

Title: Friday, March 18, 1994 Designated Subcommittee

Date: 1994/03/18

[Chairman: Mr. Magnus]

Time: 8:35 a.m.

MR. CHAIRMAN: Ladies and gentlemen, I'll call the meeting to order now. The faster we get started, the faster we're out of here. We generally take a few minutes to do an organizational portion of this meeting. I'll start by just the introductions. The last couple of these that we've had, *Hansard* has asked if everybody would mind speaking up. They're having difficulty transcribing it because they simply can't hear what's going on from the microphone. So, everybody, when you ask your questions or give your answers, if you could speak up, it would make their life a little bit easier.

I'm of course Richard Magnus from Calgary-North Hill.

MRS. DACYSHYN: I'm Corinne Dacyshyn, the committee assistant.

MR. RENNER: Rob Renner, MLA, Medicine Hat.

MR. FISCHER: Butch Fischer, Wainwright.

MR. HLADY: Mark Hlady, Calgary-Mountain View.

MRS. LAING: Bonnie Laing, Calgary-Bow.

MR. HENRY: Michael Henry, Edmonton-Centre.

MR. BRACKO: Len Bracko, St. Albert.

DR. MASSEY: Don Massey, Edmonton-Mill Woods.

DR. WIEBE: Russ Wiebe, director of school finance and facilities for the department.

MR. BARON: Gary Baron, director, financial operations.

DR. BOSETTI: Reno Bosetti, deputy minister.

MR. JONSON: Halvar Jonson, minister.

MR. ZATKO: Gary Zatko, assistant deputy minister.

MR. BOYD: I'm Eric Boyd, executive director with the Premier's council.

MR. OLSON: Jeff Olson, assistant director of school finance.

MRS. BURGNER: Jocelyn Burgener, MLA, Calgary-Currie.

MR. CHAIRMAN: Thanks very much.

If I may, I'll just explain that this is the fifth subcommittee in the last – well, since we did the last ones that I have chaired. I think we've pretty well got this organized to a certain degree. We had a little bit of discussion last time about a couple of things, but we'll treat it as a new meeting and pretend that Mike wasn't here at the last one or Don, for that matter, and half of our committee. What we generally do, for those of you that this is the first time: this is kind of a cross between Committee of Supply and question period. That's the way they generally work out.

We have a certain speaking rotation. Generally speaking, we go back and forth between the rotation. We have four programs within this budget as well as the capital program. We start on

program 1, go through to 4. If we have enough time, we get into the capital program as well, although generally speaking we don't usually get to that one. We'll go, as I say, back and forth as I see the hands come up. We do have an extra person, of course, on the government side over the Liberal side, and I don't think anybody minds. We did this last time, Mike, as well, where we started with just whoever was the first one up and then went through it. Now, what happens with these things is that once everybody has had an opportunity to ask the main question and two supplementary questions, we will then make a decision as a group as to whether or not we go on to program 2 or the next program in the process. If somebody else, if one person has another question on the program that we're on, at that point they open it up so all of the other people within this group get to ask a second question until nobody wants to ask a question on the program. Is that pretty well understood?

What we're here for is that this is a subcommittee of supply. The rules are fairly straightforward on this. We did get Parliamentary Counsel to give us some guidelines on it originally. We're running under the same process. As I say, this is a subcommittee of Committee of Supply. We are not here to talk about the three-year business plan. We're not here to talk about the philosophy of what the government is doing or what the Department of Education is doing. We are here to look at this budget.

If I've missed anything, I'll try and include it as we go along. I can't think of anything that I have, unless somebody else can. If there are no questions, we can get started.

Oh, one other little explanation. We have four hours to do this. The minister has 20 minutes to give a speech, if you'd like to call it that, explaining what the budget's all about or whatever he wants to say in that 20 minutes, at which point we then have three hours and 40 minutes left in order to conclude our business. I'm assuming we will conclude it in the four hours. If we want to go beyond that, then the rules are quite clear in Standing Orders as to what you have to do.

Any questions?

MR. BRACKO: Just a clarification. We can ask policy questions. Is that correct?

MR. CHAIRMAN: No, you can't. This is a subcommittee of supply, so basically the rules that we use in Committee of Supply apply. This is not to ask policy or philosophy. This is to ask questions on the budget.

MR. BRACKO: My question, then, is that they go together, finance and policy.

MR. CHAIRMAN: Well, I'm sorry, but they don't in Committee of Supply, and they're not going to here.

MR. HENRY: Policy questions as they relate to finance are acceptable.

MR. CHAIRMAN: If you link your question to the budget, then obviously we'll allow it to go ahead. If it's a straight policy question and the minister starts to talk and wants to answer it, or his staff, then we'll allow that to go ahead, but at a certain point in time, if it's pure policy, we'll stop it, and you'll have to rephrase the question or link it somehow to this budget, because that is what we're here to do today. Okay? The same thing as last time, Mike.

Any other questions?

Time starts. Halvar's on.

MR. JONSON: Thank you, Mr. Chairman and members, for the opportunity to meet with you and discuss the Department of Education's estimates for 1994-95. This morning I'd like to make some brief comments on the overall directions for education in Alberta and then get into answering as many questions as possible on the specifics of the 1994-95 budget. Given the dramatic and very significant change being undertaken in education and, for that matter, certainly all across government, I expect that our discussion this morning is going to be important and lively.

Before proceeding, I would like to take this opportunity not to introduce, because you had them all introduced for you, but to indicate that the staff of Alberta Education that are with me today have been involved in a long process, not a long process in terms of the passage of time but certainly in the hours and the activities involved in preparing the budget for this year and also the Education three-year business plan. It's been a great deal of work. People have gone far beyond the call of duty, you might say, and I thank them very much for their commitment and effort.

This business plan and this year's budget have been a new type of experience and a challenging one for all of us. I think the plan that's been laid out and the specifics of this year's budget, which we'll be dealing with, do indicate a good program for Alberta Education in the year and the years ahead. It will allow us to maintain a very sound education system in this province for Alberta students. I think it also indicates that within the context of deficit reduction and budget balancing, Alberta Education and education overall, K to 12, have certainly been given a very significant priority relative to the overall expenditure of government.

Let me begin my comments on the budget itself by stating that as I've said, education is the government's top priority. We recognize that education will be the foundation for the future economic and social prosperity of our province, and as such our government is committed to ensuring a quality education system able to meet the needs of Alberta students. Evidence of the priority we place on education is the fact that total provincial spending on education will be reduced by 12.4 percent by 1996-97. I think we should recognize at this point as well that when you look at the overall revenue available to education and factor in the local share, the local commitment to education in this province, and if you look at the overall budget lines and totals, you'll see that the impact on the total system in all aspects is significantly below 12.4 percent in dollar amounts. This is certainly the smallest reduction required by any government department. It is a reduction that, given the financial times in our province, in our view is both reasonable and manageable.

Achievement of that expenditure reduction in concert with the major restructuring of the governance, funding, and delivery of education will give Alberta an education system that is more efficient and effective. That is what Albertans have repeatedly told us during our consultation process over the past several months, and actually it goes back a couple of years. They told us to define a basic education and fund it. They said to cut administrative costs and focus resources on the classrooms. Albertans told us to put in place a funding system that was fair and provided an equitable opportunity for all students to access a quality education. They said that education should be government's top priority but that there was room to reduce costs and implement efficiencies.

