



Legislative Assembly of Alberta

The 28th Legislature
First Session

Special Standing Committee
on
Members' Services

Tuesday, November 27, 2012
9:01 a.m.

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Special Standing Committee on Members' Services

Zwozdesky, Hon. Gene, Edmonton-Mill Creek (PC), Chair
Young, Steve, Edmonton-Riverview (PC), Deputy Chair

Calahasen, Pearl, Lesser Slave Lake (PC)
Dorward, David C., Edmonton-Gold Bar (PC)
Forsyth, Heather, Calgary-Fish Creek (W)
Goudreau, Hector G., Dunvegan-Central Peace-Notley (PC)
Jablonski, Mary Anne, Red Deer-North (PC)
Mason, Brian, Edmonton-Highlands-Norwood (ND)
Quest, Dave, Strathcona-Sherwood Park (PC)
Sherman, Dr. Raj, Edmonton-Meadowlark (AL)
Smith, Danielle, Highwood (W)

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Liz Sim	Managing Editor of <i>Alberta Hansard</i>

9:01 a.m.

Tuesday, November 27, 2012

[Mr. Zwozdesky in the chair]

The Chair: I think we are ready to go. It's my pleasure to call this meeting of the Members' Services Committee to order at 9:01 a.m. For purposes of the record this is a meeting that does include breakfast snacks and beverages, so please feel free to enjoy those at your leisure.

Let us begin with a roll call. I'm going to start here on my left with Mr. Goudreau, and if each of you would announce your names for the record, then we'll go to those who are on teleconference.

Mr. Goudreau: Good morning. Hector Goudreau of Dunvegan-Central Peace-Notley.

Mr. Young: Good morning. Steve Young, Edmonton-Riverview.

Mr. Quest: Good morning. Dave Quest, Strathcona-Sherwood Park.

Mr. Dorward: David Dorward, MLA for Edmonton-Gold Bar.

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

Ms Smith: Danielle Smith, Highwood.

Mrs. Forsyth: Hi. Heather Forsyth, Calgary-Fish Creek

The Chair: And joining us by teleconference, whom do we have, please?

Ms Calahasen: Pearl Calahasen, Lesser Slave Lake.

The Chair: Anyone else? So we have Pearl Calahasen by teleconference in Slave Lake. Thank you, Pearl.

We have others who are around the table, but before we get to them, I believe we have an update regarding the attendance of Mr. Brian Mason. Who received the call?

Ms Quast: I received an e-mail from his assistant indicating that he would not be at the meeting at 9 this morning.

The Chair: So we don't know if he's coming a little bit later or if he's not coming period. That was as of early this morning? What time was that for the record?

Ms Quast: It was at 8:54 this morning.

The Chair: At 8:54 this morning Mr. Mason advised by e-mail that he would not be at the meeting this morning, but he still may come a little bit later. We don't know.

What is the update regarding MLA Sherman? Do we have an update, or is there anyone here from his staff? Is there someone here from the Liberal opposition staff just to tell us? Are we to expect Dr. Sherman or not? We don't know. Okay. We'll await further updates.

Let's proceed with others who are at the table. Beginning with Dr. McNeil, just announce yourselves. We'll go down the list.

Dr. McNeil: David McNeil, Clerk of the Assembly.

Mrs. Alenius: Bev Alenius, executive assistant to the Speaker.

Mrs. Scarlett: Cheryl Scarlett, director of human resources, information technology, and broadcast services.

Mr. Ellis: Scott Ellis, director of financial management and administrative services.

Mr. Reynolds: Rob Reynolds, the only one on this side of the table, Law Clerk and director of interparliamentary relations.

Ms Quast: Allison Quast, committee clerk.

The Chair: Thank you. I'm Gene Zwozdesky, and we'll be able to start.

Dr. Sherman, would you like to announce yourself as present for the committee?

Dr. Sherman: Raj Sherman, Edmonton-Meadowlark. Present.

The Chair: Thank you. That concludes it. No one else yet joining us by teleconference other than Pearl? No? Okay. Thank you.

Under housekeeping just one quick item. I'm pleased to report to you that I've now completed 15 visits to constituency offices as of last Friday, and I just want to go on the record thanking all the MLAs and their office staffers for the cordial welcome that Bev Alenius and I received with each of those visits, which were attended almost 100 per cent by MLAs as well. There were a few cases where MLAs could not make it and had to bow out at the last minute, but the visits went ahead.

I also want it noted that I was able to visit at least two MLA offices from each of the four parties. Obviously, some I was able to visit more of than others. Nonetheless, we've got a good smattering of information, which we'll be sharing with you as the next few weeks unfold. I still want to travel to the far north and to the far south, to the far east and to the far west, and I'll try my best to get some of those visits in within the next month or two. That's it for housekeeping items.

Let's move on to item 2, the approval of the agenda. As you can see from the agenda that was circulated, we have a couple of substantive issues that we want to deal with today. One is the issue of the MLA remuneration review mechanism, and the second one deals with an introduction, if you will, to what I'm going to call the budget process, the budget parameters, and the budget structure that we're going to get into more carefully and more thoroughly over the next few weeks. But today will be an introduction to that process, time permitting.

The agenda is before you.

Mrs. Jablonski: Mr. Chair, I would like to request, please, that under old business item (a), Motion, June 7, that I presented, MLA Compensation Review Mechanism, be removed from the agenda.

The Chair: You want to amend the agenda so that it does not include a motion that you initially brought forward on June 7, 2012, that being the member remuneration review mechanism?

Mrs. Jablonski: That's correct. I move that we remove that from the agenda.

The Chair: Okay. Well, we have a motion to amend the agenda.

Dr. Sherman: Mr. Speaker, I have something to table towards and something to discuss with respect to the MLA compensation review.

The Chair: Okay. If you want to speak to the amendment, then proceed, but I'm not going to entertain another amendment to the amendment at this stage. Let's just deal with this amendment first.

Mrs. Forsyth.

Mrs. Forsyth: Thank you, Mr. Speaker. I am, I think, looking at the motion that was made June 7 by Mrs. Jablonski, and I just want to get some clarification on that. It was moved by Mrs. Jablonski that the members' allowances order be amended by adding a section 11 to read as follows:

Every four years the Chief Justice of the Queen's Bench of Alberta (or his or her designate) shall be requested to chair an independent review committee of three members to review MLA compensation with the Speaker initiating the review process on behalf of the Members' Services Committee, with the first such review commencing after May 1, 2016.

Am I correct that that is the motion?

Mrs. Jablonski: That is correct, Mr. Chair.

The Chair: There was an earlier motion which I believe the member withdrew, and then there was an attempt at a second motion, and the chair was anticipating that there would be a motion of some nature this morning. However, what I understand Mary Anne to say is that she wants to see that item that is titled MLA Compensation Review Mechanism withdrawn from today's agenda, if I understand the motion, which is in the form of an amendment.

Mrs. Jablonski: That's correct, Mr. Chair.

Mrs. Forsyth: If I may, Mr. Chair. I could be confused here. I'm reading this, and it says at the bottom of it: "Unanimous consent was granted for Mrs. Jablonski to withdraw her motion." If we withdrew the motion on Tuesday, November 6, why are we bringing it to the table again on Tuesday, November 27?

The Chair: For two reasons. One, it is something that we were directed to look at by Government Motion 11. It comes out of retired Justice Major's report, so that's the second reason for that.

All it is at this stage, Heather, to be clear, is just a discussion item. I was anticipating there might be a motion to replace the withdrawn motion; however, we're dealing with this.

Let me get a speaking list here. I had Mr. Dorward, Ms Smith, and Mr. Young.

9:10

Mr. Dorward: Well, I'm in favour of amending the agenda. I did hear the leader of the second opposition, and I respect that. I think we could certainly add it if there's time in the meeting after we get to some of the more critical things of the budget. I wouldn't be, you know, voting against including something else after. I think we're talking about process here and order.

