and to provide for enrolment growth for the 2019-2020 school year. This is primarily funded through reallocation of the classroom improvement fund, reallocation of the school fee reduction grant, and reallocation of the class size funding. In addition, a one-time transition grant is provided to school boards by reallocating these three grants. An additional \$3 million investment will be provided in the form of a school nutrition grant to nongovernmental organizations or not-for-profits.

Did that answer your question?

Ms Glasgo: It does. Thank you very much, Minister.

We're still on page 79, but now I'm looking at line 4.1, for your information there. I notice that school facilities infrastructure is up \$495,000 from last year's actual. Would you be able to elaborate as to why there's an increase there?

Member LaGrange: Absolutely. One million dollars of that is provided to assist school boards in the planning and scoping of new school projects as part of their provincial school capital requirements for planning submission. Due to the uncertainty of whether or not planning funds would be included in the Education budget, the request for proposals for planning funds from school jurisdictions has not been sent out yet. Capital planning will ask for proposals from jurisdictions after the announcement of the budget. In order to meet the requirements of the OAG, these funds will be directed to ensure the approved projects are well scoped and ready for construction. Basically, we're just providing some funding for those school boards that require it so that they can better plan for what's coming up.

I can turn it over to Mike because that is his department.

Mr. Walter: This is actually a great opportunity for us. In terms of the sophistication across 62 school boards, we have a number of boards that are very well versed in building schools and modernizing, and they have lots of capacity, but we also have those boards that only do a school facility maybe once every three or four years, so their ability to scope that project out well in advance is sometimes a little bit challenged. These dollars that we have in working with Jeff, our executive director of capital planning, allow us to get some dollars to those jurisdictions to allow them to better scope those projects out. When we do move them into our provincial capital plan through the ministry we have projects that ultimately go to Treasury Board for approval that we're ready to act on so that we're not in a situation where we have site issues or issues relative to the design of the facility, the capacity of these things.

This is a line item that we're particularly excited about in terms of our ability to have projects that are shovel ready and then, not only that, but have projects that are well scoped-out and able to hit the construction phase in a very expedient manner.

10:30

Ms Glasgo: Thank you very much for the answer there. I know that in Brooks-Medicine Hat, when the minister was travelling with me through the riding, we were noticing that school boards consistently were asking for stable and predictable funding. I think that this is something that really speaks to that, and I really am impressed with that commitment. So thank you.

I'm now looking at the business plan, pages 57 and 58. I'm going to ask you a little bit about choice in education. For me personally this is a very important topic as I have many faith-based schools in my riding, charter schools, and alternative programming, and I know, Minister, that you have committed to enhancing choice in education for our students here in Alberta.

I know that the second line under Initiatives Supporting Key Objectives has made the rounds on social media, as do most things,

and with the \$400 million being allocated to this, knowing that your staff and yourself have clarified this, I was just kind of wondering if you'd be able to provide the committee with a breakdown of the \$400 million, to enlighten us on how much the previous government also spent for private schools and early childhood services as well as home education, charter schools, independent schools, and alternative programming.

Member LaGrange: Yes, I can, certainly. I just wanted to make sure that I had the exact numbers for you on the breakdown. The \$400 million is a rounded number, of course, referenced in our Alberta business plan. It's a combination of the following amounts: \$290.7 million for private schools and early childhood service operators, which is published in the fiscal plan and estimates; \$87.9 million for charter schools, not published; and \$22.3 million for home education, not published, of course, because it is a consolidated number. The \$290.7 million is a separate line in the ministry's operating expenses.

Home education fits under the line: instruction, early childhood services to grade 12. That is \$6.399 billion, up from \$6.329 billion in 2018-2019. Charter school funding fits under this line as well along with operations and maintenance, student transportation, governance and system admin, as well as charter operators, physical schools, whereas home education does not.

There's not a comparable number published for the 2018-2019 fiscal year since the business plan standards were not the same. If there was a comparable number, it would be that \$396 million, which is a rounded number made up of \$286.4 million for private schools and early childhood service operators, \$88 million for the charter schools, and \$21.5 million for home education. These numbers, except for the charter schools and home education numbers, are found in the ministry's operating expense table on page 88 of the fiscal plan.

Basically, last year it was \$396 million. There is an additional \$4 million in that number, which rounds it up to \$400 million, and that is solely to account for enrolment growth.

Ms Glasgo: Okay. That's really good information.

When we're talking about enrolment growth, I guess I have two follow-up questions to this main question. Can you maybe elaborate on why you think enrolment growth is happening in this alternative education programming? I know that in my riding many felt that the previous government took an adversarial approach to parents as well as to religious education as well as to private schooling. I was just wondering if you could elaborate on your commitment to choice in education as well as why you think this enrolment growth is occurring in that sector.

Member LaGrange: Well, thank you for the question. I believe that, you know, we're taking a different approach from the previous government. We really value the long and proud history of choice in education that we have in Alberta. We've had choice in education for over 170 years in Alberta, and we just value all of the different elements, whether it be public, separate, francophone, charter, private, independent, or home-schooling.

Many of you, when you were at your doors through the election, would have heard that our public really values that choice in education, so in the spring I'll be bringing forth the choice in education act. There will be broad consultation on this particular act as we move forward, and I look forward to having that discussion with the general public, who really do value. None of these programs would exist if people did not entrust their children into our care.

Ms Glasgo: I certainly appreciate that. With my constituents in Brooks-Medicine Hat that was a major issue at the doors for me as

well as hearing for the past four years just how much the previous government undervalued choice in education. Speaking about the value of choice in education, I know that it's really important for us to be cognizant of our fiscal reality here in Alberta. That being said, could you provide the committee with an estimate of just how much school choice saves Albertans every year?

Member LaGrange: While I don't have that particular number just off the top of my head, I do know that parents really do value choice in education.

The Acting Chair: I hesitate to interrupt, Minister, but time has expired.

We will take a five-minute break at this time, as agreed upon. Please be back in time. We will be starting in exactly five minutes, starting now.

[The committee adjourned from 10:37 a.m. until 10:42 a.m.]

The Acting Chair: It looks like we have quorum.

All right, ladies and gentlemen, thank you very much. We shall return and continue with the estimates process. Minister, thank you very much for being here.

We will go back to the Official Opposition side, and I believe we'll be starting with Member Ganley.

Ms Ganley: Thank you very much. I'm just going to jump in where my colleague left off. We're looking at page 79 of the government estimates, line 2.6, which deals with education system support. On the previous page there's a very helpful description, and it describes education system support: "Facilitates kindergarten to grade 12 budgeting and grant management, capital planning, curriculum development, accredited teacher certifications, international education, and student assessment." Just so we're aware of what's in that line.

When we look at the difference between the budget last year and the budget this year, we're looking at a cut of roughly 19 per cent, and what we're trying to do is just drill down into that number and figure out what specifically it is that we're cutting in this case. Obviously, you're not going to be able to give me a perfect line by line, but what we're just sort of looking at is: is there one unit that's being eliminated such as assessments or curriculum, or is it just like a fifth of each unit basically that is being reduced?