8:45

We heard what was said during this consultation process. We listened to what the more than 700 Albertans told us during our regional meetings. We listened to what the more than 31,000 Albertans said in their 17,000 written submissions received last

fall. We had the roundtables as well. Government MLAs across this province had extensive meetings of their own, and they have been very key in providing input into the process.

Our restructuring plan will see an education system where the focus is moved back to students, classrooms, and communities. It will be an education system where administrative costs are dramatically cut. It will include a reduction in the number of school boards from 141 to about 60 by the fall of 1995 and a 20 percent cut to the Department of Education by 1996-97. The 20 percent reduction to Alberta Education will mean a reduction of 170 positions, including 69 in the 1994-95 fiscal year. By 1996-97 we will have an education department that is smaller than 1971-72's.

We will have an education system where all jurisdictions have access to adequate funding, resolving the long-standing problem of fiscal inequity among school jurisdictions. Under full provincial funding of education, all students will have the opportunity for a quality education. The amount spent on educating a student will no longer depend on the relative wealth of a school jurisdiction but rather be based on the true cost of providing a quality education. We will have an education system where there is a more meaningful role for parents and where there is increased autonomy at the school level. With the implementation of a school-based management system, decisions about how education dollars are spent and how much education is delivered will be made as much as possible where education is provided, in the school jurisdiction, but, more importantly, in the schools themselves.

We will, as well, have an education system that will focus on results. With an expanded achievement testing and diploma examination program for students, we will more frequently assess student achievement against provincial standards. With increased and improved reporting we will better inform students, parents, and the public about student performance and the performance of the education system as a whole. We will measure what we are doing, how well we are doing it, and what we are accomplishing. It will allow us to continually make improvements both to how effectively we deliver education and how efficiently we run the education system.

Meeting the needs of Alberta students is the highest priority for the government, and that's what Albertans told us during our overall consultation process and have always told us generally. During the 1994-95 fiscal year our efforts will be directed towards maintaining the balance between providing quality education for all Alberta students and managing the reasonable reductions in education spending.

I'd like to mention this again: overall spending in terms of financial support to school boards has been reduced by 8.7 percent for the coming year. However, total spending in this area will still exceed \$1.4 billion. To help achieve education spending reduction, the grant rates to school boards and independent schools is being reduced by 5.6 percent effective April 1, 1994, and this reduction is part of government's overall reduction of \$64 million in spending on salaries and benefits in the education sector. This reduction represents the provincial share of the 5 percent reduction in salary and benefits costs in education. Such a 5 percent reduction would gain a total saving of close to \$110 million for the school system across the province. The 5.6 percent grant rate reduction on April 1, 1994, will be followed by a 5 percent reduction on September 1, 1994.

Although there are some spending reductions for school boards, we are putting an emphasis on ensuring that children with special needs will have their requirements met. To that end, we will spend \$4.5 million in 1994-95 for ECS children with mild and moderate disabilities. We will spend an additional \$18.3 million

on ECS children with severe disabilities. In total, government will spend over \$60 million on ECS programming in 1994-95 to ensure that children are prepared to make the transition from home to the formal education system. In grades 1 to 12 we will spend over \$93 million on special education and high incidence grants to ensure that the requirements of special-needs students continue to be met. As well, we have introduced a new enhanced opportunity grant with funding of almost \$2.4 million to support programs to assist disadvantaged students in inner-city schools in Edmonton and Calgary.

With respect to reduced spending, grants for community schools, regional resource centres, and secondary education support will be eliminated effective September 1, 1994. In one of several efforts, but a major one to reduce the duplication of services in government, extension grants will be eliminated in September of this year. The Department of Advanced Education and Career Development, having the responsibility for adult education, will be taking over that area through their adult development program. Alberta Education will now focus exclusively on ECS to grade 12 students.

In summation, then, Mr. Chairman, the education system in Alberta is moving in new directions. They are directions that will ensure our students are well prepared for the world of work and for lifelong learning at a cost that our province can afford. The details of this year's Education estimates indicate some of the first steps of that change, but there will be much more to follow.

As we move to develop the detailed implementation plans for the key directions outlined in our business plan, directions that I have summarized today, we will embark on further discussions with Albertans. We will develop a new funding framework to ensure school boards are equitably funded. We will redefine the roles of Alberta Education, school boards, superintendents, and school councils. We will look to find ways to encourage the greater use of technology in the delivery of education and the greater involvement of business in our education system. Throughout that process we will work on implementation; we will talk to Albertans to ensure that every decision taken is in the best interest and in terms that will ultimately meet our goals. Overall that's our bottom line, meeting the needs of Alberta students at a cost that taxpayers in this province can afford.

Thank you for the chance to make the opening remarks this morning. I'm now pleased to entertain your questions, and my staff is here with all the details; aren't you?

MR. CHAIRMAN: Thank you, Mr. Minister. I'll take the questions as I see the hands, and we'll go from there. Of course, if we don't have any, I'll be on a plane back to Calgary right away.

MR. HENRY: We are on vote 1?

MR. CHAIRMAN: Vote 1. Mike.

MR. HENRY: Thanks very much. Looking at vote 1, firstly I'm wondering if you can give us some detail about 1.0.10, information services. I see there's an increase in the budget of not quite 10 percent, and I'm interested in a breakdown of exactly what that money is used for. Some of it may be self-explanatory, but can you give us some details on that?

MR. JONSON: Well, the main thrust here is – Mr. Chairman, this may be somewhat surprising – that we have not yet completed developing a really effective information and tracking system for students in this province. The department has been working for

some time. We are about three-fifths of the way through the process in terms of the number of students in the province. This expenditure relates mainly to the development of this information tracking service, the converting of those records to a computer data base system. When we are through, we will have a very effective system whereby we can track students within the overall system. I could elaborate on the various purposes that will serve, but it will be very, very helpful, I think, to education in the province.

Now, I think there's a little bit more there in terms of the reason for the increase, and Reno or Gary can comment on that.

8:55

DR. BOSETTI: I'd add simply that we also need financial information, which we've not been collecting previously, in more detail. This will allow us to do so in matters such as administrative costs. We've been doing it on a very general basis previously, and we need some more specifics with respect to what funds are spent on administration in schools, in central office, and the central office as delivered to schools. This information system will assist us substantially in having information upon which to base decisions.

MR. JONSON: If you've had a chance to look at the Auditor General's report, Mr. Chairman, you will note – and we take that as a very constructive criticism or suggestion – that we need to have a better system of accountability as to the actual fact that our grants are delivered where they're supposed to be.

MR. HENRY: I'm glad you mentioned the Auditor General's recommendation, and I'm glad to see you responding to that. Can you give us, either now or later, some time lines? You say we're three-fifths through the project now in terms of the student tracking. In terms of responding to the Auditor General's recommendation, can you give me some time lines as to when the project will be completed, both the financial and student tracking?

MR. JONSON: We have as our goal the fall of '96 to have everything in place.

MR. ZATKO: Right. We should have the tracking of student demographics to grants data by the end of next year, and then the full system should be up and running at the beginning of 1996.

