



Legislative Assembly of Alberta

The 28th Legislature
First Session

Special Standing Committee
on
Members' Services

Wednesday, October 2, 2013
1 p.m.

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Special Standing Committee on Members' Services

Zwozdesky, Hon. Gene, Edmonton-Mill Creek (PC), Chair
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Casey, Ron, Banff-Cochrane (PC)

Forsyth, Heather, Calgary-Fish Creek (W)

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Mason, Brian, Edmonton-Highlands-Norwood (ND)

McDonald, Everett, Grande Prairie-Smoky (PC)

Quest, Dave, Strathcona-Sherwood Park (PC)

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Smith, Danielle, Highwood (W)

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* substitution for Dave Quest

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1:00 p.m.

Wednesday, October 2, 2013

[Mr. Zwozdesky in the chair]

The Chair: Good afternoon, everyone. It's good to see all of you here. I know we have a couple of people that are joining us by teleconference, and we'll welcome them shortly during roll call. It's nice to be with all of you. I hope that you all had a very productive summer in spite of the disastrous flooding that occurred and hit so many of us and, in turn, so many Albertans and their families. Nonetheless, it's good to get you all together again and transact some important business that we have before us today.

We will begin with the roll call in just a moment, but I want to re-extend a particular thank you to the new members who were just appointed back in March, April, somewhere in there, and tell you that your learning curve has been very swift and short, and we're grateful that you took the time to bone up on the matters that come before this group.

We also have some substitutes, and as we go round and do roll call, I would ask you to explain that you are a substitute and for whom you are substituting. Alternatively, we may also have other MLAs who are listening in, and they're welcome to participate. They cannot move any motions or vote, but they are welcome to make comments at any time. I will do my best to recognize the people who are joining us by teleconference. I won't forget that you're there. I think we have two people.

Let me get started. My name is Gene Zwozdesky, and I'm chair of the Members' Services Committee in my capacity as Speaker of the Assembly. To my left, let's start with Dr. McNeil, and we'll go all the way around.

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

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

Mr. Mason: Brian Mason, MLA, Edmonton-Highlands-Norwood.

Ms Smith: Danielle Smith, MLA, Highwood.

Mr. Reynolds: Rob Reynolds, Law Clerk, Legislative Assembly.

Mrs. Alenius: Bev Alenius, chief of staff to the Speaker.

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

Ms Breault: Jacqueline Breault, manager of corporate services.

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

Mr. Joy: Darren Joy, manager of financial services.

Mr. Casey: Ron Casey, MLA, Banff-Cochrane.

Mr. Bhardwaj: Naresh Bhardwaj, MLA, Edmonton-Ellerslie, substituting in for MLA Dave Quest, Strathcona-Sherwood Park.

Mr. Webber: Len Webber, MLA, Calgary-Foothills, substituting for the great MLA for Grande Prairie-Smoky, Mr. Everett McDonald.

Mr. Rogers: George Rogers, MLA, Leduc-Beaumont.

Ms Rempel: Jody Rempel, committee clerk with the Legislative Assembly Office.

The Chair: Thank you.

Heather Forsyth, are you there?

Mrs. Forsyth: I am, Mr. Speaker. Heather Forsyth, Calgary-Fish Creek.

The Chair: Thank you.

Donna, are you there?

Ms Kennedy-Glans: I am, Mr. Speaker. Donna Kennedy-Glans, MLA, Calgary-Varsity.

The Chair: I think that gives us a full house, then, does it? Whom are we missing? Rick Fraser. Is there a substitute for Mr. Fraser?

Mr. Rogers: I believe he was intending to be here, Mr. Chairman.

The Chair: Well, we'll start the meeting in any event, and if someone by the name of Rick Fraser shows up in person or if a substitute shows up, would he or she please identify themselves at the appropriate time as required?

This is a meeting occurring over the lunch period, so food will be permitted during the meeting. If you are so inclined, please join in and help yourself. Also, we will target a comfort break roughly around 2:30 if the meeting is still going strong at that point.

Other than that, I just have a quick housekeeping item. I have now visited 28 MLA offices as part of the Speaker's outreach tour. I have about three or four more scheduled before session starts up, so I should be, well, pretty close to the halfway mark, I hope, before the end of the year, as I promised I would be.

Let us move on now to the agenda that has been revised and circulated to you. I'm assuming you all have a copy of that agenda, and therefore I would request a motion to approve today's revised agenda.

Mr. Rogers: So moved, Mr. Chairman.

The Chair: Moved by Mr. Rogers. We don't really need a seconder, but let's put one on the record. Mr. Mason. All in favour, please say aye. Any opposed? That is carried. Thank you very much.

Mr. Rogers: Mr. Chairman, Mr. Fraser has joined us.

The Chair: Mr. Fraser has joined us. Thank you, sir. Please make a note that he has joined us at 1:05 p.m.

Welcome, Rick. If you want to, for the record just introduce yourself for attendance purposes.

Mr. Fraser: Rick Fraser, MLA, Calgary-South East.

The Chair: Thank you, sir.

We're on to item 3. You have before you the minutes of the March 15, 2013, meeting. Could I please have a motion to approve those minutes as circulated? Moved by Mr. Bhardwaj. Secunder? Mr. Fraser. Those in favour of the motion to approve those minutes, please say aye. Those opposed, please say no. That is carried unanimously as well. Thank you very much.

Let us move on. Item 4 is an information item. Members of the committee, as you are all aware, the worst flood in Alberta's history engulfed much of our province during the months of June, July, and into August, and it affected not only thousands upon thousands of Albertans, but it also affected many of our constituency offices and, in turn, the work that you, if you were affected, were asked to carry on. In that respect we have a number of local constituencies that were under an emergency warning or an

emergency declaration as announced, and several called me and asked for some emergency funding help for either additional hours that their own staff were required to put in to deal with the flurry of phone calls and e-mails and so on. In some cases additional part-time staff had to be hired to deal with that same influx of work.

In response to that I made an emergency decision on behalf of all of you and announced that some help would be available to a maximum of \$10,000 per constituency for any and all hours of work incurred in that respect up to and including the end of August. About 12 constituencies requested that help. They were all evaluated by me and other members of the LAO to ensure that they were within the policy guidelines and, therefore, eligible for funding consideration. I believe all 12 were, and additional funds were pledged for that purpose.

I know that some of you were asking where this money for this emergency relief came from, so I'll tell you now that it came from the larger part of our budget, which is MLA administration. It's all been budgeted for, so it's not extra or additional monies that were required. We anticipate that from time to time emergencies may happen, and that, in fact, is the case, and that's how it was covered.

That having been said, I'm going to ask our woman on the spot, who did a lot of this work on our behalf, our director of human resources, information technology, and broadcast services, Cheryl Scarlett, to expound upon this information item at this time, please.

Mrs. Scarlett: Thank you, Mr. Chair. Just for all members' reference, the Speaker's memo of July 10 is the one that outlined the parameters in response to the needs just identified, and attached to that was the policy as stated. To be really clear, we're providing contingency funding outside of the constituency office budget envelope for costs to a maximum of \$10,000 per constituency, specifically funding for costs for existing constituency office staff employed beyond their normal working hours and funding for additional wage staff until August 31, 2013. The period of time those parameters were in existence was between June 11, 2013, and August 31, 2013. As was stated, we received and approved 12 requests for funding.

I don't think I have anything more to offer.

The Chair: Thank you very much.

Are there any questions or outcroppings from this information item? Ms Smith.

Ms Smith: Thank you, Mr. Speaker, and thank you for offering to do this. My riding of Highwood and the town of High River, as you know, was the most impacted area, and we did end up using the generous additional \$10,000 you made available to not only hire additional staff – we did hire additional temporary staff – but also to help defray some of the extra hours that some of my full-time staff had to work. I just wanted to express my appreciation for responding so quickly. Thank you.

1:10

The Chair: You're very welcome.

Are there any other comments?

If not, thank you, Cheryl, for that update. Presumably, we'll have another update at the next meeting if necessary.

Let us move on, then, to item 5, please, under old business. Danielle Smith, I believe you have a motion that you wanted to formally address, and thank you very much for providing it in advance so that people could have a chance to circulate it. If you would read it into the record, and then I'll come back to you and

have you explain it, and then we'll get into a discussion and a vote on it.

Ms Smith: Thank you, Mr. Speaker. I move that the members' allowances order be amended as follows:

A. Section 6 is amended

- (a) in subsection (1)(a) by striking out "(not to exceed 10 days in a calendar month)" and substituting "(not to exceed 120 days in a fiscal year)";
- (b) in subsection (3) by striking out "shall not exceed \$1,930 per calendar month" and substituting "shall not exceed \$23,160 in a fiscal year."

B. This amendment is deemed effective September 1, 2013.

Would you like me to provide some explanation for this?

The Chair: Thank you. In just a moment.

It's been moved by Ms Smith as read into the record that a certain section of our members' allowances order be amended. We would have a seconder for that, I assume, would we?

Mr. Mason: Do we need one in committee?

The Chair: Well, we don't really need one. I guess we can get by without it.

Mrs. Forsyth: I can second that, Speaker. It's Heather Forsyth.

The Chair: Yeah. I understood somebody had wanted specifically to second it. Maybe I had the wrong information. Let us accept a seconder in this instance because someone did want it, and that would be Heather Forsyth.

Just before you proceed, Danielle, would you just clarify that this wording has been vetted past Parliamentary Counsel, so it does meet the qualification of form, substance, style, and so on. Just so everybody knows that.

Ms Smith: Correct. I worked with Parliamentary Counsel over the summer to be able to make sure that we had the proper sections.

The Chair: All right. Please proceed, then, with the explanation behind that.

Ms Smith: Sure. For those who might be new to the committee – I'm not sure if you've gone back and looked at some of the debate that we had over this issue when we were first passing the changes – the issue that was identified by the Speaker is that there were, I think, at the time four MLAs who had not either purchased, rented, or leased an apartment in Edmonton. Instead, they stay in hotels. So the restrictive language that we had in the accommodation allowance said that those individuals would only be able to submit \$193 per day for each day, not to exceed 10 days in a calendar month. Of course, when we're meeting in November, when we're meeting in March, April, and May most of those months do carry more than 10 days that we would end up having to submit for claims. What this would effectively do is that it would penalize those members in those months where they had to claim more.

If you didn't make an adjustment, you would end up probably causing them to make a different decision, which might be to go out and rent an apartment, as many of us have done, which could end up actually costing more than doing this policy. The argument they would make is that if they were able to get the full amount of the days in the months that they're using them, if you looked at their expenses, very likely it would be less than what the \$1,930 per month calculates out to. What we tried to do with Parliamentary Counsel is find a way to create an accommodation that

keeps the spirit of these limits but also allows the flexibility for those members who choose to stay in a hotel or other type of daily accommodation rather than rent or lease.

There are two parts of the accommodation allowance that need to be changed as a result. This one section that I read out, where you maintain the \$193 per day limit, and instead of having it not exceed 10 days in a calendar month, if you calculate that out over 12 months, it's 120 days a year. It's just changing the time frame over which they're able to claim that and keeping the same maximum that the rest of us who do have rental accommodation enjoy. In doing so, you also need to change section 3 because it's also restrictive, saying, "accommodation in or near Edmonton shall not exceed \$1,930 per calendar month." If you change that so that it's annualized to the amount that I read into the record – \$23,160 – it just creates parity with those members who are receiving the monthly allowance but also provides the upper limit clearly in the orders and also just creates a level of fairness for those members who've taken other accommodation options.

I hope that this is in keeping with what the committee agreed to in principle when we first discussed it, to provide an accommodation for those four members, and I would hope that it would be supported by all parties.

The Chair: Thank you. Nicely explained.

Are there any others who wish to add their comment, or are you ready for the question? Mr. Rogers.

Mr. Rogers: Thank you, Mr. Chairman. Just a comment, if I may, to Ms Smith. I'm glad you did the clarification at the end. My first concern was that this would add the potential for additional costs, but from the fact that you've explained that you're annualizing it, that you're just, I guess, reworking the maximums but within that annualized amount, I think it's fair.