I have Government Motion 11 here in front of me, and there's nothing that I'm reading in Motion 11 that requires us to go back with anything on the review mechanism, as far as I read Motion 11.

The Chair: Well, from one standpoint you're correct. From another standpoint this did come up in June. We have discussed it. We have touched on it. We did say that we would revisit it, and this morning I thought that's what we would be doing. However, unless there's a motion, then we have nothing there to discuss other than having a discussion about the matter in a broad sense, which I'm prepared to do as well.

Let's go to Ms Smith, followed by Mr. Young.

Ms Smith: Sure. I'm fine with supporting that amendment to the agenda. I'm just wondering if Mrs. Jablonski can give us a bit of context, if it's just that she didn't have enough time to work on it with Parliamentary Counsel and it will be coming back at a future

meeting or if we're to anticipate some legislation. I think it was pointed out last time that you can't in this committee compel judges to do anything. If she could just give us some indication about whether we're expecting to get this back at some future point.

The Chair: Okay. Let me interrupt the speaking list, then, just momentarily for a brief comment, Mary Anne, of clarification.

Mrs. Jablonski: Thank you, Mr. Chair. My intention is not to bring this back.

Ms Smith: Thank you.

The Chair: Your personal intention is to not.

Mrs. Jablonski: That's correct.

The Chair: Okay. Let's go to Mr. Young, followed by Dr. Sherman.

Mr. Young: Thank you. I think all the points have been covered. I'm good.

The Chair: Okay. Thank you.

Dr. Sherman: Mr. Speaker, I just want to talk about process. As you know, last committee meeting I promised to work with Parliamentary Counsel and bring forward a motion with respect to MLA remuneration and the committee process. Now, I had let the chair and the deputy chair know about my intent, and I would like this to remain on the agenda so I can introduce this in the committee meeting.

The Chair: You'd be welcome to raise it after we deal with this. I don't know what it is you have in mind to raise. I was advised by your staff member and I believe the deputy chair was also advised by your staff member that there would be an item that you might be bringing forward today, but we were asked to specifically wait until you tabled it or raised it before we mentioned it at all. So we're waiting for that.

But let's just finish off with Mary Anne's motion first, and then you might have something that might come up under new business. I don't know yet.

Is there anyone else who wishes to speak to the motion as moved by Mary Anne Jablonski to withdraw the item? I guess it would be item 4 under old business, which refers back to her motion. Anyone else wish to speak to that? No?

Are you ready for the question, then?

Hon. Members: Question.

The Chair: Those in favour of Mrs. Jablonski's motion, please say aye or otherwise indicate your agreement. Those opposed to the motion, please say no. That is carried unanimously. The agenda will proceed at the moment with the absence of item 4(a), which is Mary Anne Jablonski's motion or something relative to the MLA compensation review mechanism.

Now, are there other items that people might want added to or subtracted from the agenda before we go ahead and approve this agenda as amended? Are there any other items?

Some Hon. Members: Raj.

The Chair: That's why I'm asking a second time, and if necessary I'll ask . . .

Dr. Sherman: Okay. I'd like to add.

The Chair: I normally go three times.

Dr. Sherman: I'd like to add my motion. Perhaps I can circulate this.

The Chair: Yes, please. Let's take a moment, then.
Do we have a way of getting it to Ms Calahasen?

Ms Quast: Yes, we do.

The Chair: Pearl, we'll figure out a way to get it to you. Do you have your BlackBerry handy?

An Hon. Member: Just relative to the agenda?

The Chair: As far as I know. I don't know yet. I haven't seen it. Something is being circulated at the moment by Dr. Sherman, and we're all anxious to see what it is.

Ms Calahasen: Can I have a copy sent to me, please?

The Chair: Yes. I was just saying – and you might have been away from the phone. Do you have your BlackBerry on or some way that we can get it to you?

Ms Calahasen: I've got my iPad on.

The Chair: Send it to your e-mail?

Ms Calahasen: Yes, please.

The Chair: Okay.
Allison Quast, would you mind to do that, please?

Dr. Sherman: Mr. Speaker, I also have a second item.

The Chair: Pertaining to the agenda?

Dr. Sherman: Yes.

The Chair: Okay. Do you want to just briefly tell us what it is?

Dr. Sherman: As you recall, I was asked to work with Parliamentary Counsel also on caucus and constituency office expenses, so I've brought forward a motion to that effect as well. I would like your permission to circulate that also.

The Chair: Sure. Let's get that one going as well because it will help us later, and it will give people a chance to peek at it before we get to it.

For the moment we're going to be dealing with your first item, which is the Special Standing Committee on Members' Services, November 27. This is to do with the remuneration review as well, is it? Let's see. Where can we put that on the agenda? I guess I have to add this under new business since old business has been dealt with. That was Mary Anne's motion. Shall we add this in under item 5 as item 5(b) but on the understanding that we'll deal with it first?

Ms Smith: I wonder if Dr. Sherman can just clarify. My understanding was that he was going away to work with Parliamentary Counsel on a motion that would post our constituency expenses and our legislative office expenses. Is that the second issue that you're raising?

The Chair: That's his second item. I'm trying to place the first one, and then we'll place the second one.

Ms Smith: Can you, then, Mr. Chair, just sort of give me an understanding of process? I am a bit concerned about it, and I would have said this with the PCs as well. I am a bit concerned that we didn't have these agenda items in advance or at least even a notice that we were going to have these agenda items in advance. I know that if some of the other colleagues had come forward at the meeting, I would have had a harsh word or two about them. I'm just wondering if I can get some ruling from you on the process for putting agenda items together. It does seem to me that this is fairly substantive business.

The Chair: It's a valid point, Ms Smith. You will know that at previous meetings I had said to all members: please give us advance warning, advance copies of anything, if you will, of stuff that you want to bring forward that is of a substantive nature. I don't know if this is substantive or not. That's why earlier, about five minutes ago, in the preface to recognizing Dr. Sherman, I said that we had received a notice from his staff yesterday saying that Dr. Sherman plans to bring something forward. We were specifically asked to not share anything with the committee until he himself raises it, so the chair is trying to abide by the hon. member's request as put forward by his staff. So we're all seeing this now as he wishes to present it.

I assume, Mr. Dorward, you have another point of clarification, do you?

Mr. Dorward: Well, I just wanted to speak in favour of adding these, I would suggest, as 5(b) and 5(c). When we get to the item, perhaps we could discuss whether or not we need to move too much further ahead given the time considerations.

The Chair: Well, officially and technically I'm adding Dr. Sherman's first item, which he circulated, which doesn't have a title, but let's call it 5(b). It deals with remuneration review. Okay? So if you would all add remuneration review.

Pearl, do you have it now?

Ms Calahasen: No.

The Chair: We just had it scanned, and it's coming your way momentarily.

Ms Calahasen: Thank you.

The Chair: In any event you'll have a chance to look at it because it's 5(b). That clarifies the placement of this first item.

Now, let's go to the second item quickly. Danielle Smith has asked for some clarification, Dr. Sherman, so could you please provide some clarification of what your second item is? That might become 5(c). I don't know. It depends on what it is. Dr. Sherman, can you clarify what your second item is?

Dr. Sherman: Thank you, Mr. Chair. The first item is about an MLA compensation review. The Wildrose members had asked me to bring forward a proposal. The second item is with respect to MLA expenditures. We had passed a motion about MLA hosting expenses and MLA expenses. It's building upon that, sort of caucus expenses and constituency expenses, to post them online to have the most open and transparent Legislature in the country.

9:20

The Chair: Okay. Well, it's sort of a mixture here, but let's call item 5(c) new business, and that is to do with – is it MLA expense disclosure, Dr. Sherman?