Member LaGrange: Yes, I can answer your specific questions there. As far as the 18.2 per cent difference, there's a decrease of \$16.7 million in the 2019-2020 year, which is mainly due to departmental efficiencies and internal transfers between programs less other functional transfers to government reorganization. The department will continue to implement cost containment strategies such as hiring restraint, elimination of certain department functions, delaying or slowing down some initiatives, and reducing discretionary spending.

This funding line represents the majority of the department's administrative budget. It also includes funding to the following: school facility support; developing and distributing learning and teaching resources; technology resource support; liaison with school authorities; curriculum program implementation; establishing provincial standards, processes, student assessment, achievement in provincial exams; accredited teacher certification; developing standards for teachers and school leadership professionals; First Nation, Métis, and Inuit support; coordinating internal education initiatives and provincial software licensing; budget and fiscal planning strategies; financial management; financial analysis and research; management of

grants to school authorities, including annual maintenance of the funding manual; provides review of jurisdiction business and financial issues; student transportation; review of financial audits and ministry consolidated reports; funding policies and procedures.

I'm going to turn it over to Brad. This also encompasses, I believe, the 40 FTE positions that I mentioned earlier that are going to – those dollars will be reallocated back into Education, but those FTEs are no longer going to be in my department, and those are being eliminated through attrition.

I will turn it over to Brad Smith to give you more details in that regard.

Mr. B. Smith: Brad Smith, acting assistant deputy minister. Thanks, Minister. The minister gave a good description of what's in that line there. We are, as indicated in the fiscal plan table on full-time equivalents for Education, down 40 full-time equivalents for the '19-20 school year, and that will be achieved primarily through attrition and hiring restraint. Most of those positions are currently vacant anyways, and, yes, as the minister alluded to, the funding for the 40 positions has remained within the Education budget and has been redirected to the grant programs so that we can maintain the funding to the system.

Ms Ganley: All right. Sorry. Just to continue with respect to those 40 FTEs, my recollection, and I assume it's done the same way in Education as it is in Justice, is that an FTE is roughly considered to be worth about \$100,000. Those 40 FTEs, then, would represent \$4 million, but there's significantly more than \$4 million in cuts here, so I'm just a little curious about how that's occurring.

Member LaGrange: I will again refer this over to Brad for the technical details on that, but, again, mostly through discretionary spending, reviewing of grants and contracts, hiring restraints and those 40 positions, and also the reallocation of those other positions to the technology and the FOIP, that I had mentioned earlier several times. Those are included in here as well, and those dollars are also included in this amount as well.

Brad, would you like to further elaborate, please?

Mr. B. Smith: Brad Smith, acting assistant deputy minister. Thanks, Minister. You're correct in your estimate there, Member. Forty is about \$4 million. It remains in the budget, and that amount of funding has simply been shifted up to 2.1, operational funding to the schools. The department, like many departments, is undergoing a critical review of their structures, and simply the available dollars to the department have to be reviewed with respect to every single amount that we spend, and a lot of that, as we alluded to, through a review of grants and contracts, the hiring restraint – not every vacant position has been staffed – and discretionary spending on travel, professional development, and so forth.

Member LaGrange: I would also add that we have five hundred and . . .

Mr. B. Smith: Five hundred and thirteen FTEs.

Member LaGrange: But we were at?

Mr. B. Smith: We were at 553.

Member LaGrange: In the department, and we're at 513. Does that include secondments as well?

Mr. B. Smith: No, it does not.

Member LaGrange: And it doesn't include the additional 150 secondments that we have in the department.

Ms Ganley: Okay. Just one last question on that particular point, and I know you provided a very detailed list of what's in that line item, which is helpful. Thank you. But amongst the many things you've listed – I'm just going to pull out one example – one that's listed is curriculum development, and I'm just trying to get a sense of whether we're talking about getting rid of, you know, certain subunits or getting rid of sort of 20 per cent across the board. Say, for instance, in something like curriculum development: are we looking at a 20 per cent cut there or more or less?

10:50

Member LaGrange: No. We have maintained the budget for the curriculum development at the same amount it was at previously. The only difference being – and I'll turn this over to Brad just for the fine details of the difference in that piece – that we still have 350 current teachers working on the curriculum, working developing curriculum. They will continue to work on that curriculum working group.

Brad, could you elaborate on ...

Mr. B. Smith: Yes. Thanks, Minister. Brad Smith, acting assistant deputy minister. Within that line is the operations of the curriculum division. Postelection the curriculum work was paused, and that did generate some savings, if you will, in the current year. However, that work has all been restarted by the minister, including the new work under way with the advisory panel and so forth. So while there was some initial sort of one-time savings, again, because of a short-term pause, all of that is back in motion now.

Ms Ganley: Perfect.

The next line I'd like to take you to – and it's still on the same page, page 79 – under capital grants, school facilities infrastructure, line 4.1 here, we see that the budget was \$2 million, and then we didn't quite spend it all, which, I mean, again my recollection is that that happens all the time, but usually it gets reprofiled and rolled forward to future years. We don't see that. We just see the \$100 million there. I'm just a little bit curious about that number – sorry; is that \$1 million?

Member LaGrange: That's \$1 million, yes. I'll draw your attention to the number above, which is 4.1, school facilities infrastructure, where you see \$548,000. That actually should be in the capital grants, school facilities infrastructure. If you add those two numbers together. There was an error there, is my understanding, but just so you're aware that \$548,000 was funding provided to school boards in the planning and scoping of new school projects as part of their provincial school capital requirements. Treasury Board and Finance is working to correct placement of this amount in future estimates. It was in the wrong location. This actual amount should have been recorded in the capital grants, school facilities and infrastructure, where the budget resides.

Ms Ganley: Okay.

Member LaGrange: I hope that answered your question. It was slightly over \$1 million, and now we've estimated \$1 million.

Ms Ganley: Thank you. That's helpful.

The Acting Chair: Okay. Thank you very much. Time has expired.

We will continue on to the government caucus side. I do believe we ended with Ms Glasgo. You wish to continue? Okay. Thank you very much.

Ms Glasgo: Yes. I think we got interrupted by our break, but I was just wondering if the minister could elaborate. We were talking about fiscal responsibility and sustainability for Alberta's finances and just how important that is to our government. I know the whole platform and the budget was based on fiscal sustainability and how important that is. Our commitment to school choice was clearly articulated in the platform as well as what I think at least this side of the table here campaigned on. I was wondering, Minister, if you could elaborate on how much school choice saves Albertans?

Member LaGrange: Well, obviously we value school choice. I will be bringing forward the school choice act in the spring. I heard everywhere I went across this province how much people value the choices that they have for their children to meet their unique needs of their families and the learning needs of their children. We only fund private schools at the 70 per cent rate, and they do not get capital expenditures, so of course there is that savings. I've heard estimates upwards of \$700,000 a year in that alone, but, again, I think we need to look at that we have a well-funded education system, that we are investing. As I said earlier, we are only collecting \$2.5 billion in education tax dollars, but we're spending \$8.2 billion. It's a great investment in our young people. Every single one of them deserves to have the absolute best education possible.

