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on  
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Education

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## **Standing Committee on Public Accounts**

### **Participants**

#### Ministry of Education

Dean Lindquist, Assistant Deputy Minister, Learning Supports and Information Management Division

Michael Walter, Strategic Services Division

Tim Wiles, Deputy Minister



**8:30 a.m. Wednesday, October 31, 2012**

[Mr. Anderson in the chair]

**The Chair:** All right. I'd like to call this meeting to order, everybody. Good morning. My name is Rob Anderson. I'm the committee chair and also the MLA for Airdrie, and I'd like to welcome everyone here in attendance.

We're going to go around the table to introduce ourselves. Everybody at the table can introduce themselves, starting to my right.

**Mr. Dorward:** My name is David Dorward. I'm the deputy chair and MLA for Edmonton-Gold Bar.

**Ms Fenske:** Hello. Jacquie Fenske, Fort Saskatchewan-Vegreville.

**Ms DeLong:** Alana DeLong, Calgary-Bow.

**Ms Calahasen:** Pearl Calahasen, Lesser Slave Lake.

**Dr. Starke:** Yes. Hello. Richard Starke, MLA, Vermilion-Lloydminster.

**Mr. Stier:** Pat Stier, MLA, Livingstone-Macleod.

**Mr. Webber:** Len Webber, Calgary-Foothills.

**Ms Pastoor:** Bridget Pastoor, Lethbridge-East.

**Dr. Brown:** Neil Brown. I'm the MLA for Calgary-Mackay-Nose Hill, and I'm sitting in this morning for Rick Fraser, the MLA for Calgary-South East.

**Mr. Kang:** Good morning, everyone. Darshan Kang, MLA, Calgary-McCall.

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

**Dr. Lindquist:** Dean Lindquist, assistant deputy minister, Education.

**Mr. Wiles:** Tim Wiles, deputy minister, Education.

**Mr. Walter:** Good morning. Mike Walter, assistant deputy minister, Education.

**Mr. Saher:** Merwan Saher, Auditor General.

**Mrs. Fritz:** Yvonne Fritz, Calgary-Cross.

**Mr. Allen:** Mike Allen, Fort McMurray-Wood Buffalo.

**Mrs. Sarich:** Good morning. Janice Sarich, Edmonton-Decore.

**Mr. Donovan:** Good morning. Ian Donovan, Little Bow.

**Mr. Hale:** Good morning. Jason Hale, Strathmore-Brooks.

**Mr. Anglin:** Good morning. Joe Anglin, Rimbey-Rocky Mountain House-Sundre.

**Mr. Amery:** Good morning. Moe Amery, Calgary-East.

**Mr. Bilous:** Good morning. Deron Bilous, Edmonton-Beverly-Clareview.

**Mr. McAllister:** Good morning. Bruce McAllister, MLA, Chestermere-Rocky View, Education critic for the Official Opposition.

**Mr. Tyrell:** I'm Chris Tyrell, the committee clerk.

**The Chair:** Chris, you didn't say good morning like everybody else around the table.

**Mr. Tyrell:** Good morning to everyone.

**The Chair:** Thank you very much.

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If everyone could make a special effort today to speak directly into the microphones and not lean back in your chairs while speaking just so that everybody can hear, and please do your best to turn your cellphones on vibrate or put them away or whatever just so that they don't disrupt the proceedings.

I'd like to start with the approval of the agenda. Everybody has had that circulated to them. Would anybody like to move approval?

**Dr. Starke:** So moved.

**The Chair:** Dr. Starke. Those in favour? Any opposed? Carried.

Approval of the minutes from the last meeting. Those have also been circulated. I hope everyone has had an opportunity to go over them. Would we have anybody who would like to move approval of the minutes? Mr. Anglin. Those in favour? Opposed? Carried.

All right. Today we're having a meeting with, obviously, as usual, the Auditor General and officials from the Ministry of Education. We're very happy that you can join us. We really appreciate it. We're going to be going over the reports to be reviewed today, which include the 2011-12 annual report for Alberta Education, the reports of the Auditor General of Alberta for March 2012 and July 2012, the 2011-12 annual report of the government of Alberta, particularly the consolidated financial statements, and the Measuring Up progress report on the government of Alberta's strategic plan for 2011-12.

Also, of course, we have a briefing document that's been prepared for us by research. We'd like to thank our folks there for the incredible job that they're doing. That will be posted online later today, so if you want to get a copy of it, that's where you would get it.

We're off to a very quick start here today. We don't have very much business – I don't think we have much of any business, maybe five minutes at the very end – so that leaves us with about an hour and 20 minutes or so for questioning. I'm going to endeavour, as we've talked about before, to split that up 50 per cent among government members and 50 per cent among opposition members, with the Wildrose getting half of the opposition time and the New Democrats and Liberals receiving half of it as well. I'm going to, as I did last time, stick to that. I'll try to give you a heads-up when the time is coming to an end so you don't get cut off mid-question or mid-answer. I will cut off within, you know, give or take, 30 seconds, so that's just something to be aware of. Please don't be offended. I'm just trying to keep it as fair as possible.

With that, we'll start with 10 minutes for the Ministry of Education to give their presentation, and then we'll go to questions.

**Mr. Wiles:** Thank you, Mr. Chairman. I certainly appreciate the opportunity to be here this morning. In addition to Mike and Dean at the table with me, I have a number of staff in the gallery. I also have one of my staff, who has been stuck in traffic, who is going to join us at the table when she's able to get here. Her name is Danielle Haverstock, and she is the manager of financial reporting. I want to take this opportunity to thank all the staff in the ministry for the

great support that they've given me personally since I joined the ministry a few months back.

I want to take a few minutes and outline in very general terms our ministry's responsibility. We support more than 600,000 students in more than 2,000 schools. We have 62 public and separate school boards, which includes five francophone authorities. We have 13 charter schools in the province, over 120 accredited private schools, and about a hundred early child services private operators.

We support learning in many ways: through legislation and policy; through curriculum and standards; through infrastructure; and, of course, through our funding. In 2011-12 our \$6.4 billion budget was allocated about 90 per cent directly to the school boards, about 5 per cent went to capital funding, just over 1 per cent for program and ministry support, and some money was used for debt servicing as well.

Our budget is supported by the education property taxes, which are provided to us through the Alberta school foundation fund. This is the fund that education property taxes are directed to. Education property taxes account for about 30 per cent of our budget; the remainder comes from the general revenues of the province.