Thank you.

The Chair: Good. Thank you.

Dr. McNeil: I'll just add to that. I did a calculation on last year's claims. Under this new proposed approach we would have saved \$50,000 based on last year, plus the fact that three of the four members had months where they had accommodation of more than 10 days a month. In terms of cost savings and accommodating those individuals who stay more than 10 days a month in hotel accommodations, this accommodates both situations. Those are the facts in terms of what the situation was last year.

The Chair: Thank you.

Anyone on teleconference?

Ms Kennedy-Glans: Yes. I agree with the recommendation. I think it makes practical sense given the bulk of the time that people are in Edmonton. The only question I've got is the possibility of the unintended consequence that people, once they get close to that, you know, 120 days, don't travel to Edmonton to participate in other committee work and things like that. I just think that we want the public to understand that people who are MLAs aren't just MLAs when the House is in session.

The Chair: Right. Thank you for the comment. As you know, we do have the ability to travel and stay where we need to if public duty requires us to be in a different part of the province year-round.

Ms Kennedy-Glans: Yes. I understand the additional 10 days.

The Chair: I know you do. I just wanted to note that for those who will be reading *Hansard* later.

By the way, just a reminder to all that this is a recorded meeting, and everything you say will be reprinted word for word in *Hansard* for the benefit of others to read.

That having been said, the question has been called. Those in favour of the motion proposed by Ms Danielle Smith, please say aye. Those opposed, please say no. That's carried unanimously. Thank you.

Let me move on to item 5(b), constituency budgeting and matrix scoring. This is also a carry-over item from our previous meeting, hon. members, when we had received a verbal update on the progress of the working group that was in fact reviewing this issue. As I recall, MLA David Dorward was chairing that ad hoc committee, and I think, Heather, that you were on it, Raj, you were on it, and Brian was as well. However, we have had some significant changes to the membership of our committee this past spring, so we need to make a decision on reconstituting this ad hoc committee, or working group as it was called, because there is some important work for them to still do. That would be my view on it, in any event.

But before we go on with it, I wanted to ask Scott Ellis, our director of FMAS, financial management and admin services, and our chief financial officer to just give us a status report, the big-picture overview, Scott, if you would, as it pertains to this issue, and then we'll come back to the discussion.

Mr. Ellis: Well, some of you may recall, those who were members of this committee at the time, that during our budget deliberations for 2013-14 the topic of the member's services allowance, which is your constituency budgets, came up and was discussed, and a number of members were unclear about how the matrix element, which is one of four elements contained in the member's services allowance, was calculated. Other members had some concerns about rent and operating costs.

1:20

There were a number of concerns raised at the time and people thinking that perhaps we need to review the member's services allowance funding elements and ensure that they are acting as they were intended to and providing equitable funding for all constituencies across the province. That was the impetus for the working group to be established.

They met a number of times, I believe. I wasn't party to the meetings directly. They met, they discussed some of the issues, and they were to come back with some recommendations, but unfortunately the chair of the working group at that particular time was taken off the Members' Services Committee at that time, and the committee was disbanded, in essence.

At the meeting of March 15, I believe, of the Members' Services Committee it was suggested that we may want to reappoint a chairperson to continue the work of that working committee. That was not done at that particular meeting, and I think the chair asked that members who might be interested in chairing that particular working group would come forward and volunteer to be the chair of that working group. I don't believe that there have been any people who have put their name forward as yet. However, I think that the working group was certainly starting down the path of reviewing and reaffirming that the funding methodology we have right now is working or not working. So that's sort of an update.

I also wanted to just clarify that there are four different funding elements that make up the total constituency office budget that members get, and the matrix element is but one particular element of that. There are three other ones. There's the office operation,

which would include a manpower and an office component; there's the communication element, which commits resources for communications done by members; and there is a promotion element. All four of those elements are combined once we've put the factors into the formulas that we've developed, and the total amount is available to the member to use as they see fit. It's a focus on all four elements, I guess, that would be reviewed by the working group should they be constituted again.

The Chair: Thank you very much.

Let's go around the table here for questions, comments, and otherwise, starting with Danielle Smith.

Ms Smith: Mr. Speaker, I wonder if you could comment on the tour that you did. I know that you visited our constituency of Highwood, and I appreciate that as well, but I wonder what value you would get out of having this working group. It does seem to me that it's pretty time intensive, the work that you're doing. You're gathering a level of granular detail which would probably not be available to members of the committee. I just wonder if maybe we need to rethink the approach that we're taking to this. Since you're doing that work, maybe this committee actually is one that provides recommendations for you after you've done the remaining work that you want to do in visiting constituencies to give you feedback. I just wonder if we're creating a parallel effort. If you're already doing a lot of this work, is there a need? My understanding – and maybe Mrs. Forsyth can speak to this – is that I don't think that the committee actually did meet when it was constituted.

Mr. Mason: Oh, it did.

Ms Smith: It did?

Mr. Mason: Oh, yeah. Endlessly.

Ms Smith: Oh. Did it really? Okay.

Well, maybe I'll let those who were on the committee speak to it, but I got the impression that it maybe was not getting at the same level of detail and information that you are. I just wonder if your work is actually going to contribute more to getting the answers that we need rather than having this committee.

The Chair: Thank you.

More for the benefit of the new members, let me just take about three or four minutes here to explain this, and then I'll comment specifically to your question, Danielle.

Last year in May – or maybe it was early June – when we met for the first time, as I recall, we got into a discussion on this very issue. I believe it was Mr. Mason who actually first flagged it to my attention and said that the formula as it now sits, regardless of which element it is but the matrix one in particular, needed to be reviewed and updated. I think all members agreed, to a greater or lesser extent, with the thrust of where Mr. Mason was coming from because the current member's services allowance categorizations and how we arrive at our budgets and apportion them out to the different constituencies did not reflect some of the imminent changes that have occurred in those constituencies, particularly in urban areas, given the rapid growth that has occurred in some, the influx of population that has occurred in others, and on and on.

As a result of that, we struck an ad hoc committee to look at it, but I was rather bombarded with questions from a number of people after that, so I set out on my own to go out and find out what I called the local circumstances. As a result of that, I have now, as I indicated, visited 28 different MLA offices. I had

thought, hon. members, that I would only visit 10 or 12 and get sort of a straw sampling, but as I got into it, it became very clear to me that everyone is dealing with very unique circumstances relative to their particular riding.

There is no way to fairly compare an urban riding with a remote rural riding, for example. Then we have the 'urban' ridings, which are not really rural, but they're not really full, big-sized cities in the urban sense either. So I developed a four- or five-page questionnaire, and I started to take that around with me. I spent anywhere from 45 minutes to an hour and a half on average with everyone that I visited. I was fortunate enough to visit all four leaders, and three of the four were in. I still owe Raj another visit because he got called to another meeting and couldn't be there when I visited. Nonetheless, we will pursue that.

I have learned a great deal about what goes on at the constituency level in a very hands-on fashion, and I'm doing more between now and Christmas, as I indicated, to learn even more. At the end of the day I hope to have not only some greater insights but perhaps some information to share with the committee on where I think we might make some changes that might increase the flexibility for some. Perhaps we'll have some kind of different approach that would take into account, for example, urban ridings, where you might be lucky to get space at all much less having to pay perhaps three and a half thousand dollars to \$5,000 per month whereas others are only paying \$1,200. Some are paying as low as \$800 a month. You can see where there's a great discrepancy. By the same token, for some constituencies – and I'll stop momentarily here – you can't wake up in the morning and drive to the end of that constituency by nightfall because it's too large whereas in Edmonton I can drive across my whole constituency in 24 minutes. So there are a lot of apples and oranges here in this discussion.

Now, my hope was that the ad hoc working committee would be able to formulate some thoughts of its own in this regard and that that would dovetail with what I'm finding out, and then we could come together and present something to the broader committee for its consideration. I made it very clear within the first four or five sentences of every presentation and meeting that I had that this was not an exercise to try and increase constituency budgets. If that's the wish of the Members' Services Committee, that's certainly something that we can take under consideration. My purpose in visiting was to see if I could get some apples and apples on the table for comparison at this level when we meet to discuss this.

Now, in fairness, just before I conclude, I should mention that I have received correspondence from Dr. Neil Brown, Calgary-Mackay-Nose Hill, who asked that this item be brought forward to the next meeting of the committee, which is today, and said that he would appreciate it if some necessary changes could be made to the matrix scoring system based on actual lease costs for a standard-sized constituency office as opposed to whatever formula we now use.

Let me stop there by just addressing your question, Danielle. If it's the wish of the committee for me to just go ahead and finish that off and bring back to you some kind of a report or whatever it's going to be, I'd be happy to do that. I would feel better, quite frankly, if we had the working committee nonetheless. Perhaps I could meet with that working committee, and we could thrash around a few things. That would mean that in the space of perhaps one hour, with all four parties represented plus myself, we could maybe come up with something then that would go through this level a lot more smoothly, a lot more quickly.

But I'm at the mercy of whatever the committee wants, and we'll go back to Mr. Mason for the first comment.

Mr. Mason: Thanks very much, Mr. Speaker. I certainly did appreciate being one of the first on your list. I think it may be the first time the Speaker has actually visited the constituency office in Edmonton-Highlands-Norwood, so it was good.

1:30

As I recall, just before this committee sort of petered out, there were a number of things being discussed, but when I first raised it, it was because I was looking at the various criteria in the existing matrix. Many of them were redundant, and almost all of them were oriented towards rural constituencies. Almost all of the factors were directed at providing a bigger increase for rural ridings. I just asked the question. I have in my constituency a lot of special needs. I have a very high level of poverty in some parts of my constituency, many social agencies, many seniors' homes, and so on. So I said: well, is there any way that we can take into account some of the different factors that might impact an urban or an inner-city riding and not just rural? It all led to the committee, and the committee didn't really grapple with it because I think there was significant disagreement between urban and rural members on the committee.

There are really three things that are addressed, and they need to be broken out. I just want to put this out there, that you need to treat them separately, in my view. First of all, if there are additional costs because of the size of the riding, extra travel or something, you know, that might be a factor. Sometimes the staff needs to perhaps travel. So that's one. The second one is office costs. I think it needs to be dealt with. Rents need to be dealt with separately and stand on their own because people that are in a very high rental market need more support, but it shouldn't go to people who don't need it. There has to be some way to sort that out.

The point that I was making originally was that there may be some extra needs in some constituencies. Just to be very transparent and clear about what I was hoping for out of this, I now have enough budget to have one constituency manager and one half-time caseworker, and I was really hoping to find something in the matrix that would allow me to have a full-time caseworker to handle some of the needs in my constituency. That was really where I was trying to end up with it.

I think it might be better if you sort of address those things, maybe sit down with members of the committee and just see if we can hammer out a slightly different formula. I think it's kind of discriminatory. It is very oriented towards rural constituencies. I don't deny those needs and requirements of rural MLAs, especially in really large constituencies, and I think we should meet them. I just don't think it's the only thing that we should look at when we consider the matrix and the budgets of constituencies.

The Chair: Thank you.

Let me just turn to the teleconference folks. Donna or Heather?

Mrs. Forsyth: Mr. Speaker, I was on the committee. I think you've alluded to some of the things that we were discussing, that there's no apples-to-apples or oranges-to-apples comparison at all. You talked about the fact that it's rural versus urban, but Brian has also brought up the socioeconomic things that he's facing. We even discussed the role of government MLAs versus opposition MLAs. We were just starting to get into the work, and then, of course, Mr. Dorward stepped down from the committee. He had been trying to get some information on how other provinces are dealing with the same sort of thing that we're trying to deal with.

I like the idea of you continuing your travels across the province, and then the four of us, if the government appoints a new

person to the committee, can sit down representing our caucus to have some discussion with you and then take that back to our caucus to discuss what you're presenting so that we can hopefully try to come to some sort of agreement on this.