By providing choice, we are able to meet the unique needs of each and every one of those students and really, you know – I know of parents that have a child in the public system and one in a charter system and one home-schooled because for their family that is what is addressing the unique needs of that individual student. We've heard very strongly that that's important to Albertans, and we are going to maintain that. We have a long, proud history, as I said earlier, of 170 years of choice in education. When you look at the fact that we have been – again, I keep drawing people's attention back to page 86 – providing operational funding for choice in education and for education in general historically at much higher rates than enrolment and inflation, which I believe has been a significant investment by which our government is showing that we value education, knowing that it's the future of our province.

Ms Glasgo: Thank you very much for that elaborate answer, Minister. Just as a follow-up on that, I know that when you make a budget and when your officials are coming together as well, you have taken a really hands-on approach to learning about what school boards need, including exactly what our education system needs. From your perspective, Minister, and related of course to the ministerial business plan, I was wondering if you could elaborate on how your experiences in the last few months in visiting the school boards and the schools, especially – I mean, you can even use some of mine as an example, because I know we spent a couple of days together and it was wonderful. How have those experiences and how have those conversations with school boards shaped your outlook on the budget and how you made your decisions?

Member LaGrange: Well, thank you. It really impacted my ability – like, I felt very strongly that I needed to get out into school divisions and be on the ground. Really, you can read reports, but when you're actually in the school divisions and in the communities interacting with the people, the students, the teachers, the administrators, and the school board trustees themselves, you really get an on-the-ground, in-depth understanding of what unique needs are. They are very diverse right across this whole province. When I was up in Fort Chipewyan, the needs of a fly-in, rural, remote community were very different than Medicine Hat and Brooks,

where again it's a little bit more rural, yet still have very unique challenges that are very different from each other.

Some of the common themes I did hear are that school boards want flexibility and sustainable, predictable funding. They wanted every student funded, and they wanted to have the ability to have that local autonomy because they're in the best positions to make decisions for their communities and their students, their unique needs. That was something that I really felt that I needed to reflect in the budget. That's something that I tasked my department with, ensuring that we maintained a well-funded education system, that we were funding for enrolment growth, that every single student that crosses our doors is funded, that we really value and appreciate that local autonomy, and that we provide that opportunity for that flexibility to local boards.

Ms Glasgo: I appreciate that insight very much, especially when we're looking at item 3.2 on page 79 of the estimates. I was just wondering if you could elaborate on accredited private early childhood service operators support. Is this experiencing an increase? I was wondering if you could elaborate on how you came to that decision, and what that increase actually deals with.

Member LaGrange: Yes. We have an additional \$1.7 million, or 1.5 per cent, to maintain education funding and account for enrolment growth to ensure that our students receive the best possible education. This also provides funding to accredited independent early childhood service operators to provide education programs, including transportation for the children. Again, this is to account for enrolment growth.

11:00

Ms Glasgo: Thank you very much, Minister and Chair. I will resign my time now.

The Acting Chair: Okay. Thank you.

Is there anybody else on the government side?

Mr. Guthrie: Well, I guess, first off, thank you for those comments on school choice. In my family we have two kids. Well, they're now 20 and 18, and they're both in university. My daughter went through the public school system, and in grade 6 my son just was not feeling it in the public system. It wasn't working for him. He ended up going into the private system, and it completely changed his life. He went from that kid that didn't want to get up in the morning to go to school to never complaining about it again even though he had about an hour and 20 minute bus ride. Now he's off in university, UBC. I think he's battling there, but he's doing very, very well. I'm happy that our government with your lead are pursuing this further. Thank you.

My questions here are off that topic, though. On the estimates page 79, line 4.2 under debt servicing for public-private partnerships we see a slight decrease here for Alberta schools alternative procurement. First, could you explain this budget item and then highlight how many schools were built under this procurement model?

Member LaGrange: Yes. Thank you for that. First of all, I want to say thank you for sharing your story. It's stories that I've heard echoed across this province. I have seven children, all grown now as well, and I have valued the ability to meet the unique needs. That's what I'm hearing right across this province as I travel it. So thank you for your comments there.

As far as your question the capital debt-servicing cost is to cover the annual interest payments to the Alberta schools alternative procurement, or the P3 school buildings. There were 40 school

projects built under the Alberta schools alternative procurement model. The debt-servicing costs will continue to be lower as each payment results in a larger portion of the principal being repaid and therefore reduces the interest amount due on each future payment.

The \$27.8 million is broken down as \$18.6 million for the ASAP 1.

The Acting Chair: Thank you, Minister. I hesitate to interrupt.

We will now go back to the Official Opposition and Member Hoffman.

Ms Hoffman: I'll start...

The Acting Chair: All right. Thank you very much.

Ms Hoffman:... but perhaps my colleague for Edmonton-Meadows would like to ask a few local questions about his riding.

I'm going to touch base for a few minutes here on the need for new school space. I think that most people are well aware that especially in northeast Calgary and south Edmonton we are at a crisis point in terms of our high school capacity, and I'd like some clarity on when we can see some relief for those two areas in particular, but other areas in the province certainly would be welcome, especially with the growing number of new students coming into our districts.

Member LaGrange: Well, I'm happy to say that we are going to continue to fund the existing projects that are on the go, and I believe that is \$1.8 billion of school infrastructure in process. We are also allocating an additional \$397 million for new projects, new schools, and an additional \$25 million for increased modular space to be made, and \$5 million to honour the commitment to school playgrounds. Oh, sorry; I want to correct something. The \$397 million for the new infrastructure is included in that \$1.8 billion, of which \$397 million is new funding for school builds. I will be making the individual announcements on those new school builds in the near future.

Ms Hoffman: What will be the total number of new schools, then?

Member LaGrange: I will be making that announcement in the near future.

Ms Hoffman: Okay. We've heard projections for 25, and I was wondering if that was accurate or not, that there would be 25 at some point over the next four years.

Member LaGrange: I cannot share that until I make that public, which will happen in the near future.

Ms Hoffman: So if it's 25, let me tell you that, certainly, it's more than zero – that's good – but 25 is not enough. Fifteen thousand new students every year for four years is 60,000 new students coming into our school system, so if there's only 25, that's an average school size of 2,400 students. I know the minister has had an opportunity to visit many schools, and few are that large. It certainly would not be sufficient planning for us to ask kids to be in schools of that size.

Another thing I want to say is that just looking at a district that if we were to say on average had 3,000 new students a year, which I know Edmonton public does, for example, if we have class sizes of 30, which I believe is too much, but let's say 30 for the easy math, that would be a necessity for 100 new classrooms every year, 100 new teachers every year, probably at least 100 new educational assistants every year. Custodians are already crammed to clean school classrooms in just a few minutes each day, and I think that

with that comes a need. I just want to say that with having zero new dollars in the operating and the expectation that we see increased enrolment, I think that we are setting ourselves up for failure. I'd be happy to give the minister an opportunity to respond to that.