Primarily, we fund schools on a per-student basis. We have quite a wide variety of different grant programs, probably in excess of 20, but the majority of those are on a per-student basis. The basic student grant is the largest grant, and then we have a variety of other grants in specific areas such as second-language learning, First Nation, Métis, and Inuit education as well as class size. Most of the funding is flexible and can be directed in the ways the school authorities feel best to support their students. There are only a few grants that have, quote, unquote, strings attached. We do fund the school authorities. We do not fund individual schools. It's up to each school authority to decide how their individual schools are funded.

I would point out that our '11-12 funding included the \$107 million, the Premier's commitment to return that funding to the Education budget. Local school boards directed the use of that funding where it would make the most impact on their students, which included reducing class sizes, supporting inclusive education practices, and providing additional classroom supports.

Just to touch briefly on capital, we're continuing to invest in building new schools and modernizing existing schools. During the '11-12 year \$550 million was announced to build 35 new schools. We saw evidence of that at the start of this school year with 13 new schools opened, and two additional ones are very near completion. Currently we have 57 projects, including modernizations, under way across the province. Since 2010 we have added nearly 27,000 new school spaces.

**8:40**

Clearly, when a student first steps into our schools, our obvious desire is that they fully complete their K to 12 journey. Ensuring that students achieve success is our number one goal in our business plan. If we want students to exceed, all of our partners – students, parents, school boards, teachers, employers – must work collaboratively and creatively to make this happen. Our high school completion rate gives us some measure of progress towards that objective. Alberta's five-year high school completion rate increased to 79.6 per cent in 2011 and reflects the effort by all of these stakeholders to better engage our students.

Education has a number of initiatives that support student engagement and our desire to improve high school completion rates. One project is the high school flexibility enhancement project, which is currently under way. In this project we've moved away from the current requirement for students to have 25 hours of face-to-face instruction per course credit to be obtained. This allows the

flexibility for teachers and students to explore new ways of learning. Career and technology studies is another important program that is helping students discover their interests and passions and supports Alberta's skilled labour force. We are pleased to see our high school completion rates increase, but we know we must continue to work hard to improve those all the time.

Part of our efforts are focused on curriculum redesign. In '11-12 we continued work on revising the Alberta curriculum. This is a bit of a journey to revise curriculum to move more towards competencies, building upon literacy and numeracy, but that's work that we continue to proceed with.

As we move forward, how we measure progress will change, but currently we still have our high school diplomas and our provincial achievement tests. They give us a good overview of how well students have absorbed the information and the curriculum that have been provided to them.

Diploma exams for high school provide a clear indicator to postsecondary institutions that graduating students have achieved the learning outcomes expected of them. We've seen some good results this year. A few highlights include the overall percentage of students who attained a standard of excellence on the grades 3, 6, and 9 provincial achievement tests increasing to 20.2 per cent from 19.5 per cent the previous year; the percentage of students who met the acceptable standard also rising slightly, to 75.5 per cent from 75.2 per cent; excellence in English 30-1 increasing to 11.3 per cent from last year's percentage of 10.1 per cent; the percentage of students achieving an acceptable standard also increasing, to 86 per cent from 84.4 per cent.

As we move forward and move to more competency-based curriculum, we'll need to change how we measure progress. We'll be looking at alternatives for grade 3 and grade 6 provincial achievement tests. But we need a bit more time to put that new approach in place. We can't just stop doing what we're doing today until we have that new work completed.

The key to any student success or one of the very big keys is the success of our teachers. Our students excel, and that's a credit to our teachers. We heard loud and clear during Inspiring Education that teachers are very important. Albertans are also clear that teachers must achieve excellence so that they can inspire the same level of achievement in their learners.

Alberta teachers continue to be amongst the best paid in Canada, but we have to ensure that our educators are fully equipped to deliver the best cutting-edge learning in order to meet the needs of our future. We are doing a number of areas on this front to assist teachers. We're supporting beginning teachers, we're providing opportunities for more First Nation, Métis, and Inuit teachers, we're trying to support better teachers in rural and northern economies, and we're recruiting more teachers with specialized skills such as carpentry or in other languages. Our goal, as stated in Inspiring Education, is to successfully equip our students to become engaged thinkers who are ethical citizens with an entrepreneurial spirit, the three Es as we like to say, and supporting excellence in teaching is a big piece of that.

That's a brief snapshot of some of the highlights of the ministry, Mr. Chairman, and I'm pleased to take questions.

**The Chair:** Thank you very much.

If we could go to the Auditor General.

**Mr. Saher:** Thank you, Mr. Chairman. We made no new recommendations to the Ministry of Education in our March and July 2012 public reports. The most significant of our outstanding recommendations for the ministry are from our 2006 systems audit on school board budgeting and reporting. We have recently started

our follow-up audit on these recommendations to determine whether they have been fully implemented by the department.

We issued an unqualified, or clean, audit opinion on the ministry's consolidated financial statements for the year ended March 31, 2012.

Thank you.

**The Chair:** Thank you very much.

All right. Well, we're going to turn to questioning now. We have roughly 70 minutes left for questioning. That will give the government members 35 minutes, the Wildrose members 17 and a half minutes, and we'll round up for the NDs and Liberals and say that they get nine minutes each instead of eight minutes and 45 seconds if that's okay.

With that, we'll start. Ms Calahasen.

**Ms Calahasen:** Thank you very much, Mr. Chair. Thank you for bringing all that information forward. As you know, I have a special interest in most cases relative to what happens in my constituency. I love the goals that you have identified from Alberta Education, and I love the fact that you have looked at students achieving success. I think all students should be able to achieve success, and that's where my concern is regarding aboriginal students: First Nations, Métis, and Inuit. I think that the outcomes are lower than the provincial average on a number of measures. High school completion definitely is lacking. Dropout rates and results on provincial achievement tests and diploma examinations are a concern to me.

My first question, then, is to ask: what strategies do you have in place to address this achievement gap and to improve the education outcomes for all FNMI students? These areas are in the annual reports on pages 16 and 17 and pages 58 to 69. Those are the areas where I see the results.

**Mr. Wiles:** Thank you very much. We're certainly very aware of that gap, and it's an area of focus for the ministry. We have identified in our business plan goal 3, which is specifically focused on addressing the gap in First Nations, Métis, and Inuit outcomes. We've got direct funding in the ministry of some \$45 million that goes on a per-student basis, based on self-identified First Nations, Métis, and Inuit students in the system. In the current year it's \$1,178 per student.

As we look forward, we're working on a number of initiatives under that goal to try and improve First Nations, Métis, and Inuit outcomes. A lot of that deals with the ongoing engagement of the students, their parents, the communities, the leadership groups in the system, and collaboration with the First Nations as well.

We've done some work. You may be aware of the memorandum of understanding with the three Métis nations and the federal government and the province. It's unique in the country. We're also working on the recommendations from the Northland inquiry team. We've recently received the report from the Community Engagement Team on Northland, and the government is reviewing those recommendations as well.