MR. HENRY: On the program generally. You've established some MLA committees to be traveling throughout the province, I understand, on various issues with regard to your reforms. Where is the budget for those committees, and can we get a breakdown in terms of how much will be spent on those committees?

MR. JONSON: First of all, it is quite correct that we are planning and have the start-up of these committees. There's one of them that because it is so active there, has been out and working. That is the one on amalgamation and regionalization. I expect that within the next short while we will make an overall information release in terms of the committees, their terms of reference, and time lines. The time line has been established for the amalgamation and regionalization subcommittee.

In terms of the expenses for these committees, we will be paying expenses but nothing other than that. This will be paid by the department from our general allotment for meetings and communication and travel expenses.

MR. HENRY: So the short answer is that it's in communications. Thanks for the additional information.

MR. CHAIRMAN: Thank you, Mr. Henry.

Mrs. Burgener, and then Dr. Massey, Mr. Renner.

MRS. BURGNER: Thanks. Good morning, Halvar. It is early. I just want to pick up on the information services item as well. In that increase in budget will there be an opportunity to be actually tracking students individually? I know that we struggle with who our dropouts are. You've heard me give this story; you know, how do we know who these kids are and where they are? Is there a plan to have the provincial student numbers in our system through this information services budget increase?

MR. JONSON: Yes.

MRS. BURGNER: Great. That is excellent.

MR. RENNER: Long answers.

MR. JONSON: I can give you a longer one, if you like.

MRS. BURGNER: No. It's such a long time coming. We struggle with that. I think it's important that the initiative's been taken. Part of that accountability is not just to do with the budget that's sitting in the school district but also who these kids are. I guess my question would then be: could you maybe elaborate? Is it going to be a provincewide system or a district system? Just so I have some sense of how it's going to be implemented.

MR. JONSON: It will be a provincewide system, very much a provincewide system, but that doesn't mean that it will be somehow separate from school jurisdictions. In other words, they will benefit from the information as well. It'll be a total provincial system. The schools, the students, and the province will be integrated into this system, and all will be able to use it for their different responsibilities and purposes.

MR. ZATKO: Can I supplement that as well? One of the many important features of this whole project has been the involvement of school jurisdictions.

MR. JONSON: Right.

MR. ZATKO: And the first phase of the project has 26 pieces of information. You've all heard the phrase "garbage in, garbage out," so the first thing to look at was agreeing to the definitions of what went in. Over the course of the year that branch consulted with school jurisdictions, and there was agreement between the province and the school jurisdictions that these are the definitions we would use, this is how the data would be input, and here's how the data would be interpreted. We're pretty pleased that we were able to get agreement on that. The data coming into the system will be valid data. We have a data dictionary, it's called, to back that up. That's technical stuff, but it's really, really important because it then means the data comes out, there's no disagreement about the data, and you can manipulate it and do some very useful things with it.

MRS. BURGNER: Then my final question – maybe Gary would like to answer it; I'm not sure. For the actual process of bringing the school systems on line, we're now going to be working with approximately 60 new boards, or is this budget geared to the 140 and suddenly we'll make savings because we're only dealing with 60?

MR. ZATKO: The budget really refers to the development of the system and the implementation. It doesn't refer to any operating costs for school jurisdiction, including daily or not. That would be in school jurisdiction budgets, but I think there is an opportunity, with 60 school jurisdictions coming on stream, to take a look at what school jurisdictions are doing to standardize the system a little bit further. A number of school jurisdictions have different accounting systems and so on and so forth. I think there's another opportunity in the information area with amalgamations to standardize the application maybe even further.

MRS. BURGNER: Thank you.

MR. CHAIRMAN: I've got Dr. Massey.

DR. MASSEY: Thanks, Mr. Chairman. The minister indicated that this budget is predicated on big reductions being made in administrative costs, and administration has been picked as one of the villains in the piece. Yet now under 1.0.10, you seem to be telling us that those increased costs can be attributed to going out to try to find out actually what the administration costs are. That doesn't seem to me to compute. Do you not know what the administration costs are?

MR. JONSON: I think your point is a good one, but with respect to bringing about change in the right direction, sometimes you have to spend some money at the front end. I think it's something that is common to business and common to government. In order to get a system in place which will, first of all, provide service and information as needed and important for the overall education system, and also to provide a sound vehicle for making decisions and reducing administrative costs, you need to put that effort in at the beginning.

DR. MASSEY: I guess as a supplement: how can you then justify the cutting you've done if you don't have the information on which to base those cuts?

MR. JONSON: In terms of administration?

DR. MASSEY: Yes.

MR. JONSON: We have general information about how much is spent on administration, but we do not have the specific type of information that I think the Auditor General is looking for. Of course, this information system, if this is the focus right now, goes beyond administrative costs. We're looking at tracking our special education grants – that was one of the examples used by the Auditor General – to see where it's applied, and it applies to the whole information system of education.

DR. MASSEY: My last one, Mr. Chairman. Advanced ed's information system has been criticized as being inadequate by the Auditor General. Will your department be working with theirs in putting together those information systems? Will they be compatible?

MR. JONSON: Overall, there's an effort in government to make the – I'm not sure what is the best phrase. There are so many phrases now with respect to computerization and information systems. But there is an overall government effort to make their information systems compatible, and that would include our two departments. Now, that's a really technical one. Maybe somebody here would like to elaborate on it.

MR. ZATKO: We have a number of pilot projects at postsecondary to link up our data systems with theirs. We'd like to be a bit more aggressive on this, but you know the numbers. The budget just isn't there. Anyway, I think it's more sensible to have a number of pilot projects to link our student ID numbers with theirs and to pilot test that link in the academic postsecondary institutions and technical institutions. So we have two pilot projects going there. We're really quite positive about it and so are they. There's lots of opportunity, I think, to build on that in the future. We're approaching it on a pilot basis rather than trying to bite off the whole thing all at once.

9:05

DR. MASSEY: Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you, Dr. Massey.
Mr. Renner, Ms Carlson, and Mrs. Laing.

MR. RENNER: Thank you, Mr. Chairman. I would like to deal with educational grants to individuals, organizations, and agencies, line 1.0.5. Mr. Minister, could you give sort of a general idea of what these grants might be for? Are they research grants, or are they educational grants? Are they grants to fund educational programs or to fund research in education? I guess that's sort of what I'm driving at.

MR. JONSON: The grants dealt with in vote 1 come under the title that used to be called discretionary grants, although discretionary grants in some cases can become kind of institutionalized. They're there as almost a program grant. They fall into two or three categories.

First of all, we have for a number of years – there's a history to each one – provided support grants to some of our organizations in the province, such as the Alberta School Boards Association, for certain things. There's been an ongoing support grant to the Alberta home and school association.

Then there's a second category of grants which deal with some of the special activities within the schools of the province. The best example there is the science fairs. We give very modest grants to the science fairs in the province.

The third category is support for some specific – I'd guess you'd have to call these the really specific or discretionary ones. For instance, we've provided for a number of years some funds for activities and our students going to the Terry Fox centre in Ottawa. That's the kind of grant.

MR. RENNER: Could you indicate how groups or individuals might apply for these grants? Are they more or less an ongoing thing? If someone has a worthwhile project they feel would qualify, would they contact your office? Just how would they go about it?