Dr. Sherman: Caucus and constituency expense disclosure.

The Chair: Okay. It's caucus and constituency expense disclosure. That is also a handout. That is a handout comprising two pages. Is that right? If you would title that item 5(c).

I'll go to Ms Smith and then Mrs. Jablonski.

Ms Smith: I noticed in your housekeeping items, Mr. Chair, that you did not give an update on the implementation of the motion passed at the last committee meeting regarding what the process would be to implement the revisions to the RRSP allowance as well as the additional amount that is paid in lieu of a retirement.

The Chair: We're going to get to that under the budget because it impacts the LAO budget.

Ms Smith: Are you able, though, to clarify whether that is in effect for this fiscal year or whether or not it is in effect just for the forward-looking process of 2013-14?

The Chair: I believe it's in effect now. When we get to the budget part, maybe, Mr. Ellis, you could prepare yourself to address this specific issue. It's there, I know, because I saw it. The question is: when does the decision that we made at the last thing, which was to amend our orders, come into effect, and how does it implicate this year? We have an answer for that. I'm sorry. Maybe it's Cheryl Scarlett who will be talking to that. I see her nodding her head. Thanks, Danielle. We'll get to that.

Ms Smith: Thank you.

The Chair: Now I have Mrs. Jablonski.

Mrs. Jablonski: Thank you, Mr. Chair. Just a point of clarification. I'm curious about the procedure. When I asked to have an agenda item removed, I had to make a motion, and we voted on it. My question is: as we are now adding to the agenda, will there be a motion made, and will we vote on it to add these items to the agenda?

The Chair: It will come up for discussion as 5(b) and 5(c), the two items that Dr. Sherman just brought forward.

Mrs. Jablonski: I'm just asking a question of consistency. If you had to move to remove something from the agenda, do you have to move, make a motion, to add something to the agenda?

The Chair: We're getting to that. First, we haven't entertained the motion, but yes, we need to have a motion to alter.

Mrs. Jablonski: Thank you. That's the answer.

The Chair: We're just seeking clarification here, and this is what happens when the chair and the committee don't get stuff far enough in advance so that we know where to slot it in. Then we have to check with Parliamentary Counsel, make sure it's in the proper wording, and where does it fall and all that. I'm just building up to that moment, but thank you for raising it. I know that some of this is complicated if not a bit messy from time to time, but we're getting there.

I think we've had enough clarification questions. One more from Mr. Goudreau.

Mr. Goudreau: No, Mr. Chair. Just to allow us to move on, I would move that we accept the agenda now as amended.

The Chair: Mr. Goudreau has moved that we accept the agenda as

now amended, and that means adding the two items from Dr. Sherman as items 5(b) and 5(c).

I believe, Ms Calahasen, you should have that all now. Does she?

Ms Calahasen: Thank you.

The Chair: Item 5(c) isn't sent yet?

Pearl, do you have 5(b)? Pearl, are you there?

Ms Calahasen: Yes, I am.

The Chair: Okay. You should have 5(b) now from Dr. Sherman via Allison Quast.

Ms Calahasen: I've got 5(b).

The Chair: Okay. Item 5(c) is on its way shortly as well. You'll have time to review it.

Nonetheless, the motion is on the floor to approve the agenda as amended. Could I have a show of hands or a verbal vote for those in favour of that motion? Those in favour of Mr. Goudreau's motion to amend the agenda with the addition of two items from Dr. Sherman, please say aye. Those opposed, please say no. Okay. That is unanimous, and that is carried, and the agenda stands as amended.

Now, let's go on.

Ms Smith: Mr. Chair?

The Chair: Ms Smith.

Ms Smith: Just another process question. I'm just curious. We do have the new business item 5(a), and I'm just in receipt of the report that has been circulated. Perhaps you can just share with me what the process steps are that we have today. This is a fairly detailed report. I'm assuming that this is given to us for information at this point. Will we have some time to digest it?

The Chair: I'm just trying to follow the agenda. We'll get to that in just a second. Thank you for asking.

Let's move on to item 3, please, the approval of the minutes. Hon. members, you will recall, because you were all present at the last meeting, that Mr. Mason had asked us to review the minutes of the April 19 committee meeting. He had a concern about how his suggestion for an amendment had been phrased; in other words, how it looked in print versus how he felt he had offered it verbally.

An Hon. Member: That's October 19.

The Chair: October 19. That's what I said. Did I say October 19?

Mrs. Alenius: You said April.

The Chair: April? Well, I meant October. I'm so sorry. I've got too many pieces of paper flying my way here at the moment.

Anyway, to be clear, Mr. Mason had requested us to revisit that motion from October 19. We did that. In fact, a number of our staff had worked with Mr. Mason, and in consultation with him a revised wording was derived. Accordingly, it captured the essence and the spirit of his motion. In a nutshell the revised wording is clearer, and my understanding is that Mr. Mason agrees with it now. It doesn't alter or change the spirit or intent of the overarching motion other than to reflect more accurately what Mr. Mason wished.

Just before we go any further, was it Allison Quast who worked with Mr. Mason on this?

Ms Quast: Yes. I just confirmed that he was okay with the revision.

The Chair: Okay. I just wanted that on the record, that it's not just my interpretation, but in fact it is something that Ms Quast worked on with him, so on his behalf that wording has been rephrased, and it's there for you. I would ask for a motion to approve the October 19 minutes as revised.

Mr. Dorward: I had a question, Mr. Chair. If I recall correctly, the little area was 12.71 through 12.74. Is that where the change is? I'm not seeing a change in that area.

The Chair: It required a renumbering, too, didn't it? No? We went back to the original numbering? Okay. It's between 12.68 and 12.69. Let me just read it for the record, 12.68 in the revised minutes, which are now up for approval, I hope. It reads:

Moved by Mr. Mason that Mr. Young's motion be amended by striking out "amend" and substituting "recommend to the Legislative Assembly the amendment of."

Are we all in agreement, then?

Mr. Dorward: I have a further question. Did we go back to *Hansard*? What process was followed?

The Chair: Ms Quast, would you outline briefly for Mr. Dorward what process you followed in addressing Mr. Mason's request on behalf of this committee?

Ms Quast: It was based on Mr. Mason saying that his amendment motion was to put Mr. Young's motion in order, which was to recommend it to the Assembly.

The Chair: If you recall the discussion, David, Parliamentary Counsel's advice at the time in response to the first motion brought forward by Mr. Young was that it wasn't quite to the wording of the Queen, so to speak. Mr. Mason provided an alternative wording, and that was captured. I believe Mr. Mason's point was to simply say that the original motion belonged to Mr. Young. That's been accomplished.

Mr. Dorward: Well, I don't know how everybody else feels, but I'd like four minutes to sit here and read this.

The Chair: We'll call a brief recess and allow a couple of minutes for people to read the revised wording. I want to mention, while you're doing that, that I have reviewed this, and I went word by word, letter and spirit. I looked at *Hansard*, I spoke with Ms Quast at some length, we discussed it with table officers, and we were fine with it.

9:30

So just to recap, all it does is that it clarifies that the original motion belongs to Mr. Young, not to Mr. Mason. It's very minimal.

Mr. Dorward: That's fine, Mr. Chair. I just wanted to make sure.

The Chair: Okay. That having been said, we're back on the record. The revision requires a mover.

Mr. Young: I move that the minutes as amended be accepted.

The Chair: We have a motion from Mr. Young that the revised minutes of October 19, 2012, be approved as circulated or words to that effect. Right, Mr. Young?

Mr. Young: Correct.

The Chair: Those in favour of that motion, please say aye. Those opposed, please say no. That is carried unanimously.

Let's go to 3(b). You have before you the minutes of November 6. These were posted, and you presumably had a chance to review them, so I would look for a motion to approve the minutes of November 6.