The Chair: Thank you.

I have Raj Sherman. Then I'll come to Donna if you have a comment.

Ms Kennedy-Glans: I do. Thank you.

The Chair: Raj.

Dr. Sherman: Thank you, Mr. Speaker. Just picking up on the comments of Mr. Mason and Heather, we were all on this committee together. At the end of the day the crux of this is that the methodology of the matrix is flawed. I think we can all say that when it comes to promotions and communications, costs are pretty standard across the province. The real issues were rents and staffing. In certain areas you have an office rent of \$5,000 and an office rent of \$1,500, and you could have an office rent of \$5,000 in a very high-needs area.

The second issue was basically staffing and workload and, as Mr. Mason eloquently stated, socioeconomic areas. And Heather is correct. Having been in two different political parties, on the government side and on the opposition side, there is a little bit of extra workload when you are an opposition MLA.

Really, if you could focus on possibly separating these things, saying: here's what we need for staffing, and these are the plus or minus parameters for whatever parameters you think are reasonable, and here's rent. Rent is a major problem. You could have an area that has low needs, and the rent could actually be very low. All of a sudden that MLA ends up having a lot of money for communications or maybe a surplus going back to the Leg. Assembly.

These are the discussions that we were at, and these are the factors. For me, it's not really rural versus urban. There are many rural areas that do have very high needs. They do need two offices, and they do need two staff, and sometimes their rents are high as well. These are the factors I would ask you to consider. Maybe compartmentalize them; separate them. We weren't able to come to a conclusion on our committee on what was the best way, but we did come to a conclusion that the matrix, the methodology, was flawed.

The Chair: Okay. Thank you.

Let me go to Donna.

Ms Kennedy-Glans: Thank you, Mr. Speaker. I, too, am very grateful that you've done all this work. It is a lot of work to go and visit all the offices and understand their unique circumstances and the common threads and the challenges and the issues and the opportunities, so thank you for that.

I think I echo Mrs. Forsyth in this recommendation that we await you finishing that review and sharing that information, but in the interim, maybe as a step so that especially those of us who are newer on the committee can put our arms around the issues, if you could share with us perhaps the questionnaire that you're using, the types of issues that you're exploring so that if there are other issues that we as individuals would encourage you to look at, we could just contact you and suggest those.

But I think it sounds like people have put a lot of the issues on the table, and we're dealing with finite resources, and they're some pretty big questions here. I think that having the facts will help us explore those options.

The Chair: Yes. In fact, Donna, I just asked Bev Alenius, my EA, to prepare some photocopies about 10 minutes ago, so we will circulate those.

Just for everyone's information, however, I do fax that form out in advance. It's four or five pages, and the local MLA plus his or her constituency assistant fill it in. Sometimes we fill it in or add to it as a part of our meeting, but at the end of the day I at least have one form that everybody fills out so I can look at some beginnings of apples-to-apples comparisons.

Just while they're being photocopied, I'll take the liberty quickly to tell you a couple of other areas where I'm finding very, very large differences in approach and, in turn, budget allocations, and that's with communications.

I'll give you an example, and I'll use myself. In my area I have two major dailies, the *Edmonton Sun*, the *Edmonton Journal*. I have one journal that comes out every couple of weeks. That's the *Edmonton Examiner*. Then I have in the Punjabi-speaking community alone 12 or 13 different print magazines or newspapers. Then I have the German, the Ukrainian, the Filipino ones, and the list goes on, and I'm sure some of you are in similar circumstances.

Now, in other ridings they might have a total of the same two dailies, but they might only have two or three or maybe four members of AWWNA, the Alberta Weekly Newspapers Association, and beyond that, they may not have any ethnocultural publications, but they may have chambers of commerce, they may have rotary clubs, they may have Kiwanis clubs, and so on.

So there's a huge difference there in terms of the number of magazines or newspapers that I would put my business card ad in to salute Christmas, Easter, Diwali, Eid, whatever it happens to be, and I want to do that because I want my constituents to know that I support them in what they are celebrating. But it varies so much from constituency to constituency.

1:40

You've got office space, you've got communications, and then you have travel. Travel I won't go into. You know what that's like. It's just huge for some people. They have to overnight when they get from one end of the constituency to the other.

At the end of the day last year we looked at one item, postage, at this committee level, and we agreed to free up the flexibility of postage dollars so that they were no longer only able to be spent on postage. If you didn't use up your full \$700 or whatever amount of money you had, you could use it for some other part of your budget, not just postage. So there is flexibility that we need to look at as part of this.

Those are some of the kinds of issues that I was hoping the working committee would be able to help me out with. It was particularly helpful when people volunteered for it.

Now, I've received copies of this. Bev, can you scan it and send it? Heather, you would have a copy because I've visited you already, but I wouldn't mind sending it to you again and to Donna.

Is it on its way?

Mrs. Alenius: Yes. It's done.

The Chair: Okay. In the meantime let me just circulate this to you. I don't know if this is the latest version or not, but it will give you a fairly close picture of what I ask people when I go out there to visit them. This one that you're getting is three pages. I think I've added a couple more points in handwriting, so you may not have every single detail, but it will give you at least a rough idea of the questions that I ask and that the staff members who are working for MLAs are required to fill in.

One other point has to do with the issue of elected and appointed boards. In my case I deal with Edmonton public, Edmonton Catholic, a couple of charter schools, a couple of private schools, and that's pretty much it. In a few other instances, however, people might have three, four, five, six different school boards to deal with. Same with municipalities and counties. I have one. Some have six, seven . . .

Mr. Rogers: Twenty-seven.

The Chair: Twenty-seven?

Mr. Rogers: I know one member with 27 elected bodies.

The Chair: One member has 27. Well, that must set a record.

My point here isn't to gripe. My point here is to just give you a taste of what I've experienced over the last several months as part of my outreach. I think, at the end of the day, what I hear most members saying is that the funding formula is perhaps out of date, to the point where it might be missing the mark financially as well. I stress to you that my exercise was not about trying to lobby for any increased monies. But almost to a person every MLA I've visited so far, with the exception of maybe three or four, did say that they didn't feel they had enough money in their budget to keep up with current times. So I leave that with you. I don't know where the eagle will land on that particular discussion, but I'd rather not be all alone doing it.

Let me go to whomever else might want to chime in, and if not, we're going to get a closer look at this when we get into some of the parameters and so on.

For the time being, one point that Mr. Ellis had mentioned is that in the minutes that you just approved from March 15, under item 4 I had said – and this is in the minutes – “The Chair asked the committee members to indicate to him by email if any of them wished to chair the Working Group.” Mr. Ellis was right. As of yesterday I had received no indications, but today I received one. Mr. Rogers has volunteered to chair the committee, so I'm grateful because he's the only one who's replied so far. We can conclude this particular matter today.

George, I'll give you the mike in just a second. If you would agree to chair it and bring together existing members Forsyth, Mason, and Sherman. We can work together – I, you, and the other three members – and figure out an approach and a game plan. Let me turn the final word over to you, and you can officially volunteer yourself.

Mrs. Forsyth: Mr. Speaker, can I add something before Mr. Rogers speaks just so we have it on record?

The Chair: Yes, please.

Mrs. Forsyth: I appreciate that George has volunteered to chair. I'm just worried about a conflict of interest as he's Deputy Speaker. I will leave that to the legal heads around the table.

The Chair: Okay. I don't immediately see any conflict of interest on this particular issue; that's for sure.

Rob, did you want to give a quick comment, or do you want to think while George speaks?

Mr. Reynolds: Well, we could think about it. I, like you, don't see a conflict of interest in the sense that Mr. Rogers is a member like any other. I don't see how it would be a conflict.

Mrs. Forsyth: My concern – and, George, I appreciate what you're doing; I just don't want to see any trouble brewing in the

future – is that he is Deputy Speaker, which is involved with the Speaker's office, which is part of the budget process. That's my only concern. My spidey senses went up right away. If legal feels that it's okay, I am fine with that.

The Chair: Well, George, do you want to . . .

Mr. Rogers: Sure. Thank you, Mr. Speaker. Heather, thank you for that. Again, as Mr. Reynolds has said, as a member of this committee I would feel personally that if it was something where I had to chair a report that was going to come directly back to the Assembly, which could find me in the chair at that point, then I could see maybe a potential conflict. But this is a working group of this committee that has to make a decision as a committee, and then any report would come back as a report from the committee. Unless Mr. Reynolds and his team find something that we haven't contemplated here today, I'm certainly willing to take this on on behalf of the group. Again, I would look for any smarter heads than mine to deal with anything that I haven't contemplated.

Thank you.

The Chair: Well, let me propose this, Heather. I appreciate where you're coming from. It's always good to approach all of these things with an abundance of care and caution; that's for sure. So your advisory is well noted.

Let's try this and see where it goes. You've got Mason, Sherman, and Forsyth, who already have had the experience of one meeting. George, you have access to Mr. Dorward. You can find out from his notes what was covered and what wasn't covered. Then perhaps you and I can have a chat about the approach so that we're not duplicating yet we're addressing a timeline. Our first budget meeting will occur in about the second or third week of November, which is my guess. We'll have another one in December, depending on how we go with the meeting today.

Would that be acceptable to you, Heather?

Mrs. Forsyth: Yes. As long as it's cleared by legal counsel, I'm fine with that.

The Chair: Okay. I think we have the blessing of legal counsel; at least for today we do. Do you want to bless it officially again, Mr. Reynolds?

Mr. Reynolds: Well, once again, as a member of the committee he would be allowed all the powers of any other member to chair a subcommittee. I don't see a conflict. I don't know if there's anything else to add to that.

The Chair: All right. Then let's proceed on that basis. Thank you.

Thank you very much, George, for volunteering to chair that ad hoc working committee. It may meet once. It may meet twice. In any case, we're trying to get the work wrapped up within the next few months so that we catch the budget window well in time. Maybe we can put something forward to this committee that would improve the overall budgeting process and the formula and everything else. We'll give it our best shot, anyway.

Are we good, then, to move on?

Mr. Mason: I would hope that we can wrap this up with a minimum of meetings. That was a bit of a problem for me. You know, there's only so much time. I'm willing to give all my information and give my input and so on. If there's a meeting or two, I could probably manage it, but I can't commit a great deal of time to this process.

The Chair: Understood and noted. I think that everybody finds themselves pretty much in the same boat. It's getting extremely busy yet again.

Dr. Sherman: Mr. Speaker, I'll just echo Mr. Mason's comments. Unfortunately, my twin has taken the year off. The leaders of all the other parties have been on the committee and done a lot of work. I would defer to maybe the staff and you – you've done a lot of work – to maybe bring recommendations to us. We had a committee. This committee appointed a committee. The committee did do the work, and now we're appointing another committee, probably to meet less.

Mr. Mason: To do more and meet less.

Dr. Sherman: Exactly.

I would just as soon have you do the objective analysis. You've done the visits. The Speaker's office and the LAO have all of the data of the expenses, of the rents. Just make a presentation to this committee as a whole. We'll make a decision and then take that to the Leg. Assembly.

1:50

The Chair: Well, again, I'm at the mercy of the committee. I don't want any more meetings than the next person; that's for sure. I don't think, however, that the previous working committee had concluded its work. I think they met once – Brian, is that right? – or maybe twice.

Mr. Mason: No. It met several times.

Mrs. Forsyth: No. We met more than once, Mr. Speaker.

The Chair: Oh, okay. Thank you. I stand corrected.

I'm inclined to say that the work hasn't yet been finished, obviously. So is that committee still purposeful? I think it is.

Dr. McNeil: Mr. Speaker, you know, based on what information was provided to this committee previously and based on the information from at least two meetings that you had, maybe three, I think that we can probably come up with some ideas for discussion that might sort of further the process in terms of what alternatives might be considered in terms of the factors that Mr. Mason and other members suggested so that it's not like you're starting from scratch. I think it's important as far as the outcome, though, that the members are all sort of onside with the approach. You have a lot better idea than we do, in terms of where the rubber hits the road, as far as what the issues are in a constituency office, and I think that the information that the Speaker has gathered will be helpful in terms of that process as well.