MR. JONSON: They would apply to the minister's office. I'd have to say quite candidly here, though, that I'm not encouraging people to apply, simply because the vast majority of the money that's available is committed and this is not an expanding area of budgeting. We're really looking at maintaining the commitments that we have, actually looking closely at some of them to see if some of these organizations can't be more self-supporting and reduce expenditure there.

MR. RENNER: Well, it's not a lot of money. It's \$350,000, and it's reduced from \$372,000. I guess that's my third question.

How did you achieve that reduction: by reducing the number of grants or reducing the total of each individual grant?

MR. JONSON: Both. The other point that I'd like to make is that in the reduction, as we reduce that amount, the, quote, discretion area amount or the flex amount that's in there is really shrinking down. There's not much left.

MR. RENNER: Thank you.

MR. CHAIRMAN: Thank you, Mr. Renner.

MS CARLSON: Just to follow up on your earlier comment on 1.0.5, about the committed dollars there, can you supply us with a breakdown of that, a schedule?

MR. JONSON: Yes, we can. I don't know if we've got the copy right here, but we can certainly do that. Oh, okay. We've got it right here.

How much time is allowed for each question, Mr. Chairman?

MR. CHAIRMAN: Twenty minutes actually.

MR. JONSON: All right.

I'll just give you some examples, and then we can provide you with this sheet. We have the Canadian Education Association, a national organization. The grant determination is \$20,000. The Council of Ministers of Education, there's a big one: \$74,476 last year. An International Seminar on Youth and Development that was supported: \$4,500. Other examples, getting into the other category: Alberta Central East Science Fair, \$600; Calgary Regional Science Fair, \$1,800. Then we have grants, for instance, to the Alberta home and school association. They add up to \$48,000. The unallocated amount this year that we are just finishing was \$2,500. The Young Alberta Book Festival – anyway, we'll provide this to you.

MS CARLSON: I'd like to go back to information systems for a moment if I can. Is that where the roundtables were funded out of?

MR. JONSON: That's the communications line.

MS CARLSON: Okay.

Can you give me a breakdown of how many dollars were spent, then, on the roundtables?

MR. JONSON: We can provide that to you. I don't think we have it here with us today, but we can certainly provide that; that's for sure.

MS CARLSON: When you provide that figure, can you also give a further breakdown as to how the dollars were spent: information gathering, accommodation, that kind of thing?

MR. JONSON: Sure.

MS CARLSON: Great.

MR. CHAIRMAN: You snuck in an extra one there, Debby.

MS CARLSON: Thank you. That's why I looked at you.

MR. CHAIRMAN: Well, you started talking so quickly, I couldn't stop you.

Mrs. Laing, Mr. Bracko, and Mr. Fischer.

MRS. LAING: Thank you very much. Hon. minister and his staff, I wanted to ask a little bit about the department itself. As we're starting this restructuring in preliminary stages, what changes have been made to the department? Like, what functions have been dropped and what's been added in the early stages or that you forecast for this year?

MR. JONSON: I'll mention some of the key ones, and then the department officials can elaborate. First of all, this year we reorganized from divisions involving four assistant deputy ministers into three. There was a reduction in the size of our regional offices. I think as we're talking about this year's budget, '94-95, we're looking at the first phase of the phasing out of regional offices across the province, a very significant change given the structure of Alberta Education, over the past year. We are doing some consolidation in terms of divisions within each department. For instance, our language services and our curriculum services are being moved together. Perhaps, Reno, you'd like to elaborate further, but there's quite a bit of streamlining and targeting of the department going on, a great deal.

DR. BOSETTI: I might add, Mr. Minister, with respect to vote 1 in particular – vote 1 includes my office and finance and information services – the major effort has been to reduce wherever possible any of the costs . . .

MR. CHAIRMAN: Reno, it's really hard to hear you. Can you speak up, please?

DR. BOSETTI: Surely.

Just to repeat that vote 1 includes my office, finance and administrative services, communications, and personnel, we used to call it. It's now called human resources. In those programs we've simply reduced wherever possible. For example, in payroll we reduced more than what we probably needed. However, the major shift that has occurred in that particular program has been to shift money into information services. What we've done is reduced wherever possible. We feel that the information services area is absolutely imperative to good decision-making, so we've shifted moneys from other parts into that function primarily. That's been the major change in that particular program.

MRS. LAING: In the coming year or two do you feel it's still necessary to have three deputy minister's offices?

MR. JONSON: Well, I do. I'd just like to indicate that the department has determined and the minister has approved that we do have those three key areas. There does need to be leadership in each area and co-ordination of the efforts of the staff. We are still going to have a major responsibility in what we've called regional services, or administrative services, albeit we won't have the network of regional offices. But there's still the whole task of connecting, liaising with the system of the province.

Secondly, there is still the need for an assistant deputy minister of finance. We're still talking about \$3 billion in expenditure in education across the province, give or take. Then the very important area which is really emphasized in our business plan and that's the whole area of accountability in terms of the performance of the system as opposed to the dollars specifically, curriculum

and program development, and the setting of standards. So those are the three divisions, and I do think they have to continue.

9:15

MRS. LAING: Thank you.

I just wanted to ask one about the human resources, I guess it is. The department has reduced in this budget salaries, wages, employee benefits by the 5 percent to take into account the potential 5 percent rollback. Looking at the salaries of the AUPE membership, if the salary rollback is not agreed to, what would be the plan to account for this potential shortfall?

MR. JONSON: Well, first of all, I'm hopeful and want to look at this positively in that we hope that there will be that compensation reduction. Quite bluntly, if we are not able to achieve that 5 percent, we would certainly look wherever possible for other savings, but it will potentially translate into people, into more positions being reduced.

MRS. LAING: Thank you.

MR. CHAIRMAN: Mr. Bracko.

MR. BRACKO: Thank you. As we look at the school system, of course, we want it to become more effective, efficient, and improve student performance. My question is under 1.0.9, policy and planning. You have made a commitment or stated that you wanted to reward certain schools for performance. Could you elaborate on how you plan to do that?

MR. JONSON: Well, first of all, I want to preface my remarks by saying that we have several ideas and we think they're sound ideas about how this can be accomplished. Also, in the first question from Mr. Henry he asked about the discussion on implementation, which we are undertaking through our task forces, and that topic will be one that we'll have to consider further in talking to school boards.

In general terms what we see as being possible is that with increased information we can look at the school system and look at school by school and establish sort of their current base of performance. Let's take the number of students graduating or the number of students getting a certain level of achievement in diploma examinations. Please note what I said. We look at the base that schools are starting from – and the base for let's say Eastglen high school would be different from that for Ross Shep – and then develop measures or indicators that are agreed to be able to measure their improvement and then tie to that measure of improvement a small financial incentive to the school.

MR. BRACKO: I guess my supplementary to that is that as we look back in history at schools like Ross Shep, schools like LCI, schools like Lindsay Thurber in Red Deer, and many schools throughout the province, their goal was to have the highest academic performance. Anyone who threatened their performance was given the boot, told they were ignorant, they were stupid. There were thousands of students across this province who suffered and could have actually contributed a lot more, maybe took years or never overcame the stigma placed on them because the policies of the school were very negative. It still makes me very angry because I was part of that system. I was in the system where I had reached all As, 70 to 84, and hauled into the coordinator's office, told I was too stupid and I should go into the nonacademic because I was a threat to their system. That continually happened, and I don't want to see a repeat of this. It's

easy for teachers to do: if we want to improve our standard, all we do is get rid of the bottom 20 percent of the students. You test them hard, you can eliminate them, and your marks go up. To the department you're a hero, to the public. But those students involved don't have a chance. I want to know what assurances you can give Albertans that that won't happen. What are you going to do to make sure that you regulate that or follow it up so it doesn't happen?