We've got a number of resources that we provide to our schools such as a digital resource called Walking Together: First Nations, Métis and Inuit Perspectives in Curriculum. If you have a chance to see that, it not only talks to students, but it talks to elders as well and gets their perspectives.

That's a highlight of some of the things we've done.

**Ms Calahasen:** I want to commend the people who work in this department because they have done a lot of work that I believe needs to be continued, so any support that you can give to that group I would totally support one hundred and fifty per cent.

My next question. You identified that you had a \$1,178 per-student basis. When I look at the annual report, on page 110 I see transfers from the government of Canada for First Nation education, that we get so much money from the federal government. I know the feds only put in \$9,200 per student to be educated versus Alberta Education at \$10,600 on a general basis for regular children to be educated. If the feds only put in \$9,200 and we're getting the money for First Nation education from the federal government, does that make up the difference for the money that you have just identified as \$1,178 per student, or is that from just Alberta Education itself?

8:50

**Mr. Wiles:** I might ask Mike to help me in a second on this, but the \$1,178 is money we provide to Alberta school authorities for their First Nations, Métis, and Inuit students. On-reserve students are funded directly by the federal government, and they do have a different approach than we have in terms of funding. It's really hard to compare them directly, but there is a gap between how the federal government funds on-reserve schools versus how we fund our Alberta schools. That's an area we're continuing to work with the federal government on to try to address and narrow that gap.

**Mr. Walter:** Thank you. In addition to what Deputy Minister Wiles has said, one of the subtables that we have under the memorandum of understanding is dealing with education restructuring. One of the areas, specifically, they're looking at is the gap in funding between what the federal government provides for our First Nations and what the provincial government provides in support. That's one of the eight subtables that we have under the MOU, and we're working with the treaty areas and the federal government to break down: what are the inputs that the federal government provides as opposed to the provincial funding framework, where are the gaps, and what can we come to an agreement on as to how to bridge that?

**Ms Calahasen:** You have made progress on that MOU. Since it's been signed, have we made any kind of progress relative to addressing that specific issue?

**Mr. Walter:** Yes. Again, specifically, one of the eight areas that they've targeted in terms of addressing the achievement gap is the funding area. They will be bringing forward recommendations to the leadership in each of the respective organizations, and specifically one of those areas is how to address the funding gap between what the province provides and the federal government. In addition to what we do provide on a per-pupil basis, for every student who self-identifies and enrolls in our education system, as mentioned earlier, we do provide \$1,178 to supplement what they do generate just simply by their enrolment in the school.

**Ms Calahasen:** Thank you.

**Dr. Starke:** Mr. Chair, just a few things here. You covered in your opening remarks some of the measures you're making to try to improve high school completion rates, and those are laudable. I'm still concerned that our high school completion rates are not as high as other provinces'. You mentioned the sorts of measures that are being taken to try to improve that. Where do we stand among other provinces? How has that changed over the last couple of years?

**Mr. Wiles:** The rate that we report in Alberta is not directly comparable to the rate reported by Stats Canada because we use a somewhat different methodology. We calculate the rates by tracking students entering grade 10 in Alberta and seeing their progress over the next five years, adjusting for attrition using population estimates from Stats Canada. Stats Canada uses data collection from a

secondary school graduates' survey about students who earned a high school diploma and does not take into account the students who moved into Alberta after entering grade 10. Our rate, at 79.6 per cent, is compared with the most recent figure for Stats Canada of 70.8. The five-year rate recognizes that it may take more time for some students to complete their high school.

I think I would note, though, that even if our rates were on a comparable basis, we do lag a little bit, and I think there are a number of reasons for that. Some of it might be attributable to our heated economy, that draws some of our young people into the workforce before they've done their high school.

**Dr. Starke:** Okay. I want to move to another area. In going through the performance measures summary table on pages 15 through 17, it struck me that a number of the performance measures are not what I call hard numbers. They're the results of surveys and the results of opinion polling. I won't get into the accuracy of opinion polling because that's a sensitive subject – the methodology for your polling is described on pages 70 and 71 – but I will ask you: what does this cost us every year? You know, the needle is hardly moving, quite frankly. In most of the areas the targets were within the standard deviation or within the level of confidence, which is usually plus or minus 3 per cent. Is this good value? Is this a good way to spend the money? Again, what does this polling process cost us?

**Mr. Wiles:** I don't have the exact number for the cost off the top of my head. I don't know if Mike has that or not. I would comment, though, that our results are high in Alberta. We're recognized world-wide as having a strong system, so to see big movement year to year is not unexpected because we are in a strong situation internationally with our results.

In terms of polling as a methodology, I think it's the best we've got right now. We're always looking at ways to improve our performance measures and the robustness of those. As we go through our results-based budgeting exercise over the coming years, I think we will be looking at our performance measures going forward.

Mike, I don't know if you have the exact cost of that or if that's something we'll have to report back to the committee on.

**Mr. Walter:** Well, we can get a definitive number, but it's in the area of \$200,000 that it costs us to do the survey. That survey does include parents, teachers, students, and it also includes the business sector as well, I do believe. We do survey fairly extensively, including, again, what you would have seen in the annual report, looking at getting information back from parents of students who have special needs. It is fairly comprehensive, and it does provide a basis for a number of our performance measures.

**The Chair:** Can you please undertake, Mr. Walter, to get that information to the committee as requested by Dr. Starke?

**Mr. Walter:** Yes.

**The Chair:** Good.

All right. We'll move on now to the Wildrose. I'm going to turn over the mike and the chairmanship to the deputy chair so that I can ask you a few questions.

[Mr. Dorward in the chair]

**Mr. Anderson:** In this last year, if you look under the consolidated financial statements, one of the largest budget items in the Education budget is capital. In 2011-12 \$387 million was spent on schools in that capital plan. Obviously, we have a very serious financial situation right now, a budget deficit situation. I would like

to talk about the process around how decisions are made with regard to the allocation of capital in the Education budget.

We all understand – I think everyone here understands because we've had this drilled into us; those of us who have been here for the last two years, three years have had this question, I think, about 15 times – that your ministry receives infrastructure requests for new capital spending for new schools from every single board across Alberta. I've seen the list for Rocky View schools, for example. Everyone has seen their school divisions' list. It's usually quite long. I think we all understand that we're not going to get everything on the list in given year that's being requested. Once those lists are pooled or sent to your department, they, of course, are prioritized by your department, obviously. There has to be some kind of prioritization because you only have a certain envelope of money in the budget to spend on new schools. There has to be some prioritization. The question is: in that context what processes are in place in your department? What process do you use to prioritize those schools? What criteria are being used, and can we get those criteria?