Moved by Mr. Quest that

the minutes of the MSC meeting held on November 6, 2012, be approved as circulated.

Is that correct, Mr. Quest?

Mr. Quest: That's correct.

The Chair: That is his motion. Those in favour of that motion, please say aye. Those opposed, please say no. Accordingly, the minutes of November 6 as circulated are approved.

Now, let us move on to what is on your agenda sheet as item 5. This is new business. We're going to try and address some of the questions that members had phrased a little earlier, beginning with some clarifications and so on. What is of primary importance here, however, is that we go through this process carefully and, obviously, very thoroughly. I've asked Mr. Ellis and Mrs. Scarlett to prepare a document for you, and it has been circulated. It's titled Overview of Legislative Assembly Office & Budget Estimates.

Now, have we gotten this over to Pearl as well?

Ms Quast: I'm just doing that now.

The Chair: Okay. Pearl, it's just coming your way now.

Ms Calahasen: Yeah. I haven't received it yet.

The Chair: Okay. Pearl, this simply is a document that describes the role of the Legislative Assembly Office, the programs and the budget development and approval process that LAO follows. It will set the context for more substantive meetings that we will be having in the next few weeks, when we're actually going to have a budget to look at. Today we're just trying to give everyone an understanding of how the process works. Frankly, I thought this would just be the last half-hour of the meeting. Now it's becoming the major meat of the meeting. So let's move on with that.

I don't know, Mr. Ellis or Mrs. Scarlett, which one of you wants to lead off, bearing in mind the questions that Ms Smith and others asked. Please work those into your descriptions and definitions later. So who would like to start us off?

Mr. Ellis. Okay. Just for purposes of the record, tell us what your title and so on are so that everybody knows.

Mr. Ellis: Scott Ellis, director of financial management and administrative services for the Legislative Assembly Office and senior financial officer.

Thank you, Mr. Chair, and good morning. I provided this document as a brief overview to the Members' Services Committee, particularly for the new committee members, in advance of the budget presentation, review, and approval, which will be coming, as the Speaker alluded to, in the coming weeks. The overview addresses the role of the Legislative Assembly Office, the branches that provide various services to the Speaker and

members in their elected roles, and the process for developing and approving their LAO budget.

The document you have in front of you right now can be separated into two groups of documents, the first being the overview document, which is stapled together, and the second grouping being the attachments numbered 1 through 4. I will be referring to the attachments as I work through the overview and directing you to those attachments as we proceed through the overview.

I'll begin with the first section of the overview, which is the role of the Legislative Assembly Office, on page 2. The origins of the Legislative Assembly Office can be traced to 14th century England, when Parliament elected the first Speaker and appointed the first Clerk. Because the Speaker has administrative authority over the office, it is sometimes called the Speaker's department; however, it is not a government department. Its current title was made official when the Legislative Assembly Act was passed in 1983.

Within the traditions of parliamentary democracy as constitutionally established in Alberta, the Legislative Assembly Office supports the Speaker of the Legislative Assembly in carrying out the duties of the office. The office supports members in carrying out their roles as elected representatives of the people of Alberta. The Assembly records the proceedings and maintains and preserves the records of the Legislative Assembly. It informs and educates the public on behalf of members and the institution of parliament. It provides a positive, productive, healthy, and secure environment for members and the staff of the Assembly. It enables members and staff to perform their duties in adherence with legislation, policies, and professional practices applying to the Legislative Assembly Office. The LAO supports the Assembly in protecting its institutions and privileges and supports the exchange of information and ideas among parliaments. It also builds partnerships with external clients in support of the institution of parliament.

One may ask: how do we go about doing this? Well, we've identified four main program areas, and we would like to direct your attention to attachment 2, which is our summary of budget estimates page. It will be presented to you for the year '13-14 when we get into the budget deliberations. For the purposes of providing an overview, I've included the 2012-2013 information. What I'm primarily attempting to do here is have you better understand the categories and the program areas within our budget and what costs are behind the totals that you see on this estimates summary page.

We'll start with the Legislative Assembly Office branches, and as you can see on the estimates summary, they are listed there. We have eight branches listed. I would also refer you to the organizational chart, attachment 1, that provides more information about the branches themselves. In particular, we have the directors who oversee and lead the various branches, and they're outlined on that organizational chart. Of course, starting at the top we have our Speaker and the Clerk, who is basically the CEO of the Legislative Assembly Office, and directors who report to the Clerk.

Rob Reynolds, of course, our Law Clerk and director of interparliamentary relations, provides legal services, defends and asserts the rights and privileges and immunities of the members and the Assembly; serves as a table officer; assists members with drafting private members' bills and amendments; assists members in administering oaths and using their ex officio notarial powers; also has responsibilities in the area of interparliamentary relations; co-ordinates the participation in conferences, seminars, and

exchanges of a parliamentary nature in Canada and abroad; organizes programs for incoming parliamentarians and legislators from around the world.

Shannon Dean, our other Senior Parliamentary Counsel, is director of House services. She provides legal services as well in the same vein as Mr. Reynolds and also oversees House services, which is overseeing House and committee proceedings, and is responsible for production of Assembly and committee documents and records, including *Alberta Hansard*. In addition, she's responsible for providing nonpartisan research and issues analysis in support of committee activities. She also maintains custody of current and historical Assembly records.

9:40

Valerie Footz is our Legislature Librarian. Her branch provides nonpartisan, confidential, and timely information, news, and references to members and their constituency and caucus staff as well as the LAO. The library delivers customized daily electronic news and service for members and their staff and responds to information needs through subscription databases, e-books, the electronic government document repository, and networks. The library also preserves and chronicles Alberta's history and parliamentary heritage. The library collects and provides access to information on social, economic, environmental, and other public policy issues. They also operate the Legislature information line, accessible by all.

Cheryl Scarlett is our director of human resources, information technology, and broadcast services. Under human resource services she develops and implements HR strategies to meet operational objectives; manages the integrated in-house payroll system; advises on business design and planning, recruitment, health and wellness, disability management, member remuneration, and staff compensation and classification. She also has responsibilities in the area of information technology services, offering business analysis and technology solutions; supports all network infrastructure, including network servers, cabling, and wireless facilities; develops and deploys applications on multiple platforms, including desktop and web; also provides the infrastructure for our broadcasting services and oversees the operations of those broadcasting services.

Rhonda Sorensen, who is our manager of communications and broadcast services, provides communications services, offering communications counsel in support of organizational goals; delivers professional writing, design, and website services; co-ordinates media relations and maintains internal and external websites for the Legislative Assembly; and also assists with planning of special events that occur. Broadcasting services: she ensures the accurate and high-quality broadcast production of the House proceedings, manages the communication of information affecting the broadcast, and develops guidelines and procedures for broadcast operations.

Scott Ellis, myself, director of financial management and administrative services. Our financial management services area provides full accounting services for all members, constituency offices, caucuses, and the LAO. We also provide administrative services that provide procurement services, including supplies, equipment, furniture, and fixtures. We co-ordinate administrative services, moves, adds or changes to the constituency offices and caucus offices. We provide risk management and insurance services. We also provide information and records management services as a part of our objectives or our responsibilities. We oversee the records management for the Assembly and provide

advice and support on records management. Part of that responsibility also includes administering the Freedom of Information and Protection of Privacy Act as it applies to the Legislative Assembly Office.

Brian Hodgson, Sergeant-at-Arms, director of visitor, ceremonial, and security services. He provides services ranging from developing and managing public programming to providing security services; advises on security matters, liaises with external intelligence and security organizations; oversees the LAO security access card program and the page program; takes attendance of members in the House; provides the care and custody of the Mace; directs the operation of the interpretive centre and gift shop; plans and executes ceremonial events and liaises with the chief of protocol; offers services to the public, including guided tours, educational programs, special events, and gallery bookings.