The Chair: Can I think this through for a few days and get back to you, George, and to the other members on that committee? I don't mind completing and continuing with the work, as exhausting as it is to go out to all the constituencies. I haven't done the far north yet, and I haven't done the far south yet. But then I'd like to discuss it with those four people, okay? We can do that on a phone-call basis. You know, it doesn't have to be anything too formal. I'll update you with where I'm at and where I think we might be going. Maybe I'll get a chance to look at Mr. Dorward's notes or whatever.

Mr. Rogers: I will endeavour to try to collect those, Mr. Chair.

The Chair: George will collect the notes. Others – Mason, Sherman, Forsyth – maybe will have some stuff as well. I don't

want to duplicate the work either. I don't want to duplicate the discussion much further either. So let's just stop it there, and I'll give this some thought for a few days. I'll work with McNeil as well. I mean, I already have some thoughts, to be honest, of where I see a few things that might need some improvement, but I was hoping to sort of present those to the ad hoc group and compare it to their information and then out of those two sources, so to speak, bring forward something to this larger committee for purposes of saving time and having all four parties already three-quarters of the way in agreement if you know what I mean.

Mr. Mason: Well, I appreciate that, Mr. Speaker. I guess I'd like to propose that we not wait until you've done a complete tour. I think that's a long, long time down the road because it's such a huge undertaking.

You know, I think it would be useful if we sat down, if this committee met once under George's chairmanship, and met with you and discussed it and if the administration, the staff, could then go away and come back with some practical proposals about how to implement the concerns. I don't think that the staff can define this issue without the actual MLAs that are, you know, dealing with this defining it first for them. Then what they can do is help us to have a practical administrative way of accomplishing the goals that we are seeking.

The Chair: I think that's where I was heading, too. Let me think on this. I'll meet and chat with you folks, and we'll handle it and come up with something sensible, hopefully, for the next meeting. I will not have all 87 constituencies completed by Christmas, but I hope to get closer to halfway. At that point I could share that information with all of you, and we'll move on.

Are we agreed with the approach as outlined, then, between Mr. Mason's comments and mine? Those agreed, please say aye. Any opposed, please say no. Okay. That's how we'll proceed. Thank you for that discussion, by the way.

Now let us move on to item 6(a). Item 6(a) is former members' benefits. This is also an information item. A one-page handout was distributed to all committee members, and I'm just going to ask Cheryl Scarlett if she would chime in and provide us with the informational side of this item at this time.

Mrs. Scarlett: Thank you, sir. As was referenced in the handout and also referenced in your annual benefits statement, all members, when they retire, are eligible to continue to participate in the MLA health benefits plan. The provisions for that are detailed in that handout in terms of participation. However, from time to time we are asked and tasked with ensuring that the plan itself and the participation rules have kept up with industry standards and whether there should be any changes, if there are any alternatives available for members when they retire in terms of a benefit plan. For information purposes we just wanted to flag for the committee that we're at that stage where we're again looking at that.

Based on the current parameters for participation for former members, presently they can stay on our plan until age 75 if they choose to except for life insurance, which ends at age 70. But the questions are being asked in terms of: should that be extended to age 80 or 85? There are some restrictions over the age of 70 in terms of what we will cover, in terms of the number of days when you are out of Canada.

I think it's important to emphasize that in 1988, so 25 years ago, the option for former members to continue to participate in our plan once they retired was first introduced and approved by this committee. At that time there was a similar program in the public service, the early retirement incentive program, that allowed

public servants also to do similar things. That came and went, was suspended. However, our plan has continued and has been modified over the 25 years.

However, our retirees are piggybacking onto the plan for active members, and our plan was never designed necessarily to meet the needs of a retiree. That's why I just wanted to bring to the table that at this point we are looking at alternatives. In more recent years there has been a partnership between the public service of Alberta and a plan sponsored by the Alberta Retired Teachers' Association and administered by the Alberta school employee benefit plan, so public servants now, when they retire, are eligible to choose to participate in a retiree program. Although that program is different than the plan that you have right now, I think it takes and addresses some of the needs of a retiree versus an active member, active employee.

So we're coming to the table here to say that we are continuing to look at alternatives, and we'll be coming back to Members' Services once we get more information. It's our hope that as an alternative our members, too, may be able to have that option when they retire in terms of participating on this other plan that exists, that is out there.

The Chair: Thank you for that information.

For a quick comment here I have Mr. Mason, followed by Ms Smith.

Mr. Mason: I have a question. Was there any motion from this committee or any request by the committee or members of the committee to conduct this review?

Mrs. Scarlett: To that, first off, in terms of regularly and from an administrative point of view, it's our responsibility to take a look at and ask the questions relative to: what are industry standards? Over the years, for instance, our participation rules have changed from age 65 to 70 and then 70 to 75. I believe that it is timely right now that we ask and find out what information to bring back as we are aware that there may be some plans now that cover employees past the age of 75. Also, when dealing with former members, we do get those questions asked in terms of: is there any possibility? Those same questions have come through the former members' association.

Mr. Mason: I guess I'm really sort of having a hard time understanding exactly what's going on. You can correct me if I'm wrong, but it would seem to me that if there was a move to, it sounds like, reduce health benefits available to retired members, that direction would come from the elected members on the committee and not be initiated by the staff spontaneously. I wonder if we could address that, Mr. Speaker, first of all.

2:00

The Chair: To answer your question, "Is this something that former members asked for help with?" the answer is yes.

Mr. Mason: Are we trying to increase the benefits or decrease them? I don't understand.

The Chair: I'm not trying to do either one. I asked the staff to please prepare a little background for information only today so that you could think about it and read what she just said in *Hansard* and read the handout again, and then we'll come back and have a discussion on it and make some decisions on it at a subsequent meeting.

Mr. Mason: It would certainly be my preference, Mr. Speaker, if we're talking about changes to the benefits, that the concerns that

may have been brought forward from former members would be brought to the committee, and that would initiate work by the staff, rather than it just proceeding, and all of a sudden we're hit with a completed set of recommendations. I am not comfortable with that.

The Chair: Just to be clear – and I'll read what you said in *Hansard* later – this item was not initiated by the staff. This item was, if you like, put on at my request. It's just that I appointed someone from our group who has expertise in the area to comment on it.

Ms Smith: I guess I have the opposite concern of Mr. Mason. Maybe that won't be a surprise to Mr. Mason. But I do find it highly unusual that a person who would serve as little as four years might be entitled to health care benefits essentially until age 75 or even longer if I read what Mrs. Scarlett was saying correctly, that potentially there's a recommendation coming back to extend this. I just wonder if in the review we can actually get a clearer understanding of what happens in other provinces with retired members but also what happens in the private sector. I don't know that if you work for four years at a private-sector company, you then get entitled to piggyback on the benefits package for the next 30 or 40 or 50 years. So I wouldn't mind, as we're doing the analysis, making sure that what members are voting for themselves is actually consistent with what's in the private sector.

The Chair: Cheryl, would you comment quickly on other provinces? I'm not aware of what other provinces do. I expect they all have their own plans just like we do, but go ahead.

Mrs. Scarlett: We will update our information on that and at the next meeting be prepared to come back with that information for clarification purposes.

In terms of the plan that was originally approved back in 1988, the participation for the first five years on the employer's plan is on a continued cost-share basis. Thereafter, if former members, retired members, wish to stay on our plan, they have to pay for the full cost of coverage.

That plan was parallel to a public-service plan back then. There is now a different public-service plan that has surfaced, and we wanted to find out more information so that we could bring that to the table, to the members here, in terms of alternatives that may exist for your consideration relative to what we presently offer for former members when they retire and whether there is a desire for any changes.

The Chair: Thank you.

Any other questions or comments on this information item? It will come back again at a subsequent meeting for discussion and perhaps a decision if that's the wish of the committee. Anyone on teleconference? Okay.

Thank you very much. That's received – sorry. Raj.

Dr. Sherman: Yeah. Mr. Speaker, I'm echoing my colleagues to my left here. Information analysis of how we fare against our counterparts across the country I think would be appreciated and a justification and also analysis of what the cost would be as well because it would be nice to know what this would cost – is it going to save money, cost money? – and what the implications to the budget would be. I'd appreciate that.

Thank you.

The Chair: We'll get as much information together as we can so that a decision can be made if in fact that's required. I suspect it will be. It is incumbent upon us to address this. It's one of the issues that falls within our jurisdiction, so we have to, from time to time, respond to it.

Dr. McNeil.

Dr. McNeil: Yeah. I hope we haven't created the impression that we're trying to deprive former members of benefits that they have had up to this point. That's not the point. The thing is that there are certain benefits under our existing plan that the carrier says they will not provide beyond a certain age or certain service.

Cheryl mentioned this other plan, which doesn't mean that they would have to necessarily jump off our plan, but there may be other aspects of this plan that they can sign up for which will give them the things that they want because that particular plan is designed for retirees. You know, we've extended the age under some of the provisions of our plans just because that's what's happening in the general community for our retired members. We've never got to the point where we've reduced the benefit to the retired members because after five years they're paying all the costs anyway. Usually what happens is that the member decides that the cost is not worth it anymore: I'd like to find another plan that may be cheaper for me, that will provide me a little bit different type of coverage than I'm getting under the existing plan.

So the intent here is not to say, "Okay; we're going to cut off the former members' benefits," but the existing plans are such that they don't provide certain things that former members are now, as they age, saying that they would like to have. That's the intent of this whole exercise, to see what is available out there.

The Chair: Okay. Are we okay to move on, then? Thank you, Cheryl.

Let us move on, then, to item 6(b) on your agenda. This is the overview of the process for Legislative Assembly estimates. As indicated earlier, we have had some significant changes to the membership of this committee. As a result of that, I sent out an orientation package to help everyone familiarize themselves for the first time or refamiliarize themselves for the second time with the role of the Members' Services Committee, that we all sit on here.

Among our many duties each year as a committee is the onus on us to review and approve the estimates for the LAO office, which is quite comprehensive, as you know. We want to assist committee members in preparing their thoughts on this, so I prepared and sent out to you a document called Overview of Legislative Assembly Office & Budget Estimates: Budget 2014-15 to sort of kick-start the discussion.

Does everybody have a copy, or does anyone need a copy? I think we have some extras. Just raise your hands.

Donna, you and Heather are okay at your end?

Ms Kennedy-Glans: Yes. Thank you.

Mrs. Forsyth: Yes. I have mine in front me.

The Chair: Okay. Thanks very much.

So with that handout sort of in front of you courtesy of our website, I'm going to ask our FMAS director, Scott Ellis, to sort of take us through the process in just a moment. We're just getting some copies around.

While those copies are being circulated, I want to just explain what it is that we're talking about here in a nutshell. First of all, the basic budget that we are going to be addressing in some detail in our November and December meetings will present for you the

four major categories of our expenses. That includes the Legislative Assembly Office, which is the body that staff here belong to, and that includes everything from human resources to financial and admin services, legal services, visitor services, security and ceremonial services, library services, and on and on. Their job is to ensure that the Legislative Assembly can carry out its parliamentary responsibilities and activities and that, in turn, each of us is able to do our jobs to the maximum extent possible. That's point number one.

The second part of the budget is the MLA administration component. This is the direct support to each one of us as members, be it through remuneration or benefits or allowances or entitlements or whatever it takes to run our constituency offices throughout the province. All of that comes in under part 2, which is MLA administration.

2:10

The third part of this budget is caucus budgets. Each member, as you know, receives a certain amount of money in their role as a member of a particular caucus, and they use that money to help support their work in the caucus and make the decisions they need to make.

The final part has to do with special funding requirements, so part 4 of the budget. This is for unique or special or significant activities or projects such as the federal building renovations, for example. That would be one that jumps off the page. Sometimes we have to accommodate additional MLAs, as was the case last year, and so on. Those are the types of expenditures that we are going to be dealing with.