Member LaGrange: Yes. Thank you for that. Currently, we have school projects that are to be completed by September of 2020. We currently have over 60 projects in flight. Of those we expect 27 schools to be completed for September 2020, affecting approximately 19,000 student spaces. Within that number there are 11 new schools, eight replacement schools, eight modernizations. On the capital plan I've been told that I can share with you that it is 25 new schools, and I believe that that number on a one-year basis is actually greater than the previous ministry was able to provide on a year-to-year basis.

Ms Hoffman: So 25 for one year or 25 over four years?

Member LaGrange: This is this current budget. It's the 25 over four years, but in every capital plan there are additional dollars that have been allocated. That has been the historical way it's been done.

I will actually turn it over to Mike, who has been dealing with this on a regular basis, and I'm very proud of the work that we've been doing.

Ms Hoffman: I think that's answered my question, though, so perhaps there will be an opportunity...

Member LaGrange: No. I would love to answer fully the question.

Ms Hoffman: That is the answer. Twenty-five over four years.

The Acting Chair: Hang on, hang on, hang on. The question has been asked. You provide an answer, Minister – okay? – and then we can move on to another question.

Ms Hoffman: Thank you.

The Acting Chair: We'll just move on to another question, okay? Thank you.

Ms Hoffman: The minister just said that 19,000 new spaces opened in this next year; 19,000 new students essentially will need to be accommodated in those new schools, but there is no new money for new custodians, new teachers, new educational assistants, new mental health supports. How does the minister expect boards, which I know she says have independent autonomy, to staff those spaces when the government is giving no new dollars to be able to do that?

Member LaGrange: Again, we have accounted for, we have funded every single student that crosses our doors. School boards will be given their dollars for every single student that crosses the doors, and they will make the decisions, as is what they are elected to do, to ensure that we have teachers in front of students because at the end of the day, having excellent teachers in front of students is what really drives student learning. Of course, school boards have access to their operating capital reserves as well if they feel they need to look at those dollars, but, again, every single student is being funded.

Ms Hoffman: Just to reinforce, capital reserves are for capital investments, things like portables and other school space, so again saying: buy more school space, but don't actually hire any staff because there's no money in this budget. Again, looking at the fiscal plan, page 88, it's zeroed out for each of the next four years. I just want to say that I think it is irresponsible of the government to have

this much growth. I think that if any family saw a growth in the number of children they had, they would expect to have to spend more money to support those children, and I think it's the same for a government.

11:10

Member LaGrange: Of course, the hon. member knows that the growth doesn't all happen in one particular area; it is spread throughout the province. In some areas there's declining growth. Again, to generalize, I would like to go back to the fact that we have a current funding model that is not sustainable. Boards know this. I've heard this from secretary-treasurers and from the administrators as well. So they are all looking forward to the new assurance and funding review because they understand that we need to have sustainable, predictable funding. That is what will ensure the viability of education as we move forward.

Ms Hoffman: I'll cede some time to my colleague.

The Acting Chair: All right. Member Deol.

Mr. Deol: Thank you, Minister, for answering the questions. One question specific to my riding, Edmonton-Meadows. In April my riding had approximately 11 per cent more population than the average riding across Edmonton, and the area consistently keeps growing at a very fast pace and has no high school. During Read In Week I went to so many schools and saw the current class size. The constituents are consistently bringing their feedback and their complaints, asking me when there will be a high school in the area. In looking at your estimates, budget, and fiscal plan, I couldn't really find any lines where I can get the answer to go back to my constituents.

Member LaGrange: Yes. Thank you for the question. I understand that there are areas of concern across the province. Every school board submits their three-year capital plan, and they prioritize what infrastructure projects they feel is the most necessary within their area. Then that is submitted to our department, and it goes through a metrics to determine on many, many different factors.

I'm actually going to turn it over to Mike because he has all of that information on that particular piece.

Ms Hoffman: Point of order, Mr. Chair.

The Acting Chair: Sorry. Point of order.

Just as per yesterday, you're citing what section?

Ms Hoffman: Section 21(h), (i), (j), I guess?

The Acting Chair: Section 23?

Ms Hoffman: Thank you.

The Acting Chair: What are you saying?

Ms Hoffman: The point of the question that was raised was that it was specifically one part of the city; it was not about a general process, and I'd like an answer that is specific to the member's question.

Member LaGrange: I can give you that particular answer.

The Acting Chair: Okay.

Member LaGrange: How we prioritize which project gets chosen is absolutely reflective on how we address that particular concern, so I'm not sure if you want that answer or not.

The Acting Chair: Time has obviously expired. We can keep the clock going here. Member, can you just repeat your point of order again.

Ms Hoffman: Yeah. It was with regard to the specific question and the minister failing to answer the question.

The Acting Chair: Sorry. Did you get an answer?

Ms Hoffman: When we come back, perhaps my colleague can restate the question; we'll have another shot at it.

The Acting Chair: Okay. Well, we'll give the government members time to respond to the point of order.

Ms Glasgo: Mr. Chair, this is not a point of order as it cites the wrong standing order; 23(h), (i), and (j) refers specifically to making allegations against another member; imputing false or unavowed motives; or using abusive or insulting language, and I don't think that that was the case. If the member does find a point of order, they should be citing the proper standing order as is provided to every member of the Chamber.

The Acting Chair: Okay. Thank you very much. I will say that this is not a point of order at this time.

We will continue with the government members' side and then, obviously, return to the Official Opposition. We ended with Mr. Guthrie. Are we continuing with Mr. Guthrie? Yes? Go ahead, sir.

Mr. Guthrie: Thank you, Minister. Would you like to finish your thought that you had there on the previous question?

Member LaGrange: Yes. I think it's valuable for everyone to understand how capital projects are determined. We have great need across the province and great demands across the province because, of course, every school division usually highlights their top three. I would like to turn it over to Mike so that he can inform you on how that process works.

Mr. Guthrie: Okay. Please.

Member LaGrange: Thank you.

Mr. Walter: Thank you. To the member's question, we receive capital plans, as the minister alluded to, from school boards that identify their priorities by rank in terms of new schools, modernizations, and we also receive their modular requests at a different time of the year. We get that whole package.

When we look at the cities of Edmonton and Calgary, they're very unique, as you've alluded to. For Edmonton, outside of the city we're seeing growth. When you get more into the centre of the city, you're seeing that there are many schools that don't have as high a utilization rate as they would in the exterior part of the city. We're able to break the city down into quadrants, and we then evaluate the project submissions by: what is the enrolment growth in that particular area? We do have that data to say, and the boards provide that to us as well. What are their numbers looking like over time, over the next five years? We also look at: what space utilization do they have available in that quadrant? Are they maximizing the available space that they have in their facilities in terms of ensuring that their buildings are well used and that there's a balanced approach to that?