MR. JONSON: Well, if you don't mind, Mr. Chairman, I'd just like to refer to some past experience, and not as Minister of Education in this case but in the school system. I've tried to make sure I do not forget about this as I conduct my current duties. That is that I recognize the point you're making, but I also do not think that we should then avoid applying performance measures or incentives to the school system, as long as we keep the factor that you're talking about in mind.

Now, with respect to an incentive system, let us take a composite high school. Yes, you have the academic students, you have the people in math 30 and that program, but you also have programs such as RAP, the registered apprenticeship program. If you are increasing the number of students that are successfully completing that program, that would be one of the things that you would look at; you would look at it for incentives or rewards, if you want to put it that way. If you are reducing your dropout rate, a very, very important matter, and students are successfully completing more of their programs, whatever the programs, that is something to be looked at for incentive funding. So as far as the point you make about making sure that we recognize that the majority of students are not necessarily the university-bound students, in the way that we devise this system, I think it's still an important thing to do.

One of the things that is a fault in our system sometimes is that we don't give enough priority in terms of setting standards and giving recognition to the nonacademic route in our school system. Just because it's a nonacademic route doesn't mean that there shouldn't be standards, that we shouldn't recognize performance in those areas. It's maybe a different area of ability, of focus, but it's really important to education.

MR. BRACKO: I'd likely agree with that. It may take more energy teaching a class that isn't academic than it does the academics. The academics can almost learn on their own part of the time.

A follow-up question on that. I know Edmonton does have open boundaries, and it hasn't seemed to have made a difference. In St. Albert we have four high schools. If we open the boundaries to the surrounding areas – the MD, maybe the acreages – many of the other students in the surrounding areas would definitely want to come to St. Albert. They won't want to go to Sturgeon comp. Therefore, we'd have a surplus of students we could weed out. Say if we take any of the high school students, take the top students, weed out the bottom ones: what's going to happen to them? It would, of course, make the school look better because their average would go up. How would you deal with that situation?

9:25

MR. JONSON: Well, first of all, with respect to the idea of open boundaries, that is getting onto the general policy area, but I don't mind responding at all. We certainly hear from I would call it a significant segment of the parent and to some degree the student population that they would like choice. I feel there is nothing wrong with choice within the public and separate school systems.

I also feel that the vast majority of people are quite satisfied. They'd like to work with the school system to improve things, but they're quite satisfied with their schools. Maybe it's to access specialized programs or for other reasons that people do want an increased degree of flexibility.

Secondly, in Edmonton I think it has made a difference. I don't live in Edmonton; mind you, I seem to be living in Edmonton now. In Edmonton, with that ability to move among the schools of Edmonton, I do think they have as a result been able to, first of all, satisfy this desire of a certain segment of the population for choice, but also it allows them to, I think, focus programs, particularly at the high school level, and that is helpful. I think in our larger school jurisdiction areas and in regions that could happen as well.

The other point that you raise: it is part of our policy or our view with respect to choice that if you have the room and the student comes to register, you register them whether they are a C student or an A student.

MR. CHAIRMAN: If I might just make a comment, the last two questions have been pure philosophy, I guess, or policy.

MR. BRACKO: But they're important, and that's what we're here for.

MR. CHAIRMAN: While I appreciate their importance, this forum is set up as a subcommittee of supply, and they should pertain directly to this budget.

MR. BRACKO: It's what my constituents want, Mr. Chairman.

MR. CHAIRMAN: I'm sorry; I can't hear you, Mr. Bracko.

MR. BRACKO: Policy and finances go together. These are the questions being asked by my constituents, and I want answers.

MR. CHAIRMAN: I'm sorry, but this is not the forum for that. If you'd like those answers to a policy question, we have things like question period and other avenues for it.

MR. BRACKO: We're here for four hours.

MR. CHAIRMAN: Mr. Bracko, I've done this now five times.

MR. BRACKO: I know, but get in the real world.

MR. CHAIRMAN: I'm sorry, but the minister's been very forthright in answering.

MR. BRACKO: Yes, and I thank him for it.

MR. CHAIRMAN: This is a subcommittee of supply, so I'd just ask you to stay a little closer to the budget. I'm trying to be real flexible here.

MR. HENRY: With respect, just for the record I do believe the questions were related to 1.0.9, policy and planning.

MR. CHAIRMAN: Well, just because the information says in 1.0.9 "Policy and Planning," that doesn't mean you can get into the policy. That means you can get into the budget that pertains to policy and planning, for the record.

You have one more supplementary, I believe. Oh, I'm sorry. No, you don't, Corinne tells me.

I've got Mr. Fischer, and then Mr. Hlady. Somebody's got to count to three for me.

MR. FISCHER: Thank you. Under 1.0.4 I would like the minister to elaborate a bit more – and I know you touched on it with Bonnie's question – on the regional offices. I'd like to know: how many dollars are we saving? You mentioned phasing out. I'd like to know the dollars you're saving. How much employment are we reducing?

MR. JONSON: I'll get Reno or Gary to give you the specific numbers there.

DR. BOSETTI: Mr. Chairman, roughly a hundred positions are involved. The dollar amounts: I think we use about \$40,000 per position. So a hundred times 40 in terms of money – what is that? – but the positions would be about a hundred.

MR. FISCHER: Can you elaborate a little bit on the function of those regional offices, the duties they have?

MR. JONSON: I can comment there. The regional offices, which are located in Lethbridge, Calgary, Red Deer, Edmonton, and Grande Prairie, evolved, if you'll recall, some years ago when provincially appointed superintendents were phased out. [interjections] That's true. Also, along with that there seemed to be a request for consultative services. Some evaluations were done at that time. I know I worked on one personally when I was involved with the Alberta Teachers' Association looking at the newly created regional offices. In any case, they've been serving two or three functions. First of all, there's the administrative function in terms of being there to deal with providing information – right now providing information on budgets and grants and explaining things out in the field to school boards – also with respect to making sure that legislation and regulations are implemented correctly with respect to the overall structure of education in the province.

Secondly – I would have to say that this has been decreasing just because the staff numbers and the resources available have been decreasing – they provided and still provide specialized you'd have to call it consultative services in areas such as special education, in areas such as, oh, all of the different program areas, physical education, to help the schools with the development of their programs. The regional offices also were a very key part of school system and school evaluations that were conducted throughout the province. Then an area which we still very much have to maintain – and the regional offices have been involved in that – is in the two or three areas of appeals: special education appeals, attendance board appeals, and ministerial reviews. They've been very key in being part of that process. I'd just like to indicate that that particular demand on the department is increasing, and we're going to have to cope with that within the department's work.

MR. FISCHER: Thank you.

Who, then, is going to be doing these duties? Certainly when we phase those right out – and I know you're going to local autonomy an awful lot more – is a lot of that administration not necessary? Are the superintendents going to be doing more of that? Could you elaborate a little bit?