Again, I remind you that the detailed discussion on this item, the actual estimates, will come forward in November and December. Today we're not going to get into a huge discussion on this, but I want to ask Scott to give us an elaboration of everything that I've just said from perhaps the 15,000-foot level.

If you would, Scott, just so that members can reacquaint themselves and others who are new can start learning this part of our duty.

Mr. Ellis: Thank you, Mr. Chair. Some of the members who were here last year for the budget process will recognize this document, to a certain degree anyway. We did present it at that time, too, so that new members could begin to wrap their heads around the different categories of expenses that we have and where certain funding elements appear in the estimate summary and some of the purposes behind the Legislative Assembly branches and those kinds of things as well. We've updated it slightly. We've provided some base information that was reflected in the '13-14 process as sort of examples of the format and numbers that appeared in '13-14.

What I'd like to do is start with the second page of the document, the role of the Legislative Assembly. The origins of the Legislative Assembly can be traced back to the 14th century when Parliament elected the first Speaker and first Clerk. Because the Speaker has administrative authority over the office, it's 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. So we are separate and distinct from government departments, and that's a key point to remember in going through this process.

Within the traditions of parliamentary democracy as constitutionally established in Alberta, the Legislative Assembly has certain responsibilities that are set out in the Legislative Assembly Act, primarily to support the Speaker of the Legislative Assembly; support members in carrying out their roles and duties as elected

representatives; record the proceedings and maintain and preserve the records of the Legislative Assembly; inform and educate the public on behalf of members and the institution of parliament; provide a positive, productive, healthy, and secure environment for members and staff of the Assembly; enable members and staff to perform their duties in adherence with legislation, policies, and professional practices; support the Legislative Assembly in protecting its institutions and privileges; support the exchange of information amongst parliaments; and build partnerships with external clients in support of the institution of parliament. Those are very broad objectives that we seek to achieve, and the budget basically has the resources that we identify in order to carry out some of those objectives.

I'll direct you to the second part of that second page, labelled Programs. As the Speaker alluded to in his overview, there is an estimate summary attached as attachment 2, which is on page 7 of the document. This is the form of budget document that you will see in November. In November it will have the proposed 2014-15 budget numbers reflected there. I've just provided our last year's estimate summary as an information item so that you can see the breakdown and the format of our expenditures.

As the Speaker alluded to, the first top portion of the estimates summary includes all the services that are provided to you indirectly through the various branches of the Legislative Assembly Office. You see financial management and administrative services at the top, human resource services, office of the Speaker, and so on all the way down to legislative committees.

If you go to the previous page, page 6, you can see our organizational chart. It breaks out all the directors and their various responsibilities for providing a lot of those services and gets into the specifics of the services that are provided for each branch. I encourage you to have a look at the organizational chart. It does give you some insight into what services are being provided by each of those branches and what the cost might be to do something like that relative to their budgets that appear on the estimates summary.

For example, in the case of my branch – I'm the director of financial management and administrative services – we provide full accounting services to all members, process their transactions, provide reports, provide the electronic member information on a regular basis. We provide administrative services to the constituency offices in terms of outfitting them with furniture, telephone service, et cetera. We also oversee the information and records management program within the Legislative Assembly, that preserves the records of the Assembly, and we also administer the Freedom of Information and Protection of Privacy Act. All of those things are services that we provide to you, and we have resources that we require in order to be able to provide those services. That's the first section of the estimates summary, dealing with the LAO branches and services that they provide.

The second area is the MLA administration area, which the Speaker mentioned as well. This is funding that allows us to pay allowances directly to members to allow them to carry out their duties and responsibilities. You'll note that in 2013-14 the total amount of MLA administration was \$36 million. I only mention that to show the magnitude of that relative to the overall budget, and it appears to be about half of our overall budget.

Just moving to the next page, page 8, we can get a breakdown of some of the items that are included in that MLA administration budget. If you go to page 8, at the top of the page you'll see human resource expenses. Specifically, it refers to pay and benefits to members. The amount in 2013-14 was \$15,880,000. Following down that list of expense line items, you have members' allowances, there are specific provisions providing for pay to

constituency staff who may work in remote northern communities, and there's also constituency office benefits funding, all of which add up at the end of the day to that total figure of \$19 million that you see just to the right of the human resource expenses.

Similarly, you can see our operational expenses for MLA admin. We have a travel budget that would be reflective of payments for your travel, whether that be accommodations, allowances for a temporary residence, auto travel. All of those kinds of things are budgeted there. You get, you know, a flavour of what types of allowances and expenses we're providing to members or on behalf of members and the order of magnitude of those numbers relative to the overall budget.

Moving down two-thirds of the page, you'll see member's services allowances. This is exactly what we were just talking about in the previous sections, the various elements of the member's services allowances. You can see that there are the four elements that we talked about there and the total amounts for all 87 constituencies that are basically funds that we need in order to provide those amounts to members to run their constituency office operations. Of note is that \$9 million of the total \$12 million that's allocated is for constituency office rents and staff. That's fairly significant, and I just wanted to point that out.

The matrix element, which is further down, was \$519,000 last year and, relative to the overall amount of money provided for constituency offices, is fairly insignificant at the end of the day.

That gives you an idea as to the breakout of the full \$36 million that we had budgeted in 2013-14 for MLA administration.

2:20

I've included on pages 9 and 10 a further breakdown in terms of what's included in pay to members, specifically their indemnity and certain stipends that are approved by or set in Members' Services Committee orders in regard to the Deputy Speaker and Speaker salaries and a lot of the benefit costs that are incurred that we have not much control over. However, they are listed there, so you have further information about the types of costs that are included in that particular budget element.

If we go back to the estimates summary on page 7, the next major category is all the resources that we provide to the caucus offices. These are also formula driven and provide the ability for caucus offices to look after Legislature affairs, to have staff that provide research activities and support the members in their legislative role in the Assembly. Those are, like I said, formula driven, and again you see the relative magnitude in terms of the overall budget for the Legislative Assembly.

As the Speaker alluded to also, the special funding requirements are in the latter part of the estimates summary and typically deal with unique situations that are out of the norm and require significant resources to provide those particular items.

I want to draw your attention to page 5 of the written component. It basically deals with the budget development and approval process. We are at step 1 in this process, which is the environmental scan, and we've gone out and done some work to identify certain economic conditions and factors that may be relevant for our deliberations on the budget. We've also looked at statutory obligations as a result of Members' Services orders that may have changed in the last year, any organizational events or changes that may have had an impact on the budget, and we've been starting to gather information on those particular items.

The budget parameters are typically the overall directive that we would take and provide to our managers to assist them in developing their individual budgets. That will be presented later on in the agenda, but I wanted to also show you what that looks like.

If you were to go to page 10, you'd find the document that we used in 2013-14 to basically put forward the budget parameters that were developed at the particular point in time when we were considering the budget for last year. We've identified certain factors that we consider in developing our budget – specifically CPI, any remuneration and benefits changes that may have occurred – and identified those items as highlights for the budget parameters.

Similarly, we apply, you know, the parameters to MLA administration as they're laid out in the orders and any benefit costs there as well. We identify all the parameters that we're using to determine what our budget needs are in the various segments of our estimates summary, and these are put forward for consideration by the committee. Ultimately, we take it back to the managers and directors in the LAO, and that forms the basis under which they develop their budgets.

Going back to page 5, once we've determined what our parameters are, we go back and start to work with our directors and managers. There is internal review that takes place once managers have developed their budgets, primarily by myself, the Clerk, other directors, where we sit down and review the budgets before they come to the Members' Services Committee meeting and ensure that they are reflective of what the budget parameters have set out and are accurate and complete.

Once we're in the position where we feel comfortable with presenting them, they are brought forward to the committee for their review and approval. If the committee approves the budget or has any changes that they would like to make, they are incorporated. Then that budget is submitted directly to Treasury Board and Finance, not so much for their approval but for their consolidation into the budget estimate documents that are presented in the House.

Once they're presented in the House, they are not subject to any debate. They are basically put in place, and there is no discussion at the Legislative Assembly level. So, in essence, the Members' Services Committee determines what our budget is going forward, and that then becomes our budget in the Legislative Assembly estimates.

The Chair: Okay. Thanks very much, Scott.

Members, the next thing on the agenda is actually the parameters, which have been alluded to a number of times, so let me ask you this. Would you like to take not more than a five-minute comfort break right now, or would you like us to roll into the parameters? Then we can discuss 6(b) and 6(c) at the same time because they are so interlinked. We do need a decision at the end of 6(c), but we don't need a decision at the end of 6(b). What are your wishes?

Ms Smith: Well, I'm happy to break for a comfort break, but I think this budget document might need to be reissued. It seems to me that the numbers that you've got in here are for the prior year, 2012-13. I'm assuming, by looking at this, you're saying that it's accurate to October 2, 2013. When I look, for instance, on page 3 and it talks about the per private member amount, we're at \$73,035 now rather than \$71,114. I think it could cause some confusion if we're looking at numbers that are two years old rather than numbers that we're currently operating off for the 2013-14 year.

Mr. Ellis: As the Speaker alluded to, we're not considering the 2014-15 estimates right now. This document that I've just reviewed is meant to just give you some understanding,

particularly for the new members, about the budget categories and what's included in those budgets.

Ms Smith: Can I just clarify? I think he might be misunderstanding me.

The Chair: Okay. Go ahead, Danielle.

Ms Smith: We were paid \$71,114 per member in the 2012-13 budget year, so you've given us two-year-old data in looking at this document. I'm talking about the current year we're in, 2013-14. I'm saying that this document isn't accurately expressing 2013-14 data. That's what I'm wondering, if you can revise that so that everybody knows what our current starting point is. Otherwise, what your proposal will look like will be a big leap if you're actually looking back two years.

Mr. Ellis: We will certainly do that. When we consider the 2014-15 information, we'll compare it to '13-14. At this point in time our purpose here was just to give an overview as to the format of our budget estimates, not the actual amounts.

The Chair: Yeah. Today's information is more just a framework. But give us the line you're looking at, Danielle, and maybe we can get that one addressed.

Ms Smith: Well, there are a few. The amount that we currently get per member in this budget year is \$73,035. On page 3 this document says that it's \$71,114, so that's incorrect. The Official Opposition leader's office: our current allotment is \$505,444. This says \$492,155, which is not correct. The committee research amount: our current amount is \$417,339. This says \$406,367. It's not correct.

Then you can go to the constituency allowances as well. It says on page 3 that the constituency office is \$26,522. It's actually \$27,084. I mean, I can see that because I was on the committee before, but brand new members might not know what the new numbers are. If we're going to be dealing with the current baseline, where we are right now, and then talking about what our increases will be next year, I just think it would be important for us all to have accurate data about what our current state is for this current budget year, that we're in, before we start talking about next year.

The Chair: Point well taken.

Scott, you understand what she is saying, right?

Mr. Ellis: Yeah, I understand. The document was prepared based on what we did last year, prior to having the Members' Services Committee approve the changes that were done during the budget process, so the numbers reflected '12-13 and then were updated for the budget parameters that are included in that same document for changes that were approved at the Members' Services Committee meeting. Those numbers were prepared in advance of that meeting. But I take your point, and we can certainly update those numbers to '13-14 now. Again, that was just to show the overall process and identify some of the key funding requirements that we have.

2:30

The Chair: Okay. It would have just been clearer if this had said: for the year 2012-13, these numbers.

Mr. Ellis: Yeah.

The Chair: I guess we all understand what's going on.

Dr. Sherman: I just have a question here about page 9, pay to MLAs. Either my vision is failing me, or this is in really small writing. I was under the understanding that pay to MLAs was decreasing by 8 per cent, but it shows that it's increasing by 24.8 per cent. Even if you account for the increased number of MLAs, which would only be 3.6 per cent, 3 new seats, factoring that out, it's a 21.2 per cent increase. Is that correct?