They're looking at their transportation boundaries, their attendance boundaries, and these things so that ultimately when we make a recommendation on a facility to the minister based on the

fact that they require new space, that their schools are full, and that they're being well utilized, we have great confidence in what the board has provided to us and their metrics, as well as going through our gated process, that the recommendations are highly supportable.

Thank you for that.

Mr. Guthrie: Thank you.

When we were last talking, we were on page 79 of the estimates, and we were talking about the Alberta schools alternative procurement interest payments. There were 40 projects, and you were just getting started on that. I was wondering if you would like to continue to elaborate on that.

Member LaGrange: Sure. I believe it was Alberta schools alternative procurement, so they're called ASAPs. There were three different bundles of projects that were done over the years, and \$27.8 million was broken down by \$18.6 million for ASAP 1, \$5.2 million for ASAP 2, and \$40 million for ASAP 3.

I will again turn it over to Mike because, of course, he has got the details on those P3 procurements.

Mr. Walter: Yes. As the minister alluded to, the \$27.8 million is broken down in that \$18.6 million was spent on ASAP 1 – there were 18 projects that were associated with that, nine in Edmonton and nine in Calgary – and \$5.2 million went to ASAP 2. There were 10 projects. I can defer to my colleague here, but they were more geographically dispersed around the province than just in Edmonton and Calgary. There were 12 projects related to the \$40 million in ASAP 3. Again, those were spread out around the province. Again, a total of 40 projects are linked to those payments.

Mr. Guthrie: Okay. Thank you.

Just quickly, on page 80 of the estimates, education system support, under Department Capital Acquisitions, goes from \$378,000 to \$751,000 in the estimate here. Can you just explain that line item to me and, I guess, why we have this increase?

Member LaGrange: Yes, I can do that, for sure. The \$751,000 is allocated for department information systems development in the 2019-2020 year. Funding was not fully utilized in the 2018-2019 year and was reprofiled for the 2019-2020 year. This funding supports small capital acquisitions and minor IT strategic system developments related to teachers, students, curriculum, and financial information for the ministry.

I'll turn it over to Brad to give you the fine points.

Mr. B. Smith: Thank you, Minister. I would just add that the reason for the reprofile was that these are critical information systems that the department uses. There was development under way in them. As you can appreciate, the department collects a lot of data, and it's very, very important that our systems are operating properly to collect all that data and provide good information.

11:20

Mr. Guthrie: Okay. Moving over to the business plan, under Initiatives Supporting Key Objectives on page 56 it's noted that "\$1.6 million is allocated to implement professional practice standards including development of training modules and collaborative training with stakeholder groups." Does your department already have an idea of the direction that you plan to go in developing these standards? Can you maybe just explain that a bit further?

Member LaGrange: Yes. Alberta Education has been working collaboratively with our stakeholder groups, our education partners,

to help ensure that principals and other school authority leaders are prepared for the implementation of new professional practice standards. This includes a collaborative training program to support those already in leadership positions across this province. Further partnerships are also leading to the development of training modules for those in superintendent/leadership roles, furthering those leaders' abilities to support teachers as the new professional practice standards take effect. We're really wanting to invest in our leadership to ensure that we do have the best teachers and the best leaders in front of our students.

Mr. Guthrie: Okay. Thank you.

In that same business plan, just rolling us back a bit here to page 50, under Initiatives Supporting Key Objectives it's highlighted: "developing options such as the Career and Technology Studies Bridge to Certification to assist in bringing individuals with unique skill sets into Alberta classrooms will cost \$0.85 million in 2019-20." Given the announcement on Monday with the Premier and the Minister of Advanced Education, are you able to elaborate on some of the options that this funding is going to give?

Member LaGrange: Absolutely. We're really looking forward to having that program in place. That \$850,000 is specifically set aside for the bridge to certification program, which goes to supporting skilled tradespeople as they make their way into the teaching profession. The money helps support the individual as they go through their first year of teacher training, after which point they have the ability to bring their unique skill sets, whether it's welding, carpentry, or other trades, into the classroom, where their skills are in demand, while they finish the rest of their education degree.

It's really to support that increased choice for students. We want to keep them engaged in our school system, so if we can provide them with the options – you know, welding and carpentry and some of these other things that we're looking at, some of the STEM abilities – they will have not only certified professionals, oftentimes red seal and beyond, and capable individuals, but they're also trained as teachers, so they have the pedagogy to do the teaching as well. That is what the bridging certification program is.

Did you want to expand on that, Mike?

Mr. Walter: This is a very important program for us. Not only our rural boards but some of our urban and metros talk about the difficulty in recruiting teachers to teach in the CTS areas that the minister has alluded to here: the welding, the carpentry, and various other skill-based courses. This gives us the ability to give support to people that are in the trades and that have an interest in teaching so that they, again, can pursue their BEd and become part of the teacher cohort in terms of providing services.

The Acting Chair: Thank you very much. I hesitate to interrupt.

We will now go over to the Official Opposition. We ended with Member Deol. Will you continue?

Mr. Deol: Certainly, Mr. Chair.

The Acting Chair: Okay, sir. Go ahead.

Mr. Deol: Thank you very much, Chair. Thank you, Minister, for the answers you gave, but I just wanted to give my supplement on that. In my riding, from Tamarack to Tamarack Common, it takes students over two hours one way to get to their high school. It's very, very difficult in the riding right now. I sat with the member of the school board in my area, and she confirmed that this is on the priority list of the school board but that due to lack of funding for the new schools, projects are not moving forward.

Related to this, I have a few more questions I can add to that if you wanted to answer them together. On the new schools you were talking about, my question is: are they going to be P3s? Twenty-five schools, you said. Are all 25 going to be new schools? How many of them would you say will be modernizing, or are all 25 new schools that are being built?

Member LaGrange: I'll answer those questions, and refresh my memory if I miss something.

As far as the infrastructure projects themselves, those 25 projects, we will be providing details soon. They're not public just yet.

You mentioned some long bus rides or the ability to get to and from schools. Again, those are issues and concerns that should be brought to individual school boards to address because they are the ones that address the transportation needs of their communities. I would highly recommend that you take that back to your school, first and foremost, and then, beyond that, to your board in terms of addressing individual ride times, et cetera, because that is in the purview of the school division.

Mr. Deol: But what I was trying to say is that the schools are quite far from my community. It's not only a transportation issue.

Member LaGrange: School divisions are the ones that make the priority list in terms of the capital infrastructure, and then, as Mike had indicated earlier in his answer, we take that capital list, the department takes the capital list, and then prioritizes it . . .

Mr. Deol: That's the information I'm giving back to you from my school board trustee.

Member LaGrange: Right.

. . . and then it goes through metrics. Again, your school division is the one that sets the priority. If that's a priority for your area, then that would be the number one priority for the school division, and then that goes to the department. Then it goes through the metrics system, and at the appropriate time the announcement is made.

Would you like to add anything to that, Mike?

Mr. Walter: No. I think the minister has captured it quite nicely.

Member LaGrange: Did I miss any of the pieces of your question?