MR. JONSON: The answer first of all: yes, as far as the superintendents are concerned, particularly in terms of the first function that I described. In terms of making sure that there is the

liaison back and forth and the compliance with legislation and regulations, in terms of accountability and reporting on results, yes, that'll be focused more on the superintendencies of our reduced number of school boards across the province.

In terms of the second function, that of consultation and in-service services: although in phasing them out it seems like it is a loss – and it is a loss for the system – I think, though, that we have an opportunity there to be much more creative in the way that in-service activities and consultive services are provided across the province. For instance, in the Lethbridge area they have the professional development consortium that they have developed where the school jurisdictions there and the ATA groups are working together on their own particular professional development plan. I see things like that coming into place with respect to the whole area of professional development and consultation.

The third function, with respect to the appeals. We are going to have to preserve some of the people from our regional offices, quite frankly, and bring them into the department to deal with that particular area.

If you want more specifics, Reno can tell you.

MR. FISCHER: How many people in those four offices? You mentioned there was going to be a reduction of a hundred. How many altogether?

DR. BOSETTI: I can answer some of that, Mr. Chairman. The reduction plan for this year is 39 positions. This is program 3, but it doesn't matter, to me at any rate. But the regional services division includes more than regional offices. It includes things like teacher certification. It includes national and international education. It includes special education and the appeals secretariat. So it has that whole piece in it. We're trying to focus our efforts fundamentally on providing comprehensive audit capability in our system using staff and external people. We're going to have to buy people to assist in that function to ensure that we are indeed allocating resources where they need to be, and in our view that's where education happens, in the classroom. The other function is very important, and I'm not sure how we're going to deal with it. Regional offices perform a significant role in mediation of disputes between parents and school boards.

9:35

MR. JONSON: Before they get to appeal.

DR. BOSETTI: Yeah. My concern, basically, is that I don't want to lose that capacity because then it becomes an appeal structure, and appeals get more complicated and more expensive and more litigious. So we will endeavour to retain a court capability to do those mediation services that are almost invisible, because they don't end up as being a huge problem but they are significant.

Teacher certification is another one where, depending again upon the goal of the Teachers' Association, most certification functions flow into the professional associations. One unique component of Alberta is that that is done strictly through the ministry. We have a whole teacher certification branch, which indeed, if the Teachers' Association were to have that function, would be reduced substantially.

So there are a lot of reductions possible, but we don't want to lose that significant opportunity to ensure that resources are allocated to schools, results are being achieved, and we should know why when they're not being achieved.

MR. FISCHER: Thank you.

MR. CHAIRMAN: Thank you, Mr. Fischer.
Mr. Hlady.

MR. HLADY: Thank you, Mr. Chairman. I'm going to spend just a bit of time on 1.0.9, policy and planning. I want to see how that is going to be connected with the new information services in the integrated systems so that we can do the tracking of students and so forth. I'm wondering how policy and planning is going to be effective and more efficient, I guess, with this new connected system, and how we can make use of that right down to the school level and back up to Alberta Ed.

MR. JONSON: Well, that's an area we could have one session on by itself. I'd just like to use one or two examples. One of the items that was raised earlier, Mr. Chairman, is the topic of dropout rates. Right now across this country you have at least three different formulas that are used to identify what, in quote, dropout is. Of course, school authorities quote the one that looks best for them, and that's the way it goes.

In terms of policy and planning one of the policies of all education systems, including our own, is to try and reduce the real dropout rate across the school system. Now, through our information tracking system we'll be able to do two things: first of all, get some global or average figures for the province, but, more importantly, find out where in the system this is occurring and then relate our provincial initiatives as well as provide the information to the local school jurisdictions for them to implement initiatives to address that particular problem. There's some of that done right now, but with the tracking system being able to take the individual students and put that together, it's really going to be helpful. The two can really work together closely. That would be one good illustration. There are other examples, and maybe Gary would like to comment. There are many of them.

MR. ZATKO: Just as a supplement, I think with the business plan we're in a real advantageous position now because we have goals, strategies, and performance measures. They're the key, the performance measures. Now we can sit down and say, "What pieces of information do we need in the information system to answer those questions?" So now you've got a business plan, you've got your goals, you've got your measures, and now you could construct an information system that's really efficient to represent the things that we have said are important.

Obviously, that's going to give us all kinds of directed information that will enhance our decision-making. So rather than collecting everything, you can focus your efforts on those things that you've made a decision are more important than others, because you can't collect everything about everything. There's not that much money. That then will be able to pyramid down to the school jurisdiction and the school level. So we'll be able to talk about apples and apples finally, rather than debating about definitions and data and on and on it goes. That gets to be kind of a spurious discussion, because you never get to the heart of the matter. You never agree on the survey, you never agree on the data, you never agree on the definitions, so you can never get to anything constructive. So getting a common data base with a set of definitions linked back to the business plan I think is going to really link up policy and planning and information services much more effectively than ever before.

MR. HLADY: Okay. Great.

Now, you've removed from last year's budget about \$141,000 under policy and planning. I'm wondering: after setting up this information, or the cross of the information system, are we going

to have a lot of duplication? What kind of downsizing do you foresee in this area for actual budget in the future as this gets set up?

MR. JONSON: I'm not quite . . .

MR. HLADY: I'm sorry. Well, as we're moving into the information system, the policy and planning hopefully will work much more effectively and efficiently. I am curious to see how much more we can bring that \$1.8 million down. Do you have any future figures once it's integrated into the system?

DR. BOSETTI: Once the developmental costs are done, the information system will have significant reduction in those costs. That's the main area where we do achieve some cuts. I can't estimate them. Maybe Gary can.

MR. ZATKO: Well, you know, in the four-year period we go down from I think \$58 million to \$46 million in terms of the department's operating budget. Obviously, this is the second year of that, and next year there will be some more taken off other areas.

MR. HLADY: So you see it coming down?

MR. ZATKO: Right. Information services takes about two to three more years because of the research and development cycle. It goes up and then it flattens out and goes down, because there are efficiencies. Once you get the system up and operating, obviously you get efficiencies. It takes some time because we're dealing with 500,000 students. We have about a million data elements at any one time running through the system. Right now we crank out 350,000 transcripts a year, and that's just sort of on a baby bunny system. Once this thing gets cranked up and going, we're really talking about large volume here. The reason I mentioned that is that's when you'd get an opportunity going for real efficiencies.

MR. HLADY: Okay. Good.

MR. CHAIRMAN: That's three, I believe, Mr. Hlady.

MR. HLADY: Was it? I thought it was two.

MR. CHAIRMAN: I'm pretty darned sure. No, I think it's three.

MR. HLADY: Are you sure? I think . . .

MR. CHAIRMAN: It was a good try.

Members of the committee, we are through – we've used up a little bit better than an hour. If any single member of the committee wishes to ask another question on vote 1, we do another complete round on vote 1. So does anybody wish to ask another question on vote 1?

SOME HON. MEMBERS: Move on.

MR. CHAIRMAN: Move on? No one wants to answer another one on program 1, vote 1, whichever? I interchange the terms.

Okay. We're on vote 2, or program 2 as its name is. If nobody minds, I have a great need for a facilities-needs break. I'm just going to kind of disappear, and everybody will be on their honour now.