The Chair: Where are you, Raj? I'm sorry.

Dr. Sherman: This is page 9, pay to MLAs. It's a very small chart. It's hard to read.

The Chair: Pay to MLAs. Yeah. I got it. Okay. This one here.

Dr. Sherman: We were told that there was an 8 per cent cut to MLA pay, but here it clearly states that it's a 24.8 per cent increase. Even if you factored out the three new MLAs, which is 3.6 per cent, it's a 21.2 per cent increase. Is that a typo or a math mistake? Why is that number so high?

The Chair: Yeah. The percentage change column. Do you have it, Scott?

Mr. Ellis: Not yet.

Dr. Sherman: The Premier and Deputy Premier vigorously defended a pay cut for MLAs, but based on the numbers that you've given us, it would tell a very different picture.

The Chair: Hang on.

Scott, do you want to go first and then David?

Mr. Ellis: I think that there were changes throughout the whole area of human resources. Some are going up and down depending on the restructuring that took place as a result of Justice Major's report. In order to compare apples and apples, you would have to compare overall all of the changes that were implemented to see what the effect is. That information was provided during the budget process last year, and a comparison was done. It wasn't my intent to go back into the 2013-14 budget, that's already been approved, but that discussion, that information was provided as a result of the budget process last year.

The Chair: Let me just go to David. I think he might be able to shed some light on this.

Dr. McNeil: One of the figures that's not included in that estimate on page 9 is the transition allowance liability funding, which is about 3 and a half million dollars. So that will let you compare apples to apples instead of just looking at one element of the total compensation, which you're doing when you look at what's on page 9.

Dr. Sherman: I guess my question is: factoring that in or factoring that out, is the MLA paid more or less before and after the Justice Major report?

The Chair: MLA pay or total MLA compensation? It's two slightly different things, and I know that Clerk McNeil put out a missive on that.

Dr. Sherman: Well, the graph says: pay to MLAs.

The Chair: Yeah. Well, I have my answer, but Scott, do you want to . . .

Mr. Ellis: I don't have the detailed information that we provided last year. I think the Clerk presented that at the time that it was discussed in the committee. I can't comment on that right now.

Dr. Sherman: In that case, can I respectfully ask you to give us an analysis of MLA pay or compensation before and after Justice Major's report, please?

The Chair: It's been done, actually.

Mr. Rogers: Mr. Chairman, with all due respect to my colleagues and in defence of the LAO staff, this document was meant to just show us how the process works. It's unfortunate that some of the information may not be completely up to date, but the purpose of this document before us today was not to rehash or to discuss percentages up or down one way or the other. That will be something that will be done at budget time. We're not discussing the budget today. This was an attempt by the LAO staff to inform particularly the newer members of this committee just how the process works. I really think that if we're going to spend a lot of time discussing specific numbers and changes from one year to another – with all due respect, that was not the intent of this meeting.

The Chair: No. I understand. You know, I'm just going back to what David was saying, that this graph, Scott, does not include, for example – what was that thing called? – the transition allowance . . .

Dr. McNeil: Liability.

The Chair: . . . liability of \$3 million and something, which would affect the second column, the \$14,907,000, or the first column, \$18,607,000?

Dr. McNeil: The second one.

The Chair: The second one.

Mr. Mason: So you're saying that the liability is included in the first column, but it's not included in the second column?

The Chair: I'm not sure. I don't have all of that detail here. I'm just going off what David said. We're going to have to clear this up, obviously.

Mr. Mason: Well, let's take our break, and then maybe we can do that.

The Chair: Yeah. There are no apples and apples here right now, but we will come back with the . . .

An Hon. Member: It's not happening today, Mr. Speaker.

The Chair: Well, no, it's not. But it's a question that has been asked, so we're trying to answer it.

We'll take a short break here, and we'll come back and decide where to go with this. Let's meet in eight minutes exactly. I'll call the meeting to order at 2:45, okay? Thank you. We're recessed.

[The committee adjourned from 2:37 p.m. to 2:45 p.m.]

The Chair: Okay. We are reconvened. While people are putting together the additional information, I don't know if we'll have it all here right away or not, Raj. If we do, we'll present it, and if not, we'll clarify it for the next meeting. I know there's an explanation. We just don't happen to have all of the details here, but people are looking for it.

Let us move on to item 6(b), which, again, is provided for information. We do need to give some guidance to staff so that they can come back to us with something that we can consider by way of a budget and then follow up on some of the comments that were made last year. We have more time this year to make our input into the budget preparation for 2014-15. However, in the meantime I did direct our LAO staff to prepare a set of budget parameters; in other words, the big-picture characteristics that will help define our budget for the incoming year. A two-page document was prepared and circulated to everybody.

I think, Scott, I'll just come back to you to go through these parameters.

Please understand that at the end of Mr. Ellis's presentation we're certainly able to have a discussion. However, the intention of the chair would be to have it culminate with a motion to proceed with the parameters as presented or, if you wish, as amended so that our staff can start the very tedious process of starting to put numbers onto the page for 2014-15, which is important for us so that we can have a budget ready for submission shortly after Christmas.

Regarding budget parameters and the preparation documents, Mr. Ellis, the floor is yours.

Mr. Ellis: Thank you, Mr. Chair. As indicated on the top of this budget parameter form, these are proposed parameters. We've broken them out into the LAO branch budgets, the MLA administration budget, caucus and independent members' budgets, and the special funding requirement.

Starting with the LAO branch budgets, typically we would budget for anticipated increases in remuneration for opted-out and excluded nonmanagement employees. We would mirror the public service rates in this regard. There are two elements that are usually considered in this area. One is an in-range adjustment. If you're familiar with the salary grids in the public service, if you move from one area on the grid to another area on the grid, that would be classified as an in-range adjustment.

There's also an element for market. Market would adjust the whole entire range by a certain percentage, increasing the overall range. That's the market amount. In this particular parameter we've identified that there would be a zero market per cent increase for 2014-15 and that we would propose a 3 per cent increase for the in-range adjustments that would occur as staff move through the salary grid. We will be taking into account when we prepare our budget the increases in health benefits and pension plans. We contribute with all these plans, similar to what the public service does. If they come back and say that we have premium increases relative to our expense history, then we must accept those and go forward in our budget and prepare the applicable resources to meet those increased premiums.

We also wanted to identify the fact that we've incorporated into our budget a health spending account, which is \$950. Again, that's a public service policy that all staff within the government are eligible to receive and, in this case, members are eligible to receive as well.

We have proposed that in terms of our operational costs we would apply a factor equivalent to what we estimate to be the Alberta CPI for 2014-15. This is an estimate at this point in time, and we've taken that estimate from a document prepared by the Conference Board of Canada that is predicting what the CPI for Alberta will be in our fiscal period. That actual amount that they predicted is 2.2 per cent. We've rounded it down to 2 per cent for the purposes of our budget parameter sheet.

The last bullet refers to the number of sessional days that we're anticipating for fiscal '14-15. We are anticipating 75 sessional

days and also 80 committee meetings. Both of those figures are based on an analysis of our past years and projections for our future activities with respect to sessional days and committee meetings. There is an increase in our committee meetings number. Last year I believe it was 70 committee meetings that we were planning on and budgeting for. This year it's 80.

In terms of our MLA administration budget, we have estimated what the remuneration adjustment would be for members' pay based on the order that exists in the Members' Services Committee orders, and that is based on the Alberta CPI. Typically that amount would be paid based on the December 2013 determination of what that CPI amount is. However, we don't know what that number is right now, and we're estimating, based on August information, that it's likely to be around the 1.3 per cent level. That number has been included in our budget parameters as well.

If there was an increase in the indemnity amount as a result of this, then we would be looking at an MLA individual retirement option increase as well, corresponding to the increase in the indemnity amount. Similarly, we propose budgeting for premium increases in our benefit plans relative to members and, again, based on claims history.

In terms of our constituency office benefits, again, we're looking at the actual costs and premiums in providing those health benefit coverages to the constituency staff and incorporating those into our budget estimates for '14-15.

When it comes to the member's services allowance formula, we use both the 3 per cent merit increase, or in-range adjustment, as well as our CPI factors and apply those to our members' services funding element. For example, we would apply a 2 per cent inflationary factor to the office operations element. That relates to the constituency rent. We would apply a zero per cent market and a 3 per cent merit adjustment to the staffing element that's contained in the office operations. We would provide a 2 per cent inflationary factor applied to the supplies element.

In terms of promotion and communication we would apply the most current information with respect to the number of constituents that are in a constituency and the number of electors as provided by the chief electoral office. There's also an increase in the postage rate, which is part of a formula for the communications allowance, and we would be incorporating a new postage rate in that particular element. We would also be applying the 2 per cent CPI to the matrix amount. Basically, that outlines all of the proposals we have for the MLA administration budget.

2:55

In terms of our caucuses and the independent member budgets, we have applied similar percentage increases in terms of the 3 per cent merit increase and the 2 per cent inflationary increase to those caucus budget amounts so that, in essence, everyone in terms of the constituency budgets and in terms of the caucus budgets would be enabled to address their cost pressures going forward, because we're providing more resources for them in their budget that are reflective of the consumer price index and staff wage increases.

The last element is a special funding requirement. We have yet to determine exactly what our requirements are for the federal building. However, we are in the process of accumulating those costs, and we'd present those as a part of our budget. We just wanted to make mention that we would be bringing forward those numbers for your review at that time.

That summarizes our parameters sheet, and I would turn it back to the chair at this point.

The Chair: Thank you very much.

Are there any questions with respect to the parameters?

Ms Smith: I'm just going to go through a little bit of history about the estimate that is done on inflation versus the actual, to point out once again, as I did last year, the concerns I have about trying to forecast inflation and develop a budget around a forecasted number. Part of the reason why the government has a hard time keeping its spending under control is that it consistently increases spending at a rate that is above inflation plus population growth. For the past 10 years it's been double the rate of inflation plus population growth. If I just go back over the last six years, this is where we've seen some big problems in that regard.

In 2008-09 fiscal year inflation was budgeted at 3.4 per cent. It turned out to be 3.1 per cent, so it was actually budgeted to be higher. In 2009-10 the CPI was 1 per cent. It turned out to be a negative number, -.1, so the actual CPI differential was 1.1 per cent higher in the budget than actual. In 2010-11 the CPI was budgeted at 2 per cent. It turned out to be 1 per cent, again 1 per cent higher. In 2011-12 – that's where it went the other way – it was expected to be 1.9 per cent. The actual was 2.4, so that was a .5 negative differential. In 2012-13 the CPI, budgeted to be 2.5, was actually 1.1, again a 1.4 per cent excessive amount. Then last year, in the documents that you've just presented to us, there was an anticipation that inflation would be 2.34 per cent, but now you're telling us that it will actually 1.26 per cent, again a 1 per cent differential.

I'm going to make the same argument that I did last year and hope that it may have some currency this year. I firmly believe that we should be budgeting on the basis of previous years' actuals rather than trying to guess what population is going to be on a go-forward because consistently we've seen that the guesses going forward have not been correct, and as a result we end up increasing spending above what the rate of inflation is, and that's what continues to keep the government in trouble.

Further to that, though, the argument I made last year – and I'd like to put it forward for consideration. Maybe this isn't the place to do it, Mr. Chair; I'll take your advice on that. But I do not believe that MLAs should receive any increases in pay until the Alberta consolidated budget is back in balance. That was a motion that Mr. Young put forward last year to apply to this year's MLA remuneration. I would be prepared to support a similar motion this year so that we do not see an increase in MLA pay.

Further to that, I would also agree that we should show some leadership and not increase our caucus budgets this year until, again, the consolidated budget is back in balance. There is no way that we can ask for austerity from other departments if we aren't prepared to take those same measures ourselves. I know from being very close to our own budgeting that we would be able to absorb whatever cost increases that we have relative to inflation based on our current caucus budget. I would just ask the other caucus leaders and other caucuses to consider doing the same.