Mr. Deol: I really appreciate it. I don't know if it's possible or not, but if I can get specific details in writing on what's going to happen. When I spoke with the school board, they said that this is on the priority list, but they can't go ahead without, actually, indications on that.

Member LaGrange: Well, I think you made one other comment after as well.

Maybe I'll get Mike to explain. Once we are able to announce the specific projects, which I will be doing soon, what is the process in terms of where the dollars go, because then Infrastructure takes over? You asked about P3s and how that is determined.

Mike, I'll turn that over to you.

Mr. Walter: The minister is responsible for the development of the capital list. In working with school boards, again, we do the environmental scan and get all the submissions from the jurisdictions in terms of their top priorities. We put that through our prioritization process in terms of establishing that list, and we do that in collaboration with Alberta Infrastructure. They provide us with, you know, technical expertise in terms of the cost of the projects, the projected costs. Once the minister has approval, then

the budget transfers over to Infrastructure for the management of those projects.

For some projects, just because of the refinement of the project and the due diligence that the board has done and that we've done, we'll recommend that the project proceed to full construction right off the bat. For others, if we feel that there's still some determination to be made relative to, for example, modernizing a school – if we hit certain thresholds, it makes more economical sense to replace the school than to modernize it – some of those things still have to be worked out. In those particular cases, we'll recommend to the minister that we provide only design funding for those projects so that, again, we can move them to the next phase but not necessarily to full construction if we still have some items to iron out relative to that.

Once again, the minister has the recommendations, and they're approved. It then transfers over into Alberta Infrastructure, who then is in charge of the management of those particular projects.

Mr. Deol: Chair, I'll cede my time.

11:30

The Acting Chair: Thank you very much.

Member Hoffman, do you wish to continue?

Ms Hoffman: Sure. I'd be happy to supplement the question just asked by my hon. colleague around the P3 decisions because we've heard a lot about them, including in questions today. I just want to reiterate that there were a number of concerns with the P3 projects under former Conservative governments, and it was a Conservative government that made the decision to not continue with them because of how many issues there were.

I can give a few examples. I know that there were grading issues around the sites. When portables were added to the sites, those were seen as out of the scope of the original contract, so the builder wasn't going to accommodate that. One small example but one that has lasting impacts in communities: staff members often go onto the roof of a building to get a soccer ball or a shoe or something that ends up on the roof of a school building. Contractually under P3s staff members weren't allowed to do that anymore even though it's something that had been well within their scope for many years on board-owned schools. That's one small example of a negative impact for students.

I think the question was: are all of the 25 that were being referred to here today anticipated to be P3 builds? Where would they be within the budget?

Member LaGrange: Thank you for the question. Of course, as we just mentioned, once the determination is to move forward with a project, that is then transferred over to Infrastructure, and Infrastructure makes those decisions. I would agree with you that in the past – I was a former trustee myself – there were issues in regard to P3 contracts, not necessarily the builds themselves but the actual contract that oversaw specific elements of it. That being said, again, Infrastructure moves forward how they best see fit on how those builds or those modernizations will continue.

I will just turn it over again to Mike Walter, who has the specifics on this. He's been working in this area for a very, very long time.

Ms Hoffman: If I could just clarify, the question was specifically around where in the budget these 25 schools were contained.

Member LaGrange: They were in the business – let me just see before I give the wrong ...

Ms Hoffman: You can come back to that.

Member LaGrange: Do you want the line item?

Ms Hoffman: Yeah. Where's the costing? How do we know that we're going to be getting 25 schools? We can extrapolate the math.

Member LaGrange: Well, it's on page 60 of the business plan under capital investment, school facilities. There is \$738,160,000 as the total, and of that, it's \$397 million.

Ms Hoffman: So \$738 million is down from last year's budget, '18-19, right? Last year there was more money for new schools.

Member LaGrange: Just bear with me a moment. As you know, this is a very ...

Ms Hoffman: Maybe I could ask my next question while we find that information.

Member LaGrange: It's on page 131 of the capital plan. If you look toward the bottom, it says, "Renewing Educational Infrastructure," and towards the bottom of that: "This funding allows school projects to continue over the next five years."

The Acting Chair: The time has expired. We are going to return to the Official Opposition, but we go now to the government members' side.

Who's going to continue on this? Mr. Guthrie again? Okay.

Mr. Guthrie: I will. I just need to find where I was. I was flipping around here.

Okay. When we left our discussion, Minister, Mike was just finishing up on the bridge certification. Was there any more that you wanted to add to that particular commentary?

I do have a follow-up, too, as far as the bridging certification. I was just curious as to, you know, the \$850,000. How many new teachers would we expect to get from this and how many certifications? You know, what would this bring into the system?

Member LaGrange: We'll have to get that specific number for you, but I can share with you, from my own personal experience as a former trustee with a school division in Red Deer, that there were a number of individuals that went through that program and really valued the program. They were able to have huge impacts on the lives of their students and very, very positive impacts. I think that the more we can encourage people who have a specialty in a certain area who also have a love and a desire to help children grow and find their personal passions, you know, the more we need to do to connect those two together. This is one way of doing that.

Mr. Guthrie: Yeah. Thank you.

We know that math scores have been declining for a while, including under the previous government. I assume that that would be why in the business plan, page 50, under Initiatives Supporting Key Objectives you added to your ministry that we're going to "support student math achievement by adding a written response component in the ... Diploma Exams [and] non-calculator questions in Provincial Achievement Tests." Could you briefly touch on this and explain to the committee about the \$2 million cost for the endeavour?

Member LaGrange: Yes. Thank you. The \$2 million goes to a number of initiatives on the math, and a large part of that figure is for the written response component of the math diploma exams. That allows us to develop a comprehensive written part to the diploma exams that assesses student knowledge in a way that multiple-choice questions can't. In particular, the money goes to

bring in teachers from across the province to develop each question and ensure that they are fair and reliable questions. It also goes towards extra printing costs for the production of these questions. The largest cost, though, is to bring in teachers to mark the questions as students express their mathematical knowledge in a way that only a trained teacher can adequately assess.

I had the pleasure of meeting with my minister's youth advisory council just this past weekend, and on Monday morning we debriefed. One of the things that I found really interesting was that they really valued the opportunity to explain their learning in their assessments. Part of their observation, when we continue with assessments, is that they have the ability to really show us what they've learned rather than doing multiple choice type questions. I see this as just one element of that. Of course, with declining math scores, that is a huge concern. We need our students to have very strong both numeracy and literacy skills. This is one way to address the numeracy skills area.

Mr. Guthrie: Yeah. I think it's an excellent initiative. I've spoken to many teachers. I'm married to a former teacher, so I do hear this. I think that this addresses a need for us.

I think that's the end of my questions, so I'll pass it on to MLA Lovely.

The Acting Chair: Okay. Thank you very much.

MLA Lovely, would you like to continue?