MR. HENRY: Can I have the floor? I'll be kind. I'll be easy.

MR. CHAIRMAN: Mr. Henry is first. It's the only name I've got. Jocelyn, if you would just keep track. Mr. Bracko will be third, Mrs. Laing will be second, then Mr. Bracko, and then Ms Carlson.

Mr. Fischer, when you put up your hand about five minutes ago, was that for vote 2?

MR. FISCHER: Yes, it was.

MR. CHAIRMAN: I'm sorry then. I've got . . .

MR. FISCHER: That's okay. Put it in right after.

MR. CHAIRMAN: Okay. Then I've got Mr. Henry.

MR. HENRY: Okay. Under vote 2, I recognize that I'm looking at trends and I recognize that some of the figures will change because of the change in funding formulas and whatnot over time. But I think there are a couple of stable amounts, or at least predictable amounts. That's 2.1.7 and 2.5.1, which are the capital amortization and the TRF, teachers' retirement fund, contributions. I'm wondering – and it doesn't have to be right now – if the minister would provide me with a schedule in terms of a projection over the next five years, if you can, in terms of what the capital amortization payments are going to be and the TRF projections as much as you can be sure. Okay? That's agreed?

MR. JONSON: Yes.

MR. HENRY: The second question. Or are you going to let me continue on with my first one, Jocelyn?

MRS. BURGNER: You're on a roll there, Mike.

MR. HENRY: My second question is with regard to 2.3.1, early childhood services. There is a reduction, and I assume this is because of the reduction for the funded program from 400 to 200 hours beginning in September. So next year we'll see a further reduction here, and I'm making an assumption. The minister has made statements repeatedly that the goals of ECS, as stated by the department, can be achieved by 200 hours funded by the department. I'm wondering if you can provide us with any studies or any independent evidence that show perhaps examples or research that show that the objectives can be achieved in 200 hours as a reduction from 400 hours.

9:45

MR. JONSON: Sure. I'd be pleased to answer that. With respect to early childhood services I'd like to make it clear that the decision in terms of reducing funding on the extension grants, the community school grants, the ECS funding – quite forthrightly, I will indicate that that was a matter of, first of all, setting priorities and deciding to reduce spending and making some choices.

In direct answer to your question, the early childhood services program has very general goals. A study of the history of the program would indicate that it was designed to be very flexible, to deal with goals related to societal matters – I sometimes get into trouble for using the wrong term – and socializing or acclimatizing or preparing students for a school situation. In this whole process I have looked for any concrete data that could be used one way or another to evaluate the ECS program. I have asked, and the response to me is that there has been no quantifiable study done

of our ECS system. In other words, the answer is that the data isn't there either way. Yes, through Alberta Education, they're called evaluations that are turned into us each year. That is maybe misnamed, because it's more an evaluation which indicates that yes, we're using certified teachers; yes, we're spending our money this way, and so forth. It isn't a performance type of evaluation. So that's the background to your question.

In terms of the very general nature of the goals of ECS, I have indicated several times that I think the goal of preparing students for entry into school according to the list of goals provided for the ECS program can certainly be addressed and dealt with within 200 hours. The argument I recognize can be made that it would be better dealt with in 400 or 600, but that related to my first statement about a priority being set and a decision being made and fit together.

MR. HENRY: So it's basically an economic or budget decision.

Then moving on from the preschool education grants. Generally in program 2 – and I guess I'm focusing on program 2.1.4, equity grants. I'm wondering if the minister could provide me – I should preface it by just saying that it's unclear with regard to the new formulas that are being developed for distribution of all instructional grants and equity grants, et cetera, to the school divisions. Can the minister provide me with a time line as to when we and the public and the school boards will know what the formula is going to be over the next few years with regard to the basic instruction grants, the transportation, the equity, including property tax revenues? When are people going to find out what the formulas are going to be? What's your time line for developing those? I recognize they're in development now. What is the time line?

MR. JONSON: Well, we certainly hope to have the fiscal framework – that's the new word for provincial grant formula, and it's a good word: provincial fiscal framework. As I recall, the time line that we're working on, as I said, that we will be laying out specifically in a short while, is the end of this year, if I recall correctly.

MR. HENRY: Just a clarification: calendar year, school year?

MR. JONSON: Calendar year.

MR. HENRY: Thank you.

MR. JONSON: I would also on that topic, Mr. Chairman, just like to indicate that with respect to equity for this year – maybe I'm providing more information here than was asked – we've been quite straightforward in indicating that since we do not have that special lottery funding this year, we're getting our \$32 million or \$33 million that we need for the coming school year by using the money derived in the growth in assessment and reallocating.

MR. HENRY: I was going to ask you that sometime.

MR. CHAIRMAN: It's almost like a free question; isn't it?

MR. HENRY: Well, if it's a free question, can I get two supplementaries?

MR. CHAIRMAN: I have Mrs. Laing, Mr. Bracko, and Mr. Fischer.

MRS. LAING: I'd like to ask about 2.1.5, the special education grants. There's a reduction of about 5 percent; is it?

MR. JONSON: Yes. We have certainly, as I indicated in my opening remarks, Mr. Chairman, kept our special education grants, but the special education grant lines are subject to a reduction of 5 percent as of September 1, 1994, and a further 2.5 percent as of September 1, 1995.

MRS. LAING: Does this line include the special ed grants for the private schools, or is that found down in the private schools, line 2.4?

MR. JONSON: That's the private school special education line.

MRS. LAING: Okay. So it's not in that one then.

Is the process in place to do an evaluation of the special ed that is actually done in the different systems? Is that a part of this as well?

MR. JONSON: I would have to say that in terms of a really comprehensive evaluation of special education, no, we don't have that mechanism in place. That is a key one in our overall effort to look at performance and accountability and a very sensitive one. You raise a point that we've given some thought to, but no, we don't have a comprehensive evaluation network in place.

MRS. LAING: Okay. I hope that's something we can work on in the future, because I really have some concerns with what some groups call special education.

MR. JONSON: We have that concern as well. We recognize that there are students there that very, very much need targeted and extra resources and supports. We also know that some of the resources that we put into special education, because of broad interpretation of definitions and so on, are really not being focused the way they should, and we need to work on that.

MRS. LAING: Thank you.
Can I have one more?

MR. CHAIRMAN: You had that last one, I'm assuming, more for clarification.

MRS. LAING: Okay. Thank you.

I was going to ask about the ECS grants. Does this still include grants to community groups where they submit their proposal and receive funding back from the department, groups that are separate from the schools?

MR. JONSON: Yes. What's called the private ECS system is still in place, and there's variation within the so-called private. The majority of them are really community-based ECS where the school system has not chosen to operate the system as an integral part of their system. Then there are a few that I guess are more in the category of what you would consider a true private school type of ECS.

MRS. LAING: Okay. Thank you.

MR. CHAIRMAN: Mr. Bracko.

9:55

MR. BRACKO: Thank you, Mr. Chairman. Again going to the early childhood services. In the economic development 2000 paper the statement is made that education is our future. As we look at the industrial nations in the world, students start at the age

of four. If you look more specifically at the Pacific Rim countries, they start at that age and not only would have two years of preschool; they also would hire tutors for their students on Saturdays and Sundays to work with them. So this gives them 14 years of education, whereas in Canada we'd have 12 or 12 and a half. Then students are compared with these countries. I guess it's hard for me to understand why you'd cut back. The early formative years especially are really essential to a student, a young person. Maybe some changes need to be made to the kindergarten program to make it more in line with what's happening in the other nations, not just a social setting to prepare them for school but actually getting into more things. I guess my question is: what benchmark are you using, two years or five years or 10 years down the line, to see the consequences of that?