I'll take your advice, Mr. Chair, about when it would be appropriate to put forward motions in that regard. It just makes me very nervous that once again we have a document here that suggests a forecast of inflation. We really have no idea whether or not it's going to pan out, and I do have some concern, based on last year and the state of the world economy, that we're going to make another mistake for the seventh year in a row trying to guess what inflation is going to be.

The Chair: Just to be clear, our intention here today is to at least give the LAO the go-ahead to start preparing some numbers so that when we meet for a budget meeting, which will come up in around the middle of November, we actually have something to study and look at. I personally think a motion such as what you

might be alluding to would be more appropriately placed at that time.

Does anyone else have any comments here?

Mr. Mason: Well, just a question for Ms Smith. You talked about inflation, but you used the consumer price index, which is a measure of inflation relating to consumer prices alone. I just wonder if it is consistent with the overall inflation rate or what the difference is between the actual overall inflation rate and the consumer price index in the numbers that you gave us.

Ms Smith: I'm looking at what the government has here, and they're seemingly using the same numbers that my staff did in going back historically, which is the Alberta CPI. You can see here that they've got it calculated at 1.26 per cent as of August 31. We looked at it, before coming to this meeting, to the end of September, and it was 1.4 per cent. It may come out at the end of the year being somewhat higher, but this is the amount that is used to adjust MLA pay. It seems to me that that would be the same number that they're using when they're talking about what the general inflationary factor might be at 2 per cent.

Mr. Mason: Maybe I can get clarification from staff on that. I mean, it certainly makes sense to use CPI when you're calculating salaries, but is that also what you use to calculate inflationary pressures in other parts of the budget?

The Chair: Scott, which numbers are you using in that respect?

Mr. Ellis: Can I just have a minute, please?

The Chair: Cheryl, do you want to chime in while Scott is just looking up some information?

Mrs. Scarlett: For clarification with respect to the member remuneration in terms of the parameters that are set out for its increase, decrease, change, it is a comparison percentagewise between December of last year and December of this year. The figure that is put out there in terms of the 1.26 as of August is what that figure is as of now, but that is not reflective of a whole year's percentage change. In charting in those numbers, as we add them, that percentage has been increasing gradually. That's just in terms of the formula for change for MLA remuneration.

The Chair: Okay. Scott, do you have a little further clarification?

Mr. Ellis: In terms of inflation rates, that incorporates a number of different indices, one of which would be the CPI. There are other factors that are worked into the overall inflation rate for the province. We use the CPI as an indicator of operational cost increases relative to our budget.

Mr. Mason: So you do use the CPI?

Mr. Ellis: Yes.

Mr. Mason: So Ms Smith is comparing apples to apples in that case? Okay. That's what I wanted to know. Thank you.

The Chair: Okay. Thank you.
Anyone else?

Mrs. Forsyth: Yes, Mr. Speaker.

The Chair: Yes, Heather. Just speak up a little bit if you could, Heather, please.

Mrs. Forsyth: I just want some clarification on a comment that you made under the special funding requirements for the Edmonton federal building redevelopment program. You said that the dollar requirements are not known at this time. Can you maybe clarify that for me? What dollar value are you looking at or considering?

The Chair: There's something in the budget from last year, and I assume there will be some continuation of that for the coming year, which I haven't seen yet, Heather.

Scott or Cheryl or someone? David?

Dr. McNeil: I can clarify as to why there's uncertainty at this point in time. We were just advised earlier this week that some of the costs that we thought we would be paying for will now be paid for by Alberta Infrastructure, but we do not have a specific idea about what the balance will be between what Infrastructure will pay and what we will pay. Our expectation is that we will be paying less than we had anticipated in terms of the costs for the federal building.

A lot of these costs also don't relate to sort of the base building but relate to what it will cost to bring this building to provide all of the resources and facilities that members require in terms of committee room space, broadcasting, the visitor centre, and so on and to provide the actual computer infrastructure that you now have, that's being provided in this building, that has to be developed and implemented in the federal building.

3:05

Mrs. Forsyth: If I may, I'm going to page 7, where I'm looking at the special funding requirements from the previous budget that we approved under the Edmonton federal building redevelopment project. We approved that, and I thought that at that particular time, because we had a lengthy discussion on that, all of the costs that you're referring to now were part and parcel of that redevelopment project.

Dr. McNeil: They are. The total is this fiscal year's cost. We indicated, I believe, last year that there would be additional costs for the next fiscal year because the expectation is that we will not be in that building until late 2014. There are costs that we will have to incur in the 2014-15 fiscal year related to getting into that building.

Mrs. Forsyth: It's indicated by the chair that they don't know the dollar requirements, that they're not known. When are you anticipating knowing that cost?

Dr. McNeil: Well, when we present the budget to you in a month and a half.

Mrs. Forsyth: So we don't know if it's a 1 per cent increase or a 25 per cent increase? Last year it was an 804 per cent increase.

Dr. McNeil: I can't tell you that at this point.

The Chair: Okay. So more information will come.

Do I understand correctly from what you said, David, that LAO staff and Infrastructure staff met just recently and that Infrastructure is covering off some of the costs that we thought the LAO would have to cover off? Is that right?

Dr. McNeil: That's correct. We met on Monday. We have to sit down and sort out the exact numbers with them.

The Chair: Good.

Mrs. Forsyth: Just to your comment, then, if we approved a cost last year, if we're not spending that much, then we will have some money left over from last year that we could apply to this year.

Dr. McNeil: I'm not saying that. I didn't say that we wouldn't be spending that much.

Mrs. Forsyth: Okay. I apologize. I guess I'm lost. If we approved a budget for an expenditure from last year and you're saying that you're now finding out from Infrastructure that they're going to pick up some costs – we've approved that money – that can go towards the anticipated costs of this year.

Dr. McNeil: Well, I mean, money that's appropriated in 2013-14: we can't spend that in 2014-15. You know, if we are not expending that money this year, it would go back into the general revenue fund.

The Chair: In any case, all we're trying to do today is give some broad guidelines to LAO staff to go ahead and prepare some real numbers, insofar as they're able, between now and the middle of November so that for our first budget meeting we'll be looking at real numbers, as best they are able to project them with the circumstances and information available to them.

Mr. Mason: Well, Mr. Chairman, I guess I would take a little different view of it. I think that this is the real decision about what our budget is going to look like. We approve these numbers, and then they just run the numbers. They just crunch numbers and come out with the final budget. So the real decision point for us is this document. I think, you know, it is an important piece of work of the committee.

The Chair: I didn't say otherwise. I just think we've got to get them started because it's a very tedious process. I watched them do it last year and thought it would never end. This year we've got a little bit more time on it, but we do have to allow them to get started. If you want to address changing some of the parameters, you're certainly at liberty to do that. If that's what you want to do, then by all means do it. I was hoping that we'd be able to allow them to go forward with what they presented so that at least we could get some real numbers in front of us and see how they differ from last year and so on. Again, I'm at your mercy, though.

Dr. Sherman: Mr. Speaker, one comment and one question. The comment would be to Ms Smith. In fact, we analyzed all the government budgets. They haven't kept pace with population and growth in inflation. In fact, postsecondary took a 7 per cent cut.

My question to the LAO. I like the zero baseline budgeting approach. Have you had an opportunity to go through every line of spending and see what were old programs here that worked once that maybe we don't need today and what are new programs that are working that we need to invest in? Have you had an opportunity to go through every line item, starting with zero, of the budget? What do you guys call it? Results-based budgeting? Has that been applied to the LAO budget? I'm always of the belief that you should see what's happening with the money you're spending before you ask for more. Sometimes there is a need for more investment in areas that are working well, and those kinds of investments I fully support.

The Chair: Scott, do you have an answer for that?

Mr. Ellis: We haven't conducted a formal value-based budgeting approach to our operations, no. We do always look for efficiencies in our operations and try to do the best we can. Sometimes

additional responsibilities are handed to us, and we have to absorb those within our existing operating budgets. You know, we are trying to be an efficient organization overall, but we have not conducted a formal value-based budgeting approach.

Dr. Sherman: Mr. Speaker, may I make a suggestion? It's not often you have an opportunity to do this. You know, as leaders of this province I think we have a moral imperative to clean our own house and our own bed. May I suggest that the members of this committee apply the value-based budgeting or the results-based budgeting or the zero-based budgeting approach onto the LAO budget and that we spend a bit of time and see if we can actually get the best value for the taxpayer dollar, starting with the committee and the Leg. Assembly?

Ms Kennedy-Glans: Mr. Speaker, may I speak?

The Chair: Yes, Donna.

Ms Kennedy-Glans: Thank you. I'm really happy to hear that people are watching what's going on with the results-based budgeting. I'm chairing my second round, and I agree with the suggestion that this budget would benefit from that process as well. It's something that, you know, could be done next year. I think the questions being asked by the groups undergoing that review right now are very healthy ones, and it would be constructive.

The Chair: Well, thank you for that.

Let me just clarify something here, or we're not going to get this meeting adjourned before midnight, and I'm not joking about that. As we look at these parameters – David, Rob, somebody, correct me if I'm wrong – let's keep in mind: are these parameters not reflective of and in keeping with the member's services allowance orders manual? For example, if I look at the MLA administration budget on page 1 of 2 in the handout, it says: "Budgeted adjustments based on the most recent projected change in Alberta CPI for December 2012 to December 2013 are reflected," plus 1.26 per cent as of August 31.

Then I look at our own manual, which is Consolidated Members' Services Committee Orders, and I read on page 20, subsection 4.1(1), where it says under Annual Adjustment:

On April 1 of each year, the allowances outlined in sections 1(a), 3(2) and 4 shall be increased or decreased by the year-over-year percentage increase or decrease in the Alberta (All Items) Consumer Price Index published by Statistics Canada for the immediately preceding calendar year.

On the one hand, we have to abide by our own rules and laws and manual, and on the other hand we're talking about potentially amending that and changing that.

Now, let me just tell you what 1(a), 3(2), and 4 in the manual are. Item 1(a) deals with the indemnity, the gross pay, which is \$134,000 per MLA per year, right? Item 3(2) deals with the following: "There shall be paid to Members holding positions described herein an additional allowance at the rate of" so much for the Official Opposition House Leader, so much for the third-party House leader, so much for the chief government whip, the assistant government whip, the chief opposition whip, the assistant opposition whip, the third-party whip. All of those things would be affected by this.

3:15

Then item 4 deals with the allowance provided for in section 42 of the Legislative Assembly Act, which I don't have handy. That's another factor. I mean, we could go down through the line.

Please, hon. members, understand that all that LAO staff have done here is abided by the manual that as current or former members of this committee we have approved. That's the guideline that they developed this under. All I'm saying here is that perhaps we should allow them to go forward and develop some real numbers so we can see what the real numbers look like in time for – I'm going to guess here – the third week of November, more or less. Let's bear that in mind as we go through this discussion. Those numbers are going to come back, and we're going to go through this exact same discussion yet again.

I'm cognizant that we only have 14 minutes left, and we still have an important motion to deal with. Let's get on with a few more comments and then see where it goes.

Ms Smith: Well, I'd like to put forward a motion, then. I'd like to move that the MLA administration budget and the MLA caucus budget not be increased in the 2014-2015 budget year. I'll bring this motion back in either case, so I figure we may as well deal with it now since you did invite us to give direction to the legislative staff in putting their budget together. It seems to me that if someone on the other side, as Mr. Young did, later in the year is going to come to the realization that it just simply is not going to be palatable for MLAs to increase their own salaries and allowances when we're asking the administration to take wage freezes, we may as well deal with this now, recognizing that reality.

The motion I had put forward last year was to not have an increase in these budgets until our consolidated budget was back in balance. If we're going to have to do this year by year, I'm happy to do that, but I would ask that members would support the motion to at least show austerity on the half of the budget that we have control over to demonstrate some leadership so that we can also be asking our administration in future budget deliberations to do the same. Let's not forget that this budget passes before any of the other budget estimates come forward, and I think that we have an opportunity to play a leadership role in recognizing the fiscal reality that we're in.