I apologize for having to take you through that long document, but I think it's important that you understand most of the services that we do provide, and they are fairly extensive. So that deals with our first program, Legislative Assembly Office branches.

I'd like to move on now to the MLA administration category on our expenses summary. As you can see on the expenses summary, attachment 2, partway down the page, MLA administration shows as a lump-sum amount on that particular report. I would refer you to attachment 3, where there is a more detailed breakdown of all the items that are included in MLA administration. You'll note that the total on the estimates page was \$31,719,000 of expenditure, and that same number appears as grand total expenditures a couple of lines up from the bottom of the MLA administration report.

The MLA administration report shows the breakdown of that \$31,719,000 of what items we're paying. The first section is broken out into human resources and operational expenses. Under Human Resource Expenses pay and benefits to members are included here. Members' allowances, such things as temporary residence allowance, would be included there; Fort McMurray allowance. Our transition allowance liability funding; again, this was in 2012-13, so the transition allowance existed at that point in time but not now. Constituency office staff benefits funding: something that most members may not be aware of is that the MLA admin budget provides resources to pay all constituency office health and benefits premium costs whereas the actual constituency office budget would only pay the wage plus any statutory requirements for payroll; i.e., employment insurance, WCB, et cetera. This is a fairly significant cost area for us.

Moving down into the operational expenses, because this is a by-object presentation of these expenditures I just wanted to elaborate a little bit on what makes up some of the major cost categories. Under Travel this would include members' travel. One of the types of travel the members would be doing would be their 52 trips between the constituency that they reside in and the capital, whether that be through air, bus, or automobile travel. Those costs would be included here. Any automobile claims would be included in this particular category. Any gas or minor maintenance incurred would be included in this category. So you can see that it's a fairly significantly large number in that area.

Postage and freight. Basically, we provide resources for members to access to ensure that they're able to post and deliver items.

We have office equipment rental and purchases, which is basically some standard equipment that we would provide in the constituency offices and in certain instances in the caucus areas for members to operate their offices.

Telecommunications costs. We would provide telecommunication costs for telephones in the constituency offices, in members' residences, cellphones, et cetera.

The other items that appear there are as they are, fairly straightforward, insurance being another one where we provide general liability coverage for members as well as property insurance, coverage for all assets of the Assembly.

That in a nutshell is the members' allowances and entitlements and some of the costs that are prevalent in that particular area or program.

I want to direct us now to the MSA funding elements on the MLA administration estimates page, attachment 3. Partway down the page there's a category called Member Services Allowances. This shows the four main elements of how we prepare a member services allowance budget.

The Chair: Just to let you know, we'll entertain questions after this first presentation. I have Mr. Young so far.

Mr. Ellis: As you can see, those four elements have costs associated with them: a constituency office element, communication element, promotional element, and matrix-based element. Those items total up to \$11,599,000 for the current fiscal year that we're in.

Going back to the overview document, we provide more information about the specifics of how these elements are calculated. The constituency office element, which is applied to each constituency office, provides for \$26,522 for office operation, including rent, utilities, improvements, et cetera, and provides \$77,589 for staffing, for a total of \$104,111. Members may have noted that on a recent memo from the Speaker all of these amounts were determined for a specific constituency and informed members as to what the budget was for this current fiscal year and how it was derived.

9:50

The communications element. Each MSA budget includes an amount that is calculated based on the most recent number of electors as provided by part 2 of the Election Act, divided by 1.5, and multiplied by \$1.22. This amount is unique in each constituency and is provided to support communications to constituents.

The promotional element. Each MSA budget includes an amount for promotional items to be given in the course of a member's duties. The amount is determined by a formula, with the key variable being the population of the electoral division as determined and reported by Alberta Treasury Board and Finance.

The matrix element. This element provides additional resources where the degree of difficulty in representing a constituency is assessed to be greater than the average of all constituencies. The degree of difficulty is determined by applying a methodology developed by the Electoral Boundaries Commission in 2003 and is outlined in that report. Each caucus was requested to submit the name of their representative to sit on the commission to the Speaker. These representatives were then appointed by the Speaker to the commission, which was chaired by Robert C. Clark, the Alberta Ethics Commissioner at that particular time.

You'll note there that the matrix scores are grouped. The amount of dollars that would be associated with the matrix score are to the right of those. Depending on the constituency matrix score, additional funding is provided depending on where they would rank in that ranking score.

The total of all the above elements, all four elements, determines what the member's services budget is and is available

to a member to establish and operate the constituency office in a manner that the member chooses. The only control that we have is on the bottom line of the total budget. How the member chooses to divide up the resources to cover staff, rent, advertising, communication is up to the member, provided they are compliant expenses.

The third major program area is the caucus budgets. Each caucus budget receives funding for staffing and resources necessary to carry out the role of caucus members in the Assembly; i.e., research, communications, review of bills, committee research, et cetera. There are four common funding elements, the first being a per private member amount, currently \$71,114 for each member, and it would be multiplied by the number of private members in that particular caucus.

In addition, there would be a leader's office allowance. Additional funds would support the office of a sitting leader in opposition caucuses, proportional to the relative size and function of the caucus. So in the case of the caucus of the Official Opposition that leader's office allowance would be \$492,155. In the case of other opposition parties it would be \$246,078, which is exactly half of the Official Opposition leader's allowance.

Over the past, from a historical point of view, there has been special funding provided for a Calgary office to be operated for the Official Opposition, so that is included as well.

The fourth category is committee research. With the addition of the policy field committees in 2007 additional manpower funds were provided to support caucus members who sit on standing committees of the Legislature. The funding amounts are proportional and based on the relative size of the caucus. In this particular case the government members' caucus receives \$812,734, the Official Opposition would receive half of that, \$406,367, and the other opposition would receive \$203,184, again half of the amount for the Official Opposition. These funds are totalled and are made available to the caucus to spend as they see fit in terms of hiring staff, communications they might undertake, et cetera. It's up to them. We control the bottom line, and that's it.

I just wanted to touch on the fourth element on the estimate's summary, which is the special funding requirement. This category has typically been used for addressing significant and unique one-time funding requirements that are either contingent on future events or separate from normal operations of the LAO.

One such special funding requirement has been the federal building project, which has been ongoing since 2008. This project will relocate all LAO branches, members, and committee rooms currently residing in the Legislature Annex Building to newly developed space in the Edmonton federal building. The LAO will be the major tenant in the building and will occupy portions of the basement and main floor as well as floors two through six.

The main floor will feature a visitor's centre, a permanent and temporary gallery as well as a theatre, all designed to draw visitors to the site to engage, educate, and excite the public about the Alberta Legislature and our rich parliamentary history. A new and expanded gift shop will be located across from the visitor centre on the main floor, featuring Alberta artworks, books, and keepsakes to remind visitors of their experience at the Legislature site.

The second floor will provide committee rooms with increased capacity, flexibility, and functionality, including audiovisual and broadcast services similar to those services that are provided in the Chamber.

The remaining four floors, three through six, will be occupied by the LAO managers and staff as well as members and staff of the caucuses.

There have been additional costs that the LAO has had to pay to facilitate the transition, including parallel computer network

systems supporting all 87 constituency offices throughout the province; to ensure that the space meets our requirements now and into the future, including broadcasting and flexibility in the caucus space; and additional structural support of the building that was not contemplated in the original project budget. These costs have been offloaded, if you will, to the LAO based on the fact that the Alberta Infrastructure budget cannot accommodate these particular expenditures. We will be bringing forth more detail when we get to the main budget presentation and review and approval to support what funding we'll need for the federal building going forward into 2013-14.