9:00

**Mr. Wiles:** Thank you. You have described the process quite accurately. When they come into the department, we obviously take into account the priorities identified by each individual jurisdiction, but we have a number of other lenses that we look at as well as we start to go through those. I might ask Dean to help me a little bit in a minute.

Firstly, we look at the health and safety issues that are related to any potential impact on health and safety to the occupants. That would be an important criteria that we'd look at. We'd also look at the building condition. We work with the Ministry of Infrastructure, and we have information on the relative condition of schools, so that would be a factor. Utilization rate would come into play. Enrolment projections: we have enrolment projections that we look at that are generated from within the ministry, and we line those up with the projections from the school district as well to make sure that those are done. You know, we look at alignment of the board's request with our government business plan and make sure that those are consistent.

Then we kind of use some judgment, to be frank. As you look at those various conditions, it's not always black and white. I mean, there will be school requests that score fairly closely. As you indicated, when you've got a limited envelope, there are always going to be some that are close to wherever that line has to be.

Dean, do you have anything to add to that?

**Dr. Lindquist:** No. I think you've covered it, Deputy Minister Wiles.

**Mr. Anderson:** Thank you for that. So we have all of these criteria. I appreciate that very much.

Looking at health and safety issues, building conditions, judgment as opposed to utilization rates and enrolment – utilization rates and enrolment, of course, are numbers. Those are just statistics. Now, how you weight them in the final equation is another issue. Some of these are very vague and broad in some ways.

I guess that maybe this is a question for the Auditor General. Is there an appetite in your department to take a look at the formula that's being used, the process being used to determine how new school building decisions are being made and to see if we are in fact getting value for money, if we are in fact making sure that the 30 schools a year that we build are the 30 most needed schools in the province?

**Mr. Saher:** Mr. Chairman, we in the audit office have been



involved in looking at the government's capital infrastructure planning, processes, and systems. We've been involved in that for a number of years. We do have some outstanding recommendations at the moment addressed to the Ministry of Treasury Board and Finance. That's the ministry now that will be dealing with those.

In essence our systems audit work is designed to see whether there are good processes in terms of data gathering and analysis of the data leading to the best possible advice from that ministry on behalf of all ministries going to Treasury Board. Our interest is in the quality of those systems, so systems to prioritize are definitely within our mandate to look at.

You know, as the deputy minister has pointed out, these processes can be reduced to formulas and numbers and data, but I think his point is well taken that in the whole process there has to be the exercise of judgment. Where judgment has been exercised, I think that as Auditor we look at: has that judgment been documented? In other words, the basis for the judgment, is it documented? Is it clear what factors the person making the judgment took into account as they exercised their prerogative to make a judgment? If we see those factors at play, we would be likely to conclude that the systems are working as intended.

**Mr. Anderson:** That's good. I completely agree. I mean, transparency, I think, is the key here.

To Mr. Wiles: is your department at some point going to produce the formulas that you use, produce the list that you've got? You take in this information. You build a list, obviously, of the school projects that you're going to build for that year. But then also, I'm assuming, some don't make the envelope of funding that year, but they're still a priority. It's just that they might have to wait a year or two. That full list would help us know, I think, if indeed these decisions are being made in line with the formula and in line with the best interests of Albertans. Is that going to be something that is made transparent by this department so that school boards around the province can see that these decisions are being made on a value-for-money basis, on a priority basis?

**Mr. Wiles:** That's not something we've considered in my short tenure with the department, so I don't have a yes or no for you on that. Certainly, it's something we could take into consideration. I guess I would point out that, you know, all the individual school jurisdictions' lists are a matter of public record already, but we haven't consolidated those as a province. I'll take that under advisement if that's all right.

**Mr. Anderson:** Thank you for that. That's really my question. I would just suggest – it's no secret here that I feel strongly about this. Mr. Auditor General, I can think of very few things that would be more worth the time of your department than to help the government, all of us, in making sure that we're getting the most value for money out of our infrastructure spending and, specifically with regard to schools, having a transparent list that shows the clear priority of the government and how that list was arrived at on an ongoing basis so people can be confident and know they're getting value for money in a transparent way. I just can't think of a more important thing that your office could do, but that's just one man's opinion.

[Mr. Anderson in the chair]

**The Chair:** All right. Let's move on, back to the government members. Mrs. Sarich.

**Mrs. Sarich:** Thank you very much, Mr. Chair. I'd like to open, first and foremost, and say thank you to Alberta Education for

working with school boards across the province to help put students first. It's very important. So thank you for the work that you do.

I'd like to shift the focus and attention on something that was identified by the Auditor General some time ago. It's in regard to the department's systems, the systems that you use to monitor the budgeting processes of school boards and the financial condition of those school boards across the province. Along those lines, it takes us back to some of the recommendations made by the Auditor General I believe it was in 2006.

I was wondering if you could describe the actions the department has taken to implement the Auditor General's recommendations and how those actions that you've taken ensure that school board trustees have really good information for the decisions that they need to make on behalf of the children and the communities that they serve. Let's start with that one.

9:10

**Mr. Wiles:** We've been working on all four of the Auditor's recommendations to us from that report, and we do have some actions in place. One of the recommendations had to do with how we improve our consolidation process to roll up to the ministry statements, but I don't think that's really where your question is. It's more on another recommendation that had to do with the school boards' budgeting process.

We continue to work very closely with school boards in giving them information about grants and information about their financial statements. As part of Budget 2012 the government implemented three-year sustainable funding for school boards, and that does give them some certainty, if you will, in their planning processes rather than waiting each year to wonder what the grant rates are. That's now a key element. So they have that certainty going forward.

We work very closely reviewing budgets. Mike and his small team work very closely with individual school boards, understanding their challenges. It's a very dynamic relationship back and forth, I think. We share information about population growth and our estimates of school demographics and things. That back and forth of information in combination with the certainty of the three-year budgeting funding envelope I think helps trustees understand from a budget perspective.

In terms of information that the school boards provide to their trustees, there was a report a number of years ago, that you might be somewhat familiar with, from the parliamentary assistant of the day on financial literacy for trustees. That was distributed to all boards for information, and this had a number of guidelines and standards that would assist trustees in understanding their responsibilities for monitoring the financial information. That report has been provided to them, and I believe the Alberta School Boards Association has also been working with their trustees to increase their awareness of the importance of financial literacy.

**Mrs. Sarich:** Thank you very much, and thank you for citing the report that I was able to be chair of.

Moving right along, I'd like to know if you could shed some light on this. From time to time when the boards are going through their budget process and supplying information back to Alberta Education, there are gaps in information or inaccuracies or incompleteness. I wanted to know what steps the department has taken to ensure that school boards have the best information available to prepare an accurate budget to help them in their decision-making.