Thank you, Mr. Chair.

The Chair: We do, and we will.

Do you have your motion written out?

Ms Smith: I have it scratched out. I can . . .

The Chair: Would you mind doing that? Can I just hold your motion in abeyance until we have a couple more comments while you write it out? Then would you discuss it with Parliamentary Counsel to your left there and see if it is in order and so on and so on.

I think I had Mason next.

Mr. Mason: Thanks very much. Well, Mr. Speaker, I'm prepared to speak against this motion. I know that different caucuses have different levels of resources. I can only speak to mine. I know that the government caucus has far more resources than the Official Opposition, but I know that the Official Opposition has far more than the NDP caucus or the Liberal caucus. We have a small, dedicated staff that are excellent and hard-working people, and we work hard to try to attract and retain good people for the work that our caucus does. This will make it extremely difficult for us to attract and retain the staff that we need to do our job as a small caucus. This may not be as critical for some of the larger caucuses as it is for ours.

I'm not interested in showing leadership in the direction that Ms Smith is interested in showing because, of course, the Wildrose

and the government are interested in cutting our budget, in cutting our public services. That's not where we want to go. I mean, we have our own approach, which I won't get into, but it really involves, you know: is everybody paying their fair share, and why are we running a deficit? All of that stuff we will debate at another time. I'm not particularly interested in the government's agenda of cutting or the Wildrose's encouragement to cut more. What I want to do is make sure that our public services are properly funded and that the opposition parties and the government are able to do their job and have the resources that they need to do it.

So I am not going to support this motion.

The Chair: Okay. I haven't accepted the motion formally yet. They're still working on the wording, Brian. As I said, I'm going to hold it in abeyance. We're talking about parameters in general, and this is one of the parameters.

Dr. Sherman: Mr. Speaker, as leader of another very small but hard-working, tough caucus, you know, when this committee voted last year on MLA pay, I refused to vote, because I felt it was a conflict of interest for elected officials to vote themselves a pay increase or decrease or to make that decision. I supported an independent committee led by you and independent community members to be appointed to that committee to make those decisions. I do support a wage freeze on MLA salaries moving forward.

What's happening in society right now is that not only is this province growing faster than ever, but we actually don't have the teachers to teach our children, and some world-class professors right now are leaving or getting cut. I think it's our moral duty not to take a wage increase. In fact, I was never in favour of the wage increase in the first place; hence, I raised the other issues about MLAs' salary going up 24 per cent, according to this recent graph we saw half an hour ago.

Also, although I would love to have more resources for our small caucus, as leader of that small caucus I'm willing to freeze our caucus funding at zero per cent as well. I know it's tough, Brian. I know it's really tough. Trust me; I've lost a lot of staff and had to ask staff to make a lot of wage concessions when we went to third party. I believe we must show leadership at this level, and I would ask the government members to support this motion as well, as they control the majority of the vote on the committee.

The Chair: We're going to get clarity on the MLA pay issue, but let's be really clear, folks. Let's not go into this rhetoric. MLA compensation is not going up by 28 per cent. I think we all know that. You know that story, and we're not going to get into it right now, but we will get the clarity on that.

In the meantime, do you now have your motion phrased? You don't.

Okay. Is there anyone else?

Ms Breault: Just a point of clarification. When it comes to the caucus budgets, they're formula driven, and it does reflect the number of private members in each of the caucuses. Over the last year there have been some changes in some of the caucuses with regard to: we now have two independent members, and generally they've had a per member amount and a research amount allocated to support them. There have been members that have been appointed to caucus. So in regard to the percentage change it is meant to be on the particular element, for instance the per MLA amount, or the bottom line. With regard to the caucus budgets, they generally have some change year to year just based on the

number of private members in each caucus? That's just a question for Ms Smith.

Ms Smith: Well, it sounds like the staff might be anticipating that there'll be some movement in MLAs next year. I don't know what they know that I don't know.

Ms Breault: Sorry. There was from when we created the budget last year to this year, so if you're looking at last year as the comparable . . .

The Chair: They budget every year for possible crossovers and changes and withdrawals and whatever. It's part of the budgeting process.

Ms Smith: I'm prepared to work with admin. I think what we want to make sure is that they're not working on this percentage increase of 2 per cent that they're proposing in here for the reasons that I stated earlier. I think that it's the overall budget line item that we are interested in making sure there are some restrictions on. I don't know if you build in a buffer in the event that there are some changes to independence. I think the overall sense that I'm getting at is that the caucuses who have the same number of members this year as they will next year shouldn't see an increase in the amount.

The Chair: It builds in a buffer, as you put it.

Given that we've only got five minutes left today because people do have airplanes to catch and other places to be and I do like to start on time and end on time, as you know, to accommodate some of the mood around the table and not knowing where the rest of the members might want to go with this, I could see two columns being prepared, one under the current parameters with respect to what you were talking about and the gist and thrust of your motion, and another one, just a little sidebar, that would show what it would look like with the zeros that you're projecting.

3:25

I mean, it was all frozen last year, and I can't see the circumstances having changed too much. I'm not on the inside loop on this at all, but I would be very surprised if we didn't have a similar mood again. But as I indicated, it's not quite that straightforward because we would have to amend some of these consolidated Members' Services Committee orders in order to accommodate that because it impacts absolutely every position on here, including leaders' allowances, including all the other positions and so on that are here.

Mr. Rogers.

Mr. Rogers: Well, thank you, Mr. Chairman. I'm not necessarily opposed to the spirit of where this motion is trying to go, but there are certainly a lot of pieces to it, from what we've heard from the staff and as we know, with the movements and all the specifics as to how all these costs are tracked and how they're funded. Frankly, I think it's premature that we would make this decision at this meeting before we've actually had a budget before us.

You know, I'm one vote here, but I don't think it's too out of the question to think that we would have at some point a motion that says these costs remain frozen or at this current budget year's levels. But how you get there and whether a motion like this essentially skews the process and maybe has some, what I'd call, collateral damage for how we properly fund the various operations of the various caucuses here – I would like to delay this motion or at least be dealing with this motion when we actually have some real numbers in front of us to talk about. I'm having trouble voting

on this at this point as much as I would support the sentiment of where Ms Smith would like to go.

The Chair: Okay. Well, the motion has been roughly read into *Hansard*, so we know what the gist and the thrust is of where Ms Smith is coming from, but let me go back to Ms Smith quickly here. We've got two minutes left.

Can you hang in for two minutes, Brian? We'll be adjourning right at 3:30.

Ms Smith: In working with Parliamentary Counsel, they have suggested that the way to accommodate some of the concerns were that I move that

the LAO budget be prepared on a zero per cent increase in the MLA administration budget and in the budget for each caucus, incorporating any changes in the size of caucus.

So that would address the issue that you're talking about.

If I can say, Mr. Chair, I guess what I'm concerned about is that if we don't receive what the budget parameters are until we arrive at this meeting and then we're sending the administration away to make a budget up and nobody around the table is actually really interested in approving a motion to give any direction to the administration, I feel like we're a bit of a rubber-stamp committee. I feel like we're not actually giving direction to the administration based on a full and robust discussion about what we think the economic parameters ought to be.

You know, I suppose that's the way it's been done in the past, but I don't know that we need to continue that practice. I do appreciate that you at least brought them forward this time, but I do have to just register my frustration that there doesn't seem to be any meaningful effort to actually get caucuses to discuss what the parameters are. These are pretty big decisions because we know that this could actually make a difference on how the government looks at doing the budgeting for the rest of its overall budget. So I just would say that it does feel again like it's a bit of a forced process, where the administration is driving it and we don't actually have much input from elected members' point of view.

The Chair: Well, I'm sorry that you feel that way because that's not the intention at all. I hear what you're saying, and if it has that appearance to you, then that's how it is for you. But all that we tried to do is get a meeting together as quickly as we could so that at least the issues could come forward and the parameters could come forward for this kind of discussion, input, exchange. I think the LAO staff are going away with a pretty clear picture based on what is being said from the Wildrose side and from the Liberals and from the NDP and also from the government side as to where we might have to go with this.

I know that Parliamentary Counsel did the best they could in the last three or four minutes here to try and put some shape to the motion. We do have the motion now ready for presentation. But I'm not sure, given what you've just said, that representatives might not want to go back to their caucuses and have a chat with their own people because it is a major thing. I'd be more inclined to receive the motion and table it until the next meeting if that's acceptable.

Ms Smith: It is acceptable, but I just have to wonder why we didn't get these parameters for discussion beforehand. They were handed out when we were sitting here. We had nine documents that were posted to the website.

The Chair: They're virtually the same as last year's.

Ms Smith: Well, how was I supposed to know that?

The Chair: Well, you were here.

Ms Smith: But how were any of us supposed to know that the parameters we would be looking forward for next year would be the same as last year until we arrived at the meeting?

The Chair: Well, they're spelled out in the allowance orders, some of them are, and they haven't changed. That's what I was trying to say. I'm not trying to be defensive. I'm just trying to say that LAO staff are just implementing what we as current or former members already approved. They're just translating that into a document for our discussion. If we want to change it, that's what we're here to do.

As you said very correctly, Danielle, these are major decisions. They were posted – I don't know. How long ago were they posted? A few days ago. But caucuses haven't probably had a chance to get together and meet on them formally. So that's why I suggest tabling that motion and letting caucuses have a look at this and you each come back with your points of view lined up and we'll have the discussion and make the changes or receive whatever motions we might need. I think I heard you say that that's acceptable. If it is, then let's – I know that people here have to catch an airplane. Are we good on this for the moment, then? We've received Danielle Smith's motion, and we'll table it for discussion and so on at the next meeting. Are we agreed? Thank you. No one opposed, I hope? No. Thank you. It's unanimous.

The last item that we have here is the deputy House leader allowance item. Now, let me go to you. It's been circulated. People know what it's all about. It is 3:33. I would like to adjourn. Is this a short-lived discussion that we can have here or . . .

Ms Smith: I'm happy to just explain it and see if I can get a simple yes or no.

The Chair: Do you want to put it on the record?

Ms Smith: Certainly. As you know, Mr. Speaker, we've been putting you through a lot of extra work with all of the points of order in the Legislature plus also with evening sessions. We have found that we've had a deputy House leader who's been filling the

position for a year and a half, and that's Shayne Saskiw. You've probably seen him argue many points of order in the Legislature. He does a lot of work on understanding the House rules. But there isn't currently a stipend for the deputy House leader. I'm not asking for an additional amount of money, but I am, in talking with the LAO, in need of permission from this committee to use our current existing caucus dollars to be able to pay him a stipend that would be equivalent to what we pay our deputy whip, who also does a great deal of work.

So the motion that I had put forward for consideration would be to amend section 3 by adding the following after subsection (2).

(3) A caucus may pay out of its funds (excluding any funds designated for committee support) an allowance to a Member holding the position of Deputy House Leader provided that such allowance does not exceed the amount set out in subsection (2)(f).

(4) If an allowance is paid by a caucus under subsection (3), that decision must be communicated to the Clerk in writing and the decision and the amount of the allowance shall be made public.

The reference there to 2(f) is the amount that is currently paid to an assistant or a deputy whip in an Official Opposition caucus. I believe it's in the amount of \$8,040.

I'm just seeking approval from the committee to allow us to use our caucus budget that way.

The Chair: Okay. I have to adjourn this meeting now. We've lost three members due to the clock already. I know people do want to discuss this motion; I've received a couple of notes already. So let's table this motion to the next meeting as well.

Our last item is just to set a date for the next meeting. If you're okay with it, I'll just circulate some dates and times, and we'll go with what the majority can handle.

On that note, I'm going to adjourn this meeting if that's an acceptable approach. Are we agreed? Is anybody opposed? Everybody's unanimous on that, so I will now adjourn the meeting at 3:34 p.m.

Thank you all for your attendance.

[The committee adjourned at 3:34 p.m.]