Other special events that can occur in this special funding requirement area would be – this is a past example here – centennial celebrations, where we participated in the celebration of the 100th year of the Legislature Building, hosting of parliamentary conferences, and we usually have an election contingency in the year that we would be facing an election in order to ensure that we have adequate resources to change over the members and properly orientate them and make the changes necessary to constituency offices.

I just wanted to touch a little bit on the budget development and approval process, which we're currently engaged in. The process that we normally go through is we do an environmental scan, which would assess general economic conditions and factors such as CPI, what's happening in the government of Alberta with respect to budgets, any labour indices that might be available. We also review our statutory obligations as included in the Members' Services order in the Legislative Assembly Act to see if there are any budget implications coming from those. We consider organizational changes that may be occurring. We consider special events that are coming, do an environmental scan, pull all those bits of information together, start to prepare a budget parameter sheet, which we'll get to in a second, that would include CPI, public-sector wage projections, changes based on the Members' Services order and how we'll apply the CPI to various orders.

In addition, we would also engage our directors and managers in a branch-by-branch review of their organizational requirements, their branch requirements, to ensure that their needs are being met and addressed in our budget process. They then prepare that document, their branch budget, and it is reviewed by the Clerk, myself, and other directors and financial managers and reviewed by the Speaker prior to being brought before the Members' Services Committee for approval and review.

10:00

That budget review and approval by the Members' Services Committee will be undertaken in the coming meetings. The Members' Services Committee approves the budget, and then it's forwarded to Treasury Board and Finance for inclusion in the consolidated government estimates for presentation in the Legislative Assembly. There is no review or approval by Treasury Board of that budget. It basically becomes the first vote when the budget is voted on in the Assembly, and it's not open for debate.

That concludes my overview. As the Speaker alluded to, we want to entertain some questions and perhaps even review the budget parameter sheet for the current fiscal year.

The Chair: We'll get to that in just a moment.

Cheryl, can you address the issue of the RRSP and the decision taken at a previous meeting arising out of what Ms Smith was asking for?

Mrs. Scarlett: Correct. For clarification based on the order that was passed and came into force on November 6 with respect to the

individual retirement investment option, that is effective in this fiscal year. Based on the new parameters there will be a memo coming out to all members early next week. Of the new amounts owing, some of that has already been disbursed and paid to members. There are two components here in this year. For those members who have already received their initial old RRSP allowance, there is a difference owing to them. In addition, for all members, based on receiving appropriate proof that they have indeed contributed to an RRSP, then that would trigger the up to 3.65 per cent additional RRSP contribution on their behalf.

Again, there's a lot of different paperwork that has to happen. The members have to work individually with us in terms of providing the proof that they have room to contribute to RRSPs. The bottom line is that the new order came into effect as at November 6, so we will be working here in December with members to take and administer it pursuant to the new guidelines.

The Chair: Danielle, are you okay? A supplementary quickly to that.

Ms Smith: Yeah. I'm just wanting to ask the decision of the chair because I did try to seek some clarity, you may recall, at the last meeting about how this would come into effect, and Parliamentary Counsel did indicate that it was your decision about whether or not it was going to come into effect because of this meeting and this decision passing or whether or not the motion that had been passed by the Legislature did require it to go back for concurrence in the Legislature. If you wouldn't mind just closing that gap for me so I can understand your decision-making on that.

The Chair: Well, the decision that was made at the November 6 meeting stands as of that date, and as Cheryl just mentioned, it's effective as of that date. It will somehow be reflected in our final report. We'll be looking at a draft of that final report next Tuesday. That's the so-called second meeting that I announced a week or two ago.

Ms Smith: Just for clarity it was your determination that there was no need for the Legislature to vote concurrence with the committee report subject to that motion?

The Chair: I have no idea what the Legislature's wishes will be. My job is to table a report on behalf of this committee. That's where my job is completed, and now the Assembly will do what it wants.

Ms Smith: And have you tabled that report, Mr. Chair?

The Chair: No. As I just said, we'll be looking at a draft of the final report next Tuesday.

Ms Smith: Just so I'm clear, though, it seems to me, then, that the decision was made that there doesn't need to be concurrence with the Legislature if staff is already acting on the basis that on November 6 this came into force.

The Chair: Just so you understand the process, we were assigned a specific task and asked to report back to the Assembly. I will do something to adhere to the request to report back to the Assembly. What the Assembly chooses to do with it after that, Danielle, is up to the Assembly.

Ms Smith: Thank you.

The Chair: I can't tell the Assembly what to do, in other words.

Ms Smith: Thank you. May I just ask one other thing, then? Is it going to be issued to the Assembly as a votable motion? Can you maybe clarify how you as Speaker are going to introduce that to the Assembly?

The Chair: I don't know what the nature of it will be. We haven't written the report yet. I wanted to finish today's business on the review mechanism as you know from previous discussions we've had at this table and elsewhere. My view is that we have now completed what was asked of us, so we're in a position to start drafting the report, and we'll start that immediately today.

Ms Smith: If the Legislature for some reason ends early – there are rumours that we may end the Legislature early if we get through our business – and you do not have an opportunity to present it next week, what will then occur?

The Chair: Well, as time goes on, you'll learn to probably accept some rumours and not accept others. My advice on rumours is to ignore them. No disrespect to the issue at hand, but I've been around through this enough times to know that the best signals sometimes are the most misleading.

Ms Smith: Fair enough. But if it takes a little bit longer for you to write the report than you anticipated and we do indeed go to the December 6 date that is determined in our House orders, our standing orders, and you have not submitted the report to the Legislature, at what point will you submit the report to the Legislature?

The Chair: Well, I'm not going to deal in speculation. My job is to report to the Assembly. I'm going to do it as quick as I can. I've indicated as much as I know right now; that is, that my intention on your behalf is to present you with a draft report next Tuesday.

Ms Smith: Well, as you know, Mr. Speaker, I'm new.

The Chair: I know, and that's why I'm taking the time to engage in this with you. Otherwise, I wouldn't.

Ms Smith: Thank you. Because I do understand that there are sort of intersessional deposits of reports, and that's what I'm curious about. If we do not have the opportunity for you to give this to the Legislature when we're in session, do you then hold onto it until we are back in session, or do you deposit it as an intersessional report?

The Chair: Well, we have both mechanisms available to us, but let's make that determination next Tuesday after you see the draft. Okay?

Ms Smith: Thank you.

Mr. Dorward: Well, I'm new, too, so I hope I get a little bit of stretch room. I'm just looking at Government Motion 11A(d). It says that

the committee examine alternatives to the pension plan for members proposed in recommendation 12 [of the Major report] and discussed in section 3.5 of the report, including defined contribution plans, and report to the Assembly with its recommendations.

I see nothing else to do other than to report back to the Assembly that there is no pension plan.

The Chair: Cheryl, did you note the issue that he is trying to raise here?

I don't know, David, if you wanted just some clarification on something that had been said or something that had been decided at a previous meeting.

Mr. Dorward: I just wanted to read for the record what I thought I myself as a member of the committee was responsible to do.

The Chair: Okay.

Mr. Young: I've got a simpler question. Mr. Ellis, on the description of human resource expenses – and maybe I missed this – it talks about the 55th to 57th parallel retention program.

Mr. Ellis: Those are programs that we mirror. They exist on the government side and are implemented by departments, and we mirror those.

I'll maybe let Cheryl speak to the specifics of those programs.

Mrs. Scarlett: For staff that are working between the 55th and 57th parallel and also in Fort McMurray, there are some additional living allowances that are provided to them based on some economic factors that have been recognized. The funding here recognizes those additional very small payments that staff who are working within those areas are eligible for twice a year.

Mr. Young: Okay. Thank you.

The Chair: Okay.