**Mr. Wiles:** I think I'm going to ask Mike to help me on that one because he's become more intimately involved in that.

**Mr. Walter:** One of a number of things that the school jurisdictions

have told us make things challenging for them in terms of determining their budget for typically the next school year is having the accurate information they need to establish it.

I guess a few of the factors I would comment on would be that, one, they've asked us to have an early budget announcement. Again, government has had a January or February budget announcement. The second was the enrolment forecast. We have an enrolment forecasting model that allows them to look at their number of students because, as Deputy Minister Wiles has commented, much of our budget allocation is on a per-pupil basis. So having that number and being able to forecast the number of students they have has largely eliminated that variable in terms of what their enrolment is going to be.

The last area that they really asked us for was to publish grant rates, what the increases are going to be in. As part of our last budget announcement we did announce sort of three-year budget numbers, so school boards do have that information now. They know what their revenue is going to be, and they know what their student numbers are going to be. In terms of allowing them to make good decisions, we believe that we've provided that information by, again, student numbers and the grant rates that they use to determine the revenue they have.

**Mrs. Sarich:** Thank you for that. I'd like to shift over to the accumulated operating deficits. There's always a percentage of school boards in the province that have deficits. Could you comment on how many school boards in the past year did? How are you assured that they're taking the appropriate actions and best practices to mitigate their deficit so that they won't have over any extended period of time a continuance of a deficit position?

**Mr. Wiles:** Thank you very much. As of August 31, 2011, which is the most recent information that we've compiled – we're just in the process of receiving some of the August '12 results; I believe they have until the end of November to submit that information – there were three school boards that had reported accumulated deficits. During that year two of them stayed relatively the same, and one worsened a bit, being Rocky View school division. When there's an accumulated operating deficit in place, we insist that the division create a plan to work itself out of that deficit. Again, Mike and his team are in close contact with those school districts to understand the robustness of their plan, and then we monitor that quite closely to make sure they're making progress according to plan.

Overall I think the system is in a surplus situation of a little bit north of \$500 million. We have those three that are underneath.

I'm struggling for the second half of your last question.

**Mrs. Sarich:** The second half, you know, is looking at the school boards' best practices. How are you assured that they're taking the best practices to mitigate their deficits so that the deficits don't linger for a lengthy period of time?

**Mr. Wiles:** Again, I guess I would just build on my earlier comment. Part of it is that relationship and them explaining to us the pressures that are driving that deficit and their specific plans to address those particular items over a reasonable period of time.

Mike, I don't know if you can add to that at all.

**Mr. Walter:** The school boards are required each year by May 31 to provide us with their budget for the upcoming school year, so at that particular time we can identify based on what they've submitted if they're going to be in a deficit position. If they are going to be in a deficit, they have to provide us with a plan, then, as I commented earlier, as to how they're going to get out of that particular situation. Typically that's a three-year process, and in some cases it can go to

four years. Again, they provide us with that plan, and then we do monitor it relative to how they are sticking to it and making the adjustments to get back into a surplus position.

**Mrs. Sarich:** Do I have time for one more?

**Mr. Dorward:** You have about two minutes at the most.

**Mrs. Sarich:** Okay. Great. Let's shift again. I'd like to focus on page 108 of the annual report. We have information about the pension fund. I was wondering if you could cite, you know, where we are with the unfunded liability in terms of the number. Are you concerned about the unfunded liability? Do you have any comments about any plans for the mitigation of this particular area?

**Mr. Wiles:** Always when you have an unfunded pension liability, I think that's cause for concern. In the budget for the year that we're in right now, our funding for pension liability has increased by 9.1 per cent, to \$327 million, to help address that liability.

It might be helpful just to understand the different parts of the liability for the teachers' pension plan. When pension reform occurred in the '90s, there was sort of a cut-off date established for pension obligations, and the government dealt with the pre-92 unfunded liability separately from what was going to happen going forward from that. The pre-92 unfunded liability is now on the books, I believe, with the ministries of Finance and Treasury Board. What we have in our financial statements here relates to the unfunded liability that's occurred since that change. The principles that were put in place at that time would be that the employer, the government, and the employees would fund the current service costs of that pension plan on a shared basis going forward.

**9:20**

What we've seen happen, I think, in the last few years is where investment returns have lagged from what was probably originally anticipated and the demographics haven't been as we'd planned, if you will, and that's led to the growth of that unfunded liability. The teachers' plan is governed by an independent board of directors that is charged with making the actuarial assumptions, setting the investment policies to try and rectify that unfunded liability.

So am I concerned? Yes. Do I think we have adequate oversight and plans in place to try and address it over time? I think we're working on it, but there are challenges that this plan is facing going forward.

**Mrs. Sarich:** Thank you.

**The Chair:** All right. Let's move on to the Liberals. You have nine minutes.

**Mr. Hehr:** Thank you very much, Mr. Chair, and thanks to the ministry for being here today and for all the hard work you do. A couple of things struck a chord with me when you did your introductory comments. Some background on this is, obviously, schools that are being built in this province. Former Minister Lukaszuk said that over the course of the next 10 years we may need 400 schools in this province. I don't know whether that number is correct or not, but he said it, and I believe that it probably has some veracity to it.

Narrowing in on what your comments were at the start of this session, we came through an election period where promises were made to build 50 new schools in this province. I do know some schools were opened this fall and that statements from your ministry in the press, at least, said that they were not part of those 50 new schools, that those were essentially Stelmach, or previous administration, schools. I noted in your comments – and maybe you

can confirm it with me – that on the books right now there are only plans to build 35 new schools. Is this a shortfall? Is this a deficit? Is this something I'm not picking up? What are the plans for new schools? Are there only plans on the books for 35 new schools over the course of the next four years?

**Mr. Wiles:** If I may – and I apologize if I wasn't clear in my comments – I was referring to the '11-12 year, that there was the announcement of \$550 million for those 35 schools. The work on the 50 new schools and the 70 modernizations is currently under way. We're in the middle of the prioritization process that I explained earlier in my comments. Obviously, that still has to go through a budget approval process and Treasury Board approval process, but that's a work-in-progress.

**Mr. Hehr:** So right now there's really only a plan in place for 35 new schools – did I understand that? – over the course of the next four years.

**Mr. Wiles:** There's an announced plan for those schools. Certainly, the Premier's commitment stands, and we're working to implement that commitment.

**Mr. Hehr:** Okay. Well, thank you. Could you just comment from your view whether 400 schools are necessary, probably, to build with our growing population numbers, our baby boom, that's essentially happening because we have such strong economic growth, and whether, in your view, that number has any veracity to it? The 400 new schools that we need in the next 10 years, from last year, March, I guess, to 10 years out from that date.