Ms Lovely: Well, Minister, I'm very grateful to have the opportunity to be here and join in the process. I'm actually replacing my colleague MLA Amery. It gives me a good opportunity to give you an update. This summer, after being elected, I door-knocked through the entire community one more time, not only in Camrose. I'm from the constituency of Camrose, but that includes a number of smaller towns as well. Because it was during the summer, I was able to speak with not only students, which was a real treat, but some parents as well. Education was top of mind for a lot of people. It's not every day that the MLA comes knocking on the door to check in and see, you know, what's on your mind, what's important to you.

11:40

I had some really good conversations, and they lead to my questions, but the important thing that was noted and passed on to me was school choice. A number of the students that I spoke to were home-schooled. We actually have a number of home-schoolers that are listening to what we're broadcasting right now, so I just wanted to say hello to them and thank them for their interest in our process.

It's the Battle River school division that's in my community. Unlike the cities, they face some very different challenges. We have the city of Camrose, who has a solid enrolment, but then we also have places like Hardisty, where their enrolment is dwindling. The concern that the Battle River school division shared with me is the fact that even though they've done everything to manage their funds – they've gotten the students working in a smaller part of the school; they've closed different sections – what they said to me is that when the roof needs to be repaired, they need to repair the whole roof. So they're very carefully managing their money, but they're feeling that pinch. Particularly in Hardisty, they're worried that, you know, in the foreseeable future the school may close, and they may have to bus their students to another town which is quite far away, and those students would be on the bus. Those are some of the concerns that were expressed to me.

The thing that most impressed them with this government is the endorsement of school choice, and they wanted to ensure that I

knew that this was important to them and that they wanted to continue this.

The other thing that came up this summer was the fire that happened in Sedgewick. I spoke with different members from your ministry, and I actually had a tour of the school. The fire was on the roof, but the damage that happened to the school was caused by the smoke. I had a hard-hat tour of the school, and the people that are working there are doing a fabulous job, but the students are displaced from the school. They're working in pods. I just have to say: hats off to the Battle River school division for co-ordinating that whole effort and getting pods so that they can continue educating the students from our community. They looked at possibly moving them to another school, but it was emotionally disturbing for them to have this happen, not only to their school, but they didn't want the students to be impacted then by a bus ride.

I'm going to get to my question now. It's on page 79, line 2.3, plant operations and maintenance. It's noted that there's an increase. I'll give you a second to get there.

Member LaGrange: Sure. Line 2.3, plant operations and maintenance?

Ms Lovely: Yeah, 2.3, plant operations and maintenance, page 79 of the estimates.

Member LaGrange: Okay.

Ms Lovely: There's an increase that I've noted. It's moving from \$604,455 and going up to \$613,427. I was just wondering if you could please elaborate for us on what this grant includes and why it was increased.

Member LaGrange: Yes. I can provide that for you. I agree with you that challenges are unique to every school division, and they do amazing work in supporting their students and taking the resources and the dollars and the staffing that they have and allocating them appropriately.

The increase of \$8.9 million, or 1.5 per cent, is to maintain education funding, account for the enrolment growth in the 2019-2020 school year, and to provide funding for the remaining 2018-2019 school year. If I can just remind you that in my budget, because of the fact that I am not on the same fiscal calendar as the government budget, I do have an additional five months of operations to account for.

The plant operations and maintenance grant is made up of the two components.

The Acting Chair: Okay. Thank you. I hesitate to interrupt, Minister. Time has expired. Although it was very close, just a friendly reminder to everyone, all members, that no one person can speak longer than five minutes at a time.

We will continue with the Official Opposition. Member Hoffman, go ahead.

Ms Hoffman: Thank you very much, Mr. Chair. I'm going to go to the estimates document again, and I'm on page 81, for reference.

There are a number of different things in this page that are fees driven, one being high school transcripts. How does the rate charged for high school transcripts under the assumptions for this budget compare to this year's rate for high school transcripts? Are there any changes in the costs of those individual transcripts?

Member LaGrange: There's no change. It's the exact same rate. Fees for the student transcript services are \$10 per transcript, and they're used to offset the cost of producing and delivering the high

school transcripts on behalf of students. There is no change to that one.

Ms Hoffman: Thanks.

What about educational print services? How does this compare to last year's fees, and can we have an assurance that this isn't going to be increased either?

Member LaGrange: This is the same. Revenues generated from the sale of educational print services such as curriculum booklets, brochures, posters, and other materials or materials sold through the Queen's Printer: it's the same.

Ms Hoffman: When I match that up with premiums, fees, and licences on page 84, just a couple of pages later, that sees about a 16 per cent increase. Where is that increase coming from if the rates for printing these types of things are the same as what they were last year? What is accounting for such a substantial increase? It's the third line item.

Member LaGrange: On a consolidated basis the department, \$3.7 million, and school boards, \$189.0 million, are expected to receive a total of \$192.7 million in revenues from premiums, fees, and licences in 2019-2020. School boards are projecting a \$24.8 million increase in premiums, fees, and licences compared to the previous fiscal year. The increase in revenues from premiums, fees, and licences is mainly due to the higher enrolment and school fees such as basic instruction fees, supply fees, and transportation fees.

Ms Hoffman: Is this what relates back to the \$100 million that we discussed previously from the business plan, the \$100 million over four years? Is this the line item that accounts for that?

Member LaGrange: It is a component of it but not all of it.

Ms Hoffman: Okay. So given that in a few rounds earlier we were talking about increased school fees being very likely under the new regulations, of course, pending consultation, as is said, it seems likely that this line item would be an even greater increase than what . . .

Member LaGrange: I believe you're speculating that boards will be increasing student fees. Again, student fees are set by school boards and school authorities.

Ms Hoffman: If I could just ask as it relates to this line item: if the minister wasn't anticipating them increasing fees, why did she change the process around how fees are set?

Member LaGrange: Well, first of all, we're going to have an update in the fall, when the school boards provide their budgets. Again, in consultation with school authorities, school boards, they said very loudly that they want flexibility on how they manage their school divisions and their resources, and that's what we've provided, that flexibility.

Ms Hoffman: If I could just add, I think they said that they want money and that they need to keep operating. Certainly, this net zero to the Education budget puts them in a really tough pinch with 60,000 new students over the next four years.

With regard to the new funding formula – that's in the fiscal plan, references to the new funding formula – how does the minister anticipate containing cost growth, which is one of the things that she talks about, when enrolment is going up about 15,000 each and every year? What are the measures that she anticipates taking to contain cost growth when the number of kids in our province isn't

something that she can contain? What is she going to be cutting to contain growth?

Member LaGrange: We will be working together, in collaboration with school boards, business officials, secretary-treasurers, the education partners, the school superintendents, to look at all aspects of funding. We know that the current system is not sustainable. As I said earlier, we collect \$2.5 billion in educational tax dollars, but we're spending \$8.2 billion. The government is considering new approaches to funding growth, but at this time we are in the process of just developing that new assurance and funding review, so we need to have that process move forward the way it needs to move forward in consultation with our education partners and develop a process that, at the end of the day, will give us sustainable, predictable funding, which is what school authorities have been asking for for a very, very long time.