Mr. Dorward: I have two major areas of concern with respect to the overall budget. I just maybe wanted to talk about process, and if I need to make a motion that we have a subcommittee of this committee to look more specifically at these two areas, I'm prepared to do that, although if we want to take the time to be able to roll up the shirt sleeves and get into the numbers side of it, I am certainly prepared to do that, too.

The two areas are the matrix-based element, which I think needs to have – at least, I'd like to be able to understand it a little bit better from a managerial accounting perspective. The other is the issue of the rent disparity throughout the province that we hear about. From a managerial accounting perspective it's always difficult to deal with that one, but the present situation seems to be inequitable with respect to areas where rents are measurably different from other areas, and I am not sure this is how it ties into the matrix-based element. I'm not sure that the matrix-based element addresses that issue at all

10:10

Then there's also one other little call it an accounting glitch or methodology or the history of how accounting is done, and that's relative to what happens in our accounting system when an MLA has leasehold improvements done and the LAO pays for those leasehold improvements and how that's charged to the budget and an alternative that I could propose relative to how it should be charged to the budget. I don't know. Do we have a plan to get together to talk in more specifics about these kinds of issues, Mr. Chair?

The Chair: Yes, indeed. Thank you. I just want to refresh your memories of what I said about half an hour or so ago. I was hoping today to have about half an hour to just do the broad introduction. It turns out that we have the better part of an hour, so we can get into a little bit of this kind of a more detailed discussion.

Just to clarify a couple of things in terms of the process, please know that what you're looking at in Mr. Ellis's handout pertains

to the current budget year that we are just about nearing the end of now. We will have our draft budget prepared for you very soon that deals with 2013-2014. That's the go-forward budget, and that has specific escalations already predetermined.

I think, Mr. Ellis, you could give us a couple of examples where certain parts of our LAO budget may be tied to – I don't know if it's CPI or whatever it happens to be. You alluded to it, but maybe just give us a couple of examples, and then I'll come back to the second part of Mr. Dorward's request.

Mr. Ellis: Certainly. That's correct. The member's services allowance is typically adjusted annually for factors such as CPI and any increase in public-sector wages. For example, in the '13-14 budget we're looking at increasing the staffing component within the constituency office element by 3 per cent, and we're also looking at increasing the office operation component by 2 per cent, which is the CPI. Both of those factors will be applied to the budget going forward for '13-14 and will increase them by those amounts.

The Chair: The second part of your question, Mr. Dorward, about the matrix and the need to possibly establish a subcommittee or whatever. Let me also refresh everyone's memory that during the meetings that we've had in the past, we've often referred to that part of the budget, the matrix element, as being an area of high need for attention. In response to that, Dr. McNeil and some of the other branches that were part of attachment 1 – was it? – that Scott highlighted have been meeting and discussing and drilling down several layers to come up with some suggestions for us to consider.

Now, that will all come forward to you when we have our first substantive meeting on our budget, which will come up starting next Tuesday. That's where the budget meeting formal will start.

Then there will be another, at least one more, substantive meeting after that. Just to alleviate some concerns which Mr. Dorward and others raised, we do have the beginnings of a very good handle on addressing things like rural-urban differences, again, office rents in one part of Alberta versus another and so on. So that will come forward.

Now, I do have a couple of other speakers, but I want to go to Pearl just to see if she has anything at this stage.

Ms Calahasen: I just have a question on attachment 2, and I just wanted some clarification. The caucus budget says, you will note, that in 2012-2013 government members' services was \$3.9 million and Official Opposition services was \$1.6 million, yet there were not as many members. Could you tell me from a historical perspective how those numbers were arrived at?

Mr. Ellis: Well, as I alluded to, it's based on the number per private members and also includes elements for committee research and any special funding that might be applicable to those caucuses. I would point out that this information that is presented in attachment 2 is for 2012-2013, and the structure of members' caucuses was significantly different than it is currently today. It would primarily be based on the number of members that this difference would arise.

Ms Calahasen: Is it per member plus all other elements that could be attached to it? When you look at it, it's half of everything. For government members you see a certain amount. The Official Opposition gets almost half, and the same with the different oppositions. Then you have Wildrose opposition services, then you have NDP opposition services, and Alberta caucus services, so we have different kinds of dollars that are coming through. I

note that in each one of those it's almost half as much. At any point in time in the last 10 years were there any differences or changes that were made regarding Official Opposition and opposition services, et cetera?

The Chair: I'm going to get Dr. McNeil to comment on this.

Dr. McNeil: Yeah. The caucus budgets have been generally developed on the same formula for the past 15, 20 years. If you look at the bottom of page 3 and the top of page 4, there's an explanation of the caucus budgets in the first set of materials. There's a per-member amount, and that applies to all the caucuses. Then there are other elements that apply to some of the caucuses. For example, the leader's office allowance applies to the Wildrose caucus and the Liberal caucus and the ND caucus. Special funding is only for the Calgary office of the Official Opposition. Then committee research: those amounts are not based on a per-member allocation. They were decided at a time when the policy field committees were established. The government caucus gets a certain amount, the Official Opposition gets half of that amount, and the other opposition parties get a quarter of what the government caucus gets, essentially.

Ms Calahasen: Okay.

Dr. McNeil: That's why there are differences, and those differences, of course, will change from Legislature to Legislature as a function of the number of private members in each caucus. There's a formula there that's been applied consistently over time.

Ms Calahasen: Thank you.

Mr. Chair, could you tell me when we're going to be dealing with the whole issue of specific members' services: expenses, allowances, et cetera? When we're talking about vast constituencies, as an example Lesser Slave Lake and Peace River, we have huge ground to cover, but I don't know if that's covered in the determination of what kind of dollars come to those offices.

The Chair: Thanks, Pearl. Well, two things are going to happen. Number one, I hope to get up there to visit and see what the local circumstances are so that I'm better prepared for chairing that part of the meeting. More importantly and more immediately, we're going to have a presentation about the whole matrix element, which is where your question partly fits in. That will start next Tuesday.

Ms Calahasen: Excellent. Excellent. I look forward to that, Mr. Chair.

The Chair: Okay. Thank you.

I have Ms Smith, followed by Mr. Young.

Ms Smith: Again, just a couple of process questions. On attachment 4 it says Proposed 2013/2014 Budget Preparation Parameters. Are you asking us to vote on this today, or is this just information that you're giving us?

The Chair: No. Today is strictly information. Today was intended as a very brief introduction. Now it's become a more major discussion, which is good, but Mr. Ellis or Mrs. Scarlett – I'm not sure who's taking it – still have to address the parameters. I've just been reminded that we have about 12 minutes left, so for purposes of completing today's overview, I'm going to entertain Mr. Young's question quickly, and then let's spend the last 10 minutes having the parameters addressed. That really is important.

Ms Smith: Okay. Sounds good.

The Chair: On this point, Heather?

Mrs. Forsyth: Well, I guess for me – and I appreciate all the work that has been done on your behalf – there are some questions in this report that need to be answered also if we're going to be discussing more. I mean, when we talk about the federal building project, what is the cost to date? Then it was mentioned by Mr. Ellis that some of the costing was off-loaded onto the LAO because the Infrastructure budget can't accommodate the pressures. I find that quite alarming, to be very honest with you. I need to know what was off-loaded onto the LAO from the Infrastructure budget because they couldn't accommodate the pressures. A lot of these questions have to be prepared so that we can ask them next week.

10:20

The Chair: All good questions. When we get into that discussion, we can try and provide some answers, but you've seeded some for now. I have some comments on that, too, because I visited the move here in the Annex. I must have visited – I don't know – nine times, and I also visited the federal building at least two or three times. So we've all got some information to chime in, but that's a major discussion which will come up when we do the overall budget.

Very briefly, Mr. Young, and then we have to get to the budget parameters.

Mr. Young: I'll be really brief. I was just going to add to the discussion, and I think I can leave it for a more fulsome time.