**Mr. Wiles:** Yeah. In my short tenure I'm certainly not aware of what information the now Deputy Premier used to make that estimation. Clearly, we have a growing population. Our economy is growing, and we've got a lot of communities that are growing. We continually are looking at our projections and where demand will be. You know, I can't personally say whether that's the right number or the wrong number. There will be a need for new schools, and certainly the current commitment for 50 and for 70 modernizations is a step in that direction.

**Mr. Hehr:** Thank you very much. Over the course of the last little while I've been concerned about oversight at private schools. At least, I've become aware of some of the situations that exist out there that were highlighted in the media over the course of the summer. The Calgary International School of Excellence, I believe, was the private school in question. If we look at it, we're one of only five provinces that fund private schools. We fund them at the highest rate. Essentially, 70 per cent of the money that goes into public school funding on an individual grant basis is given. It comes out to \$192 million a year going to private schools.

If I just highlight sort of what was reported in the media – and it was done with FOIPs from your department – the Calgary International School of Excellence was recently reported to have spent less on classroom instruction than it received in grants. It was run by a person who really wasn't even fit to teach in our Catholic school board. He used funds from the school system to pay his lease on a BMW as well as paying a mortgage on his house. The school, in fact, was found to regularly inflate student grades. This and comments from the ministry's own department suggests to me that we take a laissez-faire approach to private school oversight. I was wondering, given the comments from the ministry, whether in light of this situation, in light of the fact that \$192 million a year is going to these institutions, that attitude of a laissez-faire approach has changed, whether there's oversight in what is happening in our

private schools, especially with public dollars. I think you've got the gist of my question.

**Mr. Wiles:** Well, there are a number of questions within your question, I would say.

**Mr. Hehr:** I understand that. I tried to get it all out.

**Mr. Wiles:** You know, I would not personally characterize our approach to dealing with private school funding as laissez-faire. I think we have a system in place for those funded private schools where they have similar information requirements to be reported to us as do public and separate schools. We have access to information. We do receive audited financial statements from them, and those are reviewed and monitored. We do have an eye on their financial health to ensure that the students get the best education they can.

I'm not sure if I heard you correctly, Member, but I thought you made a comment that the funding for the International School of Excellence, the grant funding that we provided, exceeded the instructional amounts. The information I have in my head – and we could provide that later if you wanted – is the opposite of that. I believe our grants are less than the classroom supports is my recollection.

**Mr. Hehr:** Okay. Thanks for correcting me.

**Mr. Wiles:** I think it's also important to note that private schools do have other sources of funding. They are collecting tuition fees from their students or their parents, I guess, and they do engage in certain fundraising activities.

9:30

With respect to your comments about the educational needs in the International School of Excellence we had had some information from parents and others that there were some concerns, so we put in place some monitoring of the school. We had some staff in there, and they did a report. The school was given notification that they had to develop a revised educational plan, and we are monitoring that school in accordance with that plan as we speak. On a fairly regular basis we have staff out not just to watch but to assist if we can the teaching staff that they have. I think they are making some progress in that regard.

**The Chair:** Excellent. Thank you, Mr. Wiles. We're going to have to move on, but if you want to continue that with a letter or something like that to finish that explanation, that'll be fine.

We're going to finish off the Wildrose time. Mr. McAllister, you have seven minutes.

**Mr. McAllister:** Mr. Chair, thank you, and good morning, everybody. I appreciate you all being here. This has been enlightening; I'm learning so many things. I wish I had 70 minutes; I bet we all do. I just want to pick up on a couple of things that I heard in the questioning. It's great to hear that you are monitoring board finances, that there are checks and balances. We're representing Albertans and keeping our eye on things. I think sometimes it's painted that the public school system doesn't want to intervene. It doesn't want to keep its eye on what's happening with boards, that it's almost offensive to do so. But I'm glad to hear that we can, particularly when it's appropriate.

I also noticed that you talked about the 50 and 70 plan. There's a big concern with this in the public as to whether we're going to get these schools built. Just for clarity, not one school to this point is part of that build 50, renovate 70 plan, correct?

**Mr. Wiles:** That is correct.

**Mr. McAllister:** Excellent. Next question. You built seven schools in all of last year. Is that correct?

**Mr. Wiles:** No. Thirteen were opened in September.

**Mr. McAllister:** Okay. I'm trying to put together an average on time frame and see that we're going to try and meet these goals.

We hear a lot about formulas, and I hear a lot about special-needs funding, so I want to go that way, too. Is there a formula in place to determine special-needs funding? Then, maybe more importantly, if I could ask sort of two questions in one: how do you track that to make sure that it gets to the student and gets to the classroom?

**Mr. Wiles:** In the '11-12 year we had what I would call a special-needs funding model where the number of assessed students received a certain amount of funding. In the current year we've transitioned away from that. We've got a new funding model in place for the current year, and it might be more appropriate to talk about that on a go-forward basis. That model involves a per-student allocation for all the students in a jurisdiction because the move is to inclusive education for all students. Clearly, some students will have higher needs than others, but the view that we're trying to take is that all students need inclusive education, so we've moved to a per-student allocation.

Then there's some differential funding within that model for jurisdictions based on differentiating factors that might indicate a need for a different level of funding. So there would be things like the number of refugee students in that population; the number of First Nations, Métis, and Inuit students; the number of students who have high needs. The model has tried to be reactive to fit the needs.

**Mr. McAllister:** I appreciate that it is subjective and must be difficult to factor in all the decisions. This is what I hear from teachers. You know, if we have four ESL students and a special-needs student and a couple below the average, we want to make sure that we are prioritizing how we get that money into the class and, obviously, that the resources are there for the teachers that need them.

Class sizes. You mentioned the Premier's promise to put money back into education. Did it go back to where it was taken from, to your knowledge? Do you know where that money went back to?

**Mr. Wiles:** The \$107 million was granted to school boards basically with the direction that they had discretion to put that money directly into the classroom. It resulted in the hiring – and I'm going from memory – of about 700 teachers and about 400 aides. It was 623 teachers; sorry. So the 623 teachers was about \$65 million, and the 397 teaching assistants was \$23 million, and the remainder of the \$107 million was for things like technology in the classroom and the like.

Going forward, the \$107 million was continued in Budget '12, and it's now in what's called the equity of opportunity grant. A portion of that is on a per-pupil basis. Then there are other portions of that \$107 million that are targeted for rural areas and low-density areas. So that is going to the classroom.

**Mr. McAllister:** Thank you. I realize I'm jumping around a bit here. I'm just trying to sandwich a lot in. Is there any data on class sizes to suggest that they are down? Again, you referenced it not long ago saying that, you know, that was a big commitment.