11:50

Ms Hoffman: I think that the word "adequate" was also a part of what they were advocating for.

On page 87, again continuing with the fiscal plan – I don't think that this was mentioned in the summary at the beginning, so I'll give the minister an opportunity to elaborate – one of the components there is to foster collaboration among school authorities in procurement and providing services to realize economies of scale, create centres of excellence, and encourage best practices. I think that a number of folks are asking questions about what this actually means around fostering collaboration. What is the minister going to be telling boards to do, and will there be amalgamation of districts and those types of things?

Member LaGrange: Well, the one thing that I have heard as I travelled across this province is how appreciative that boards are that they have a Minister of Education who actually has taken the time to go to their boards and have that authentic consultation, willing to listen, willing to work in partnership with them. There are many, many examples of how boards and school authorities are co-operating together to find efficiencies. We're looking at provincial procurement of supplies.

Ms Hoffman: If I could just clarify that this is going to be part of the new framework, so not looking back but looking forward.

Member LaGrange: Well, what we're looking forward on is to expand what we've been able to do successfully in the past. When we've been able as boards and as school authorities and as educational partners to work collaboratively to find efficiencies, that is something that we hear from our public, that this is what they expect. This is what they expect of their government, this is what they expect of their school divisions, and we will expand on the good that's already been done and increase that further.

Right now I believe that there is approximately 70 per cent of school boards that collaborate on transportation, so to be able to help others to do so would be beneficial if it makes sense to do so. Of course, respecting always school authority, autonomy, and the ability to make local decisions that make sense for their communities: that is something that we would always be supporting.

Ms Hoffman: What the business plan talks about is this being part of the funding framework. My question – and if now isn't the time to answer it, so be it – was around what the mechanisms were going to be. Was it going to be about pushing joint transportation, shared building, shared staffing, amalgamated boards, abolishing regions?

What in the funding formula, which is in this business plan, is going to ensure that she achieves that outcome?

Member LaGrange: What is discussed in the business plan is that we are coming up with a new assurance and funding formula, but at this point in time nothing is predetermined.

Ms Hoffman: Okay. Could I have a time check, please?

The Acting Chair: You have one minute and 10 seconds.

Ms Hoffman: Okay. I'll just reiterate from this morning that desire that I raised to have actual differences between what was submitted in the budget, according to law by the end of June, and what is actually being allocated out to boards now and the shortfall between what, for example, Calgary public submitted to Alberta Education as to what their plans were and how much the Calgary board of education is actually getting from the government of Alberta, because I think that it's a very fair and reasonable question for people to be able to know what the difference is between what boards had planned and what boards are actually getting.

Member LaGrange: I would be happy to provide you the actuals that they received last year and the profiles that they now have in hand, and I'm sure that the boards would be more than happy to provide you with their assumptions if they see fit.

Ms Hoffman: They gave it to the minister, which is why I think it would be beneficial for us as members of this committee to be able to have – we can go through their individual websites, but I think the responsible thing when making a budget is to look at assumptions and look at targets.

The Acting Chair: Thank you, Member. I hesitate to interrupt.

For the last few minutes we will go to the government caucus side.

Ms Lovely: Minister, you've changed to different line items with the member across the table here. I wondered if we could go back to my question because we ran out of time.

Member LaGrange: Sure. If you could refresh my memory.

Ms Lovely: I will actually just go through the question again.

Member LaGrange: Thank you.

Ms Lovely: It's on page 79. I'll give you a minute to get there. Plant operations and maintenance, 2.3. Oh, sorry. That's the estimates page.

Member LaGrange: Oh, yes. I'm on the estimates now, so 2.3, plant operation and maintenance.

Ms Lovely: Yeah, 2.3, plant operations and maintenance. It's noted that there's an increase from \$604,455 to \$613,427 for 2019-2020. My question is: could you elaborate on what this grant includes and why it was increased?

Member LaGrange: Sure. Just a slight correction: that was millions, not thousands.

Ms Lovely: Oh, did I? Sorry. Yes. I didn't write it down fully.

Member LaGrange: No. That's okay. The increase of \$8.9 million, or 1.5 per cent, is to maintain education funding and account for the enrolment growth, as I earlier said, for the 2019-20 school year but also to provide that funding for the 2018-19 years

because of that additional five months that I have to account for and that my department has to account for.

The plant operations and maintenance grant is made up of two portions. One is the \$526.9 million for plant operations and maintenance for regular day-to-day upkeep of school facilities because, of course, we want to ensure that all of our school facilities are maintained to the highest level. Then the other component of that is the \$86.5 million, which is infrastructure maintenance and renewal, to ensure school facilities meet all regulatory requirements in order to provide a safe and healthy learning environment. Do you need any more specifics on what that entails?

Ms Lovely: If you have something.

Member LaGrange: Sure. I'd turn it over to Mike with that.

Mr. Walter: Plant operations and maintenance is the fund that largely goes towards the custodians, utilities, basically keeping the schools heated, lighted, cleaned, and I guess I would say small-order maintenance in terms of some painting touch-ups, this sort of thing.

The IMR component is where we would look at the major component replacements within the schools. This is where they'd redo a roof, as you've alluded to in your constituency, or where they replace a gym floor or, you know, the windows in a school. There's a very specific list of what is eligible for the IMR funding. This is to ensure that, in fact, the money goes towards the upkeep of facilities. Again, that is something that we review in Education with the board, and we look for correlations and connections to their capital plan as well.

Ms Lovely: Great. Thank you.

Chair, how much time do we have left?

The Acting Chair: About a minute and 30 seconds.

Ms Lovely: I guess I'll ask my next question. It's in the estimates, page 79. Minister, I know funding for inclusive education has been a commitment of the government, and as per line 2.5, operating expenses, I've noticed an increase from \$465.416 million to \$470.725 million. I was wondering: has the funding been increased to only account for enrolment growth?

Member LaGrange: No. It goes beyond enrolment growth for the 2019-2020 school year. It also provides funding for the remaining of the 2018-2019 year. Again, I've got that additional five months that I had to account for. The increase of \$5.3 million, from \$465.416 million to \$470.725 million, is again because of maintaining the educational funding for this year but to account for last year as well and definitely for the enrolment growth portion of both those time periods.

Ms Lovely: Thank you, Minister.

Chair?

The Acting Chair: Yes.

Ms Lovely: Are we out of time?

The Acting Chair: No. We've got to continue. Fifteen seconds: is there anybody else who would like to ask a question?

Ms Lovely: I have several more questions.

The Acting Chair: Sure. Continue on.

Ms Lovely: This is also on page 79, line 4.2. It's debt servicing.

The Acting Chair: Okay. Thank you very much. Time has expired.

I apologize for the interruption, but I must advise that the time allotted for this morning for this item of business has concluded.

I'd like to remind committee members that we are scheduled to meet this afternoon at 3:30 to continue our consideration of the

estimates of the Ministry of Education. Thank you, everyone. This meeting is adjourned.

[The committee adjourned at 12 p.m.]