The Chair: Thank you.

Can we move now to the last part of your presentation? Is it Scott or Cheryl who's taking this? Okay. The budget parameters. Take us down that road, please.

Mr. Ellis: Okay. Attachment 4 is our proposed 2013-14 budget parameters. This is what we've provided internally to our directors and managers to guide them through their budgeting development.

Basically, we start with the LAO branches in the top section. We've asked them to consider a 3 per cent increase as a result of in-range adjustments and a zero per cent amount for the general market increment. Normally there would be two amounts included here, similar to what the government departments would do. However, we're not sure what the market adjustment is going to be, so at this point we've indicated zero for now, and we've got a contingency amount that we're trying to address later on in the special funding area.

We've also acknowledged that there are increases in the employer portion of the nonmanagement pension plan and employment insurance contributions. We asked our branches to include those increases in their budgeting process.

We've also added a public service health spending account to the branches and to the organization, members included, constituency office, caucus staff, et cetera. That equates to \$950 per staff person per year.

As a general inflationary factor we've asked our branches to consider a 2 per cent CPI, and that's based on projections for the fiscal year '13-14 as produced by the Conference Board of Canada. Those are projections. Actually, the projection itself was 2.34. We decided to be a little bit more conservative and have gone to a 2 per cent level.

For budget purposes we've assumed in the budgeting process that there will be 75 sessional days and 70 committee meetings. This budget also reflects expected increases in daily sitting hours.

There will also be funding required for the 51st Canadian Regional Conference of the Commonwealth Parliamentary Association in July of 2013 and an annual parliamentary counsel conference that we're hosting in September of 2013.

With respect to the MLA budget for administration the member remuneration adjustments as outlined in the Major report and implemented by an order provide for a 1.5 per cent CPI adjusted to the remuneration. The CPI is based on the December 2011 to December 2012 amount of CPI and applied to earnings going forward from April 1, 2013.

As Cheryl alluded to before, we've included the MLA individual retirement investment option as approved by an order recently.

In addition, we've included members' benefits plans, both the current and extended benefits option, which have increased. The increase reflects actual costs and claims history. So we've included those.

There's been a slight increase in the Fort McMurray allowance as well. That is included.

We've taken out the transition allowance funding, which will total about \$3,361,000. That is no longer there. That allowance was eliminated.

Constituency office staff benefits. We've had a significant increase in that area due to a number of factors. There are more constituency office staff based on the fact that there are more members. There are additional constituency offices – and that's what's driving the office staff – increased benefit costs for nonmanagement pension contributions and anticipated health plan premiums, and a provision for current and projected general illness leaves.

The costs for constituency office staff covered in this area include employer contributions for long-term disability, group life insurance, accidental death and dismemberment insurance, and Blue Cross extended health and dental premiums as well as remuneration and all other employer contributions.

There has been an anticipated increase in our postage and freight due to the fact that we're not going to be able to have those services provided to us at no charge anymore. There would be a charge from Service Alberta to the Legislative Assembly to provide those services, so we've included that in our budget.

As I alluded to briefly before, the member's services allowance formula has been adjusted slightly. First of all, the 2 per cent CPI inflationary factor has been applied to the office elements. We've also applied a 3 per cent merit adjustment to the staffing component of the MSA. We've also included an increase in the postage rate under the communications element as well as a 2 per cent inflationary increase in the promotional element and a 2 per cent adjustment to the matrix element additional funding amounts. So those items will all affect the member's services allowance going forward for '13-14.

In addition, we've applied the 3 per cent merit adjustment to the caucus office budgets and to their labour component, which we've determined is 70 per cent of the total budget, and we've applied the 2 per cent CPI to the remainder of the budget. That will impact on the per-member amount and the community research dollar amounts as well as on the leader's office amounts and the rental situation with the Calgary office for the Official Opposition. We'll have a 2 per cent increase there.

The special funding requirements. Mrs. Forsyth is correct that we haven't provided a lot of the cost information there yet, but that will be forthcoming in the budget document once it's

presented here. Included in the special funding requirements will be an employee market adjustment contingency. We estimate that there will be a 4 per cent increase in remuneration for public service people. However, that will be decided in the negotiations in the public sector. We hesitate to put that number into our budget at this point because it's an unknown, and we don't want to influence any of the negotiations that are going on with the public service.

Cheryl, do you have any more comments there?

The last three items are just to compare what happened in 2012 versus 2013-14. In other words, there was an election contingency in 2012-13 that is no longer needed, and we had a special amount and a special funding requirements area in 2012-13 for four additional MLAs. Obviously, that's been incorporated into the 2013-14 budget. The MLA compensation review is complete, so that's no longer a budget item going forward in 2013-14.

The Chair: Okay. Thanks very much.

We've only got a couple of minutes to wrap up here. Please note the word "confidential" at the top of this last sheet. The reason that it's marked confidential is because it doesn't become public until we actually get into the budget deliberations later. So I would ask you to please heed that notice.

Mrs. Jablonski: Mr. Speaker, didn't we just read that into *Hansard*?

The Chair: Well, he went through some of the highlights. But the document itself: if you would just hang onto it, okay? Thank you.

Ms Smith: Can you just clarify on the constituency office benefits going up 23 per cent? I guess I'm just wondering. By my read of the way you've done your 2012-13 estimate, it does appear to me that you have already worked in the additional four MLAs. You have a line item on attachment 2 for a \$2.6 million amount for 2012-13 for those four additional MLAs, and there does appear to be a significant adjustment for the constituency office element for 2012-13. I'm just wondering why there needs to now be an additional amount of 23 per cent for benefits going back to the same issue of the addition of four MLAs. Was something missed?

The Chair: I'll get Cheryl Scarlett to address that first.

10:30

Mrs. Scarlett: We will be taking and addressing actual details at our next meeting. However, there was an estimate that was come up with in terms of what it would cost for four additional members and their staff. That being the case, when we look at the real experience in terms of the total number of constituency staff now and build in contingencies to cover those staff that are also on long-term general illness and actual claims experience, the amounts that we will be coming forward with cover the cost of the experience.

The Chair: Okay. Thank you.

Scott, anything to quickly add to that? No? We're good.

I'm going to recognize Mrs. Forsyth, and then we'll call for a motion to adjourn, but I'd just advise you of two things. One, this is the most thorough presentation of how the budgeting system works that we've ever had in my experience, so thank you to Scott and Cheryl and David McNeil and others who contributed. Two, if you have some additional questions that you want addressed before next Tuesday, please feel free to call Cheryl or Scott, and they'll do their best to try and provide you with that. Perhaps there might be some new areas as well.

Mrs. Forsyth: Just on the MLA compensation review, for the costs that you absorbed in 2012-2013, what was the total?

Mr. Ellis: I don't have that number at my fingertips. Perhaps David . . .

Dr. McNeil: I can tell you. It's \$170,000.

The Chair: Okay. Thank you.

I know it's a busy day. We're sitting.

Dr. Sherman.

Dr. Sherman: Thank you, Mr. Speaker. I just have a point for clarification. Under new business today 5(b) and 5(c): will that be at the top of the agenda as old business at the next meeting, on December 4?

The Chair: Well, we'll raise it and see where it goes. It's listed here. We didn't get to it because of time today. I'll talk with you about that when we adjourn, okay? I'll do my best to get it addressed one way or the other.

Dr. Sherman: Okay. Thank you.

The Chair: A motion to adjourn? David Dorward is moving to adjourn at 10:32 a.m. Accordingly, our time has expired. Those in favour of the motion should say yes. Those opposed, please say no. That motion is carried. The meeting is adjourned at 10:32, and we'll see you next Tuesday at 9 a.m. for a one-and-a-half-hour meeting.

[The committee adjourned at 10:32 a.m.]