**Mr. Wiles:** Yeah, we do have data on class size. The Learning Commission from back in the early 2000s – I don't know the exact

date off the top of my head – had suggested guidelines for class sizes. The K to 3 guideline was 17, grades 4 to 6 was 23, 7 to 9 was 25, and 10 to 12 was 27. Our most recent published averages across the province are from '11-12, where for K to 3 we're at 19.4, 4 to 6 we're at 22.3, 7 to 9 we're at 23.1, and in high school we're at 22.7. We are under the guidelines for all.

**Mr. McAllister:** That's an average, correct?

**Mr. Wiles:** Absolutely.

**Mr. McAllister:** That's what I'm getting at because I know that there are several classes that are still above. You know, that's unacceptable is what I'm hearing. If there are rural areas and smaller schools, enrolment isn't as high, so that's going to bring the number down. Unfortunately, there are still too many classes up above. Are you aware of that? Do you see that?

**Mr. Wiles:** Well, certainly we're aware of that. We provide funding for class size to school districts, and they use their best judgment at the time as to how to allocate those monies to meet the needs of their particular circumstance. They are making the best judgments they can to achieve the averages.

**Mr. McAllister:** You are very informed, all of you. Thank you for taking some time to inform us so that we can go do our jobs and inform the people in our constituencies that ask us these questions.

Thank you.

**The Chair:** Thank you.

We're moving to the NDP. Mr. Bilous.

**Mr. Bilous:** Thank you. I'd like to thank all of you for joining us this morning. I have two different lines of questioning or themes I'd like to talk to you about. The first one is P3s, and the other one will be about school closures, just to give you a heads-up.

The government has permitted P3s to be built in Alberta, and they've caused substantial problems throughout the province. Just this school year students of two different schools have had their classes held in various places in the school building such as the teachers' workroom due to issues that arose with the building and maintenance of P3s.

Other issues: schools tend to look the same. They have that one-size-fits-all formula. Part of the issue with that is that we have schools all across the province that have different students, different needs, and if they are built in a cookie-cutter formula, they're not really serving per se the communities where they're built.

As well, P3 contracts prohibit school boards from leasing the space to outside school groups. A lot of schools, because they are the hub of a community and, you know, used in different capacities outside and after school hours, will sometimes generate additional funds by leasing some of the space. P3 schools can't do that.

One of the questions is: what is going to be done to ensure that continued issues with P3s are going to be eliminated?

9:40

**Mr. Wiles:** Well, thank you for that. I think P3s are a new form of acquiring schools. There is some learning that we're taking from that. For example, on your latter question about leasing I think that in the more recent rounds of P3 procurement that has been addressed, and schools are in fact allowed to lease out that property.

The comment you made that, you know, P3s led to kids having classes in lunchrooms and things like that: I don't think that's the P3. I think that's just the evolving population and demographics we're facing in our jurisdiction. We made a plan at one point to build a school of X, but plans aren't always right. So that's the

challenge there. I don't think that's attributable to the P3 model per se.

Dean, I don't know if you had any other quick comments.

**Dr. Lindquist:** Yeah. I think one of the issues, particularly the last comment regarding accommodation of their students, is that schools request a particular size for the area they're serving, then attendance areas are changed or the dynamics are changed at the school board level, resulting in an increased number of students. Between capital planning as well as infrastructure we've worked very, very closely with municipalities to get modulars in place. For example, I think one of the areas you may be referring to are some of the questions around the addition of modulars onto school properties. Through working with the school authorities, we've been able to resolve a couple of those issues that you identified, that have been brought to our attention, and those modulars are in place.

In addition, if I may add also, I believe the aspect of the leasing question addressed the area of ASAP 1. That was brought to our attention while ASAP 2 was being negotiated. We resolved that at that level, and subsequently we were able, through working with the contractors, to resolve ASAP 1. For example, those schools now have the capacity to lease to daycare programs and those ones that have come to light.

**Mr. Wiles:** If I could just add one other comment on the flexibility of the space. I think that in the more recent rounds we're actually building additional space in the RFP to allow for wraparound services to occur in the schools to accommodate other service providers that might be in the school to help our students.

**Mr. Bilous:** Thank you for your answers to that.

I'll move to the theme of school closures. One of the challenges that I hear – and I represent an area that has a lot of mostly mature schools, mature neighbourhoods – is that the utilization formula or part of the funding formula that is used actually penalizes mature schools and neighbourhoods because schools that are older were built with coatrooms, larger hallways, larger gymnasiums, and all of that square footage is then taken into account when you're allocating funding. Newer schools have reduced space, and therefore they benefit a lot more than older schools. The question is: will the Ministry of Education take a look at the utilization rate formula, and are you prepared to make changes so that mature schools aren't penalized?

**Mr. Wiles:** Well, I might ask Mike to augment my comments here. The funding that we give to schools, as I said earlier, is largely on a per-pupil basis, and that includes big portions of our maintenance and funding as well. It's not that the funding formula is penalizing school districts that have mature schools. It really goes down to the utilization of their schools and how they make those trade-offs. You know, we give school boards a fair bit of flexibility on how they choose to manage those things. If they choose to keep open a school that has low utilization, that is going to be a drag on funding because of some of the reasons you've said. It's not an easy problem to address specifically, but I think it comes down to school boards having to make decisions they need to in terms of moving students to where it makes the most sense and to do it efficiently.

**Mr. Bilous:** Okay. So does the ministry have an approach or a strategy around school closures? I mean, I recognize that decisions are made by the school boards, but are there any steps that the Ministry of Education is taking in order to prevent schools from being closed?

**Mr. Wiles:** You're correct. The actual decision to close a school is at the local level. We have a regulation that gives school boards some guidance as to the steps that they need to go through, involvement of the community and that sort of thing, and I think we've tried to streamline that a bit over the last few years.

**Mr. Bilous:** Okay. The only other point, that I'll close on, Mr. Chair, is just that from meeting with, for example, the Edmonton public school board, I know that they have a massive infrastructure debt, and I know that many schools around the province are facing that same situation. Again, I attribute part of this back to the '90s when our government under Ralph Klein decided to clear the books and they moved much of the infrastructure debt or they deferred what was needed for maintenance. So now Edmonton public, for example, is coming up to almost a billion dollars worth of infrastructure requirement or maintenance that they need to maintain the physical structures of their buildings. What is Alberta Education's role in helping them to resolve that?

**Mr. Wiles:** Well, our main role, I guess, is as funder. We've given school districts three-year sustainable funding. I think we've got an envelope of about \$96 million identified each year for infrastructure maintenance, and schools then have the responsibility and flexibility to allocate that. As we work through, you know, the prioritization of the 70 modernizations, I think that will go some way to help address some of the problems of some of our aging schools. So I'll be brief with that.

**The Chair:** Thank you very much, and thank you, Mr. Bilous.

I'm going to turn over the final 10 minutes to Mr. Dorward to officiate.

[Mr. Dorward in the chair]

**The Deputy Chair:** We have three members: Brown, Pastoor, and Fritz, in that order. Three minutes each, that's question and answer.

**Dr. Brown:** Thank you, Mr. Chairman. My question is regarding the kindergarten program. In Alberta we've got a mixed bag where some children get kindergarten half days, some get full days. And we have a lot of advocacy for providing more resources for the kindergarten program. I am certainly aware that there are studies showing that the performance in the early grades is enhanced when kids take kindergarten programming. But I'm also aware that in Finland, where kids don't start until the age of seven, they have a school system which consistently performs at the top of the OECD in terms of reading, science, and math. The cost of their education is relatively low, and their hours of instruction seem to indicate that less is actually more.

So my question is: does your department have any empirical data to show that the efficacy of kindergarten in improving the end results of children's education is getting us value for money? By that I mean: can we compare children who take kindergarten with those who do not in their performance levels at the grade 9, grade 12 levels, and can we show that they have better high school completion rates and that they have higher participation rates in postsecondary education?

I guess a follow-up question to that – I know we're short of time – but I'm not sure what the cut-off birthdate is for entering into grade 1 education, but conceivably it should be possible for us to do some sort of a comparison with a near 12-month spread between the oldest and youngest children in any given class cohort to compare older versus younger children on their entry levels into a school system. Could you advise me whether or not you're on top of that,

and can you show that kindergarten is, in fact, a good use of our resources?

9:50

**The Deputy Chair:** Could I just interject here? I, for one, love that question. I think it's great. It may be fair to the department to get back to us on the answer to that. Could I suggest that we just go quickly to the other two questions first and get them on the table and then we find the question which is the easiest one, given the time, to answer? But definitely on that one, if not the other two, could you come back to us with the answer on that because that needs to be answered? I love the question.

**Mr. Wiles:** Absolutely. We can come back on any unanswered questions.

**The Deputy Chair:** Thank you.

The other two questions, please. Ms Pastoor, first, and then Mrs. Fritz.

**Ms Pastoor:** Thank you. I'm referring to page 90 of the minister's annual report. Governance and system administration incurred the highest increase in actual expenses year over year. Does that mean that there's a decrease to the heart of the system, which are the teachers and the teachers' assistants, and the program expenses made up of salaries, wages, benefits, and service contracts and supplies at school jurisdictions? Does the minister know that these expenses are a reasonable amount that should be spent on governance and administration? What is the ratio between administration, et cetera, and the actual persons delivering the services; i.e., the teachers? With that increase, does that mean that there are more people, or does that mean that the existing people are getting higher pay?

**The Deputy Chair:** Okay. Thank you again. We're on *Hansard* here, so that question has been recorded, and we can get the answer back later.

I want to go to Mrs. Fritz, quickly, and Mr. Allen, if necessary. Two minutes.

**Mrs. Fritz:** Thank you. I find one of the most memorable events that we go to in a year as MLAs is high school graduations. Our parents and our grandparents and friends of the student and teachers: everyone shares in the joy with that student as they're successful when they walk across the stage and they receive their diploma because they all know that it creates a brighter future for that student.

Now, on page 30 in the annual report – this is consistent, and that's why I'm bringing this up. What I find as one of the most troubling things in this report is that out of the 14 performance measures one is consistently not met, and it's the high school completion rate. We heard earlier from colleagues about the aboriginal students. I'm actually talking about it, you know, overall. That target is not being met, and what we get is what you said earlier today: oh, well; it could be that students are leaving high school to work, or it might be the economy. I'm hoping that next year you'll consider putting into this report what schools are doing to help enable our students to be successful. It's not here, and we need to see it. This needs to change. This is a real problem in the department, and I know that it concerns you just as much as it concerns us. Hopefully, you'll look at it differently in the future.

Very quickly. You mentioned in your opening remarks the alternatives to the grades 3 and 6 achievement tests. If you'd please

give those to us, what you see those measurement processes could possibly be.

Thank you.

**The Deputy Chair:** Mr. Allen.

**Mr. Allen:** Thank you, Mr. Deputy Chair. I have to make this very short, so I'll talk really fast. My questions, actually, were going to be regarding P3s as well, but if I just was to bring it down really quickly and I look back at the public accounting standards that have been adopted over the last few years in regard to capital depreciable assets, when we get into P3s, how exactly is that represented in a school board's books now? Previously, it was a hundred per cent owned capital asset of the school board. Now with the P3 and other partners, do we represent the entire amount, or is it amounts over the period of the partnership?

**Mr. Wiles:** Could I answer that one quickly?

**The Deputy Chair:** Yes, as long as it's 30 seconds on P3s.

**Mr. Wiles:** Essentially, the substance of the transaction would be that the asset would show up on the school board's books, the full value, not just a portion of it.

[Mr. Anderson in the chair]

**Mr. Allen:** The full value?

**Mr. Wiles:** Yeah.

**Mr. Allen:** Thank you.

**The Chair:** All right. I'd just like to ask – I think, Mr. Wiles, you made it clear that you'll get back on Dr. Starke's, Mr. Hehr's, Dr. Brown's, Ms Pastoor's, Mrs. Fritz's, and Mr. Allen's questions. If you could do that through the committee clerk, maybe circulate a letter that covers it all or something like that, that would be really good. Then Chris will make sure to circulate it to everybody so we can all get the answers on that.

I'd like to thank you folks for that, and I'd ask everyone to remain seated just for a couple of seconds because we can blow through this right away.

Our current next meeting dates are November 7 with Treasury Board and Finance and November 21 with Enterprise and Advanced Education, and Dr. Starke has also asked Athabasca to attend. Again, as I said last week, please give any research requests to your caucus representatives on the informal working group. We will be meeting next week because the Auditor General's report is coming soon, so we're looking forward to that discussion.

Is there any other business the committee members wish to raise at this time?

If not, our next meeting will be held Wednesday, November 7, with Treasury Board and Finance from 8:30 to 10 o'clock. We will again meet with the Auditor General and committee research services for an informal briefing meeting from 8 to 8:30 in committee room B on that same day. As I said, the next informal working group meeting will also be next week directly prior to the committee research and the Auditor General's briefing in committee room B from 7:30 to 8 a.m.

Would a member like to move adjournment? Mr. Stier. Those in favour? Those opposed? Carried.

[The committee adjourned at 9:57 a.m.]