MR. CHAIRMAN: Mr. Bracko, that's purely a policy question. At this time you've got to tie it into this budget somehow.

MR. BRACKO: Are you putting any money to these benchmarks, and how would it work?

MR. JONSON: Well, Reno wants to get in here.

MR. BRACKO: If you don't want to answer, that's fine.

MR. JONSON: No, no, I don't mind answering. Obviously he wants to too.

The comment that I'd like to make is that first of all, Mr. Chairman, I know that there is a trend, it seems, in other countries and other places to extend right down to two years of age, if not – maybe I'm making an extreme statement here – to one year of age, the involvement of the state, if you will, in the preparation of students for school and I guess the preparation of students for life as well. Maybe I'm lacking in my information, but I don't know as that has quantifiably ever been related to entry into the work force and the obtaining of jobs and so forth. Maybe it can, but I've not been able to find that definite relationship there. Therefore, I haven't found that it's been related to the relative comparisons of performance of students, let's say, in grade 12 mathematics and that sort of thing.

What I think is generally recognized is that for the socioeconomically disadvantaged student and for the students disadvantaged in other ways intervention and help are productive. In the decisions that we made in terms of our grants and our three-year business plan, this is why we made sure we did not reduce the special education funding in this area. This is why we've redirected some of the funds out of the previous community school grants to enter into the whole area of what we call our education opportunity grant, as was described in my opening remarks. That's the direction that we have taken. The overall evaluation – well, I perhaps need to dig deeper into the research and find out whether there is that quantifiable research, or perhaps we should be launching some ourselves, but I've not seen it.

DR. BOSETTI: Mr. Chairman, just a couple of comments. They're general, but they're specific at the same time. We're implementing an accountability framework in the province to look at the outcomes. Historically educators have been much more comfortable with using time as a proxy for outcomes. While time is related to outcomes, it's not a measure of outcomes. We're moving more to say, "What do we want to intend with this expenditure of resources, and what are the outcomes?" So we're moving more to a framework which tries to replace time as the measure with outcomes as the measure. I think it's vitally

important that we do that not only in early childhood services but in education as we do it.

We're also using national/international outcome comparisons. We hope to have in the next few years some reasonable data on which to base decisions about how much time do we spend or how many resources do we put into programs, but they'll be related to desired outcomes. We're really moving away from the notion that emotionally this is a good thing for you, as opposed to moving to what is the outcome, or what is the result, of putting money into a particular program.

I must say that, you know, the ECS program is a reduction in costs of a magnitude of \$30 million. Now, if we didn't reduce ECS programs, we would have to increase the grant reductions by 3 percent. Instead of a 5 percent reduction, it would have to be in the magnitude of 8 percent. So those are the kinds of judgments that remain basically in this allocation. The focus is going to be on results as opposed to focusing simply on time.

MR. BRACKO: My next question is on 2.1.4, equity grants. What is the formula for these grants, the difference in tuitions? How is it worked out?

MR. JONSON: For the current year there is a formula which has three components. One is the per pupil assessment. Per pupil assessment is one factor in the formula, and then there's sparsity and distance that are worked in. In terms of its application, if you want an example, perhaps Gary or Reno can give you an example of how this actually applies. To do it properly we'd have to have some charts and work some cases out for you, but those are the three factors that are used.

MR. BRACKO: I could even get that later.

The other question I have is on 2.5.1, the teachers' pension, \$96,500,000. This continues for how many years . . .

MR. CHAIRMAN: Could you speak up, please, Mr. Bracko?

MR. BRACKO: Okay.

This will be for how many years, and will it increase or decrease as time goes on?

MR. JONSON: I'm not being offhand, Mr. Chairman, but it'll continue forever, I think, unless some decision is made to do away with the pension plan, and I don't anticipate that.

First of all, I should explain, Mr. Chairman, that what we have here in Alberta Education's budget is the amount of money that is related to current pension costs. The amount of money that was part of the memorandum of agreement with the Alberta Teachers' Association, I guess getting to be two years ago now, to reduce the unfunded liability – that is, the surcharge – is over in Treasury. So there's some additional money over there.

As far as addressing the unfunded liability and getting that covered, the projection for that is 2060. The important thing here, though, is that with that memorandum of understanding and its implementation, the graph line, if you will, is in hand, and then it is going to eventually be dealt with. Even though the number of years that that will take is rather astounding, at least it's on the right trend line.

MR. BRACKO: Could you supply us with the graph, or would you have to go to Treasury for that?

MR. JONSON: We have those graphs from that negotiating time. Yeah, sure.

DR. BOSETTI: They're based on actuarial assessments of course, and they're subject to change depending upon the number of teachers employed and the salaries. Those are all variations, but we do have the chart.

MR. CHAIRMAN: Thank you.

I've got Mr. Fischer, Ms Carlson, Mr. Renner, and then Dr. Massey.

MR. FISCHER: My question is on 2.4, private school assistance. I notice that you are going down by a couple of million dollars. Has there been a change in the number of schools, or what is that attributed to?

10:05

MR. JONSON: Mr. Chairman, the private schools' funding that the province provides, just to sort of set a base for what I'm going to say, works out to about 30 percent of what the separate and public schools of the province get when you add together our provincial grants and the money that is raised from the local tax base. The reduction simply recognizes that the same grant reduction percentages have been applied to their funding as have been applied to the other schools in the province.

MR. FISCHER: Does this private school funding include Hutterites, and if not, why?

MR. JONSON: No. The schools of the Hutterite brethren across the province are part of the public school systems in that area. There's a long history to this, but they are taught by the certified teachers of the school division that's involved. They do follow the curriculum, subject to evaluation and so forth. There is also a provision that if the costs of operating the Hutterite school are above the average costs of the school system of which they are a part, there can be a special levy paid by the Hutterite colony for that, to recognize those extraordinary costs for having their school on the colony.

MR. FISCHER: In our regionalization, are we going to regionalize some of our Hutterite colonies?

MR. JONSON: There's no mention of that in the business plan, and that is not one of the initiatives in our overall business plan. It would have to be . . .

MR. HENRY: Isn't that a policy question?

MR. CHAIRMAN: No. It's related to 2.4.

MR. HENRY: Oh, I thought that.

MR. FISCHER: How are they, Halvar, then being affected by our reductions? Are there going to be any reductions for them at all administratively or anything? Because if we're not going to regionalize them, if we're not going to have a reduction, and if we're not going to change anything they have in place now, then I'd like to talk about the fairness.

MR. JONSON: Mr. Chairman, it depends on what angle you're coming from in looking at this in terms of reductions. The Hutterite colony schools are part of – whether it's the county of Vulcan or the county of Taber-Warner or the Cardston school division, we expect of the teacher or teachers, we hope that they will take a 5 percent reduction in compensation. The school

division of which they are a part is subject to the 5.6 percent reduction in the school foundation program April 1 and so on. So they are subject to the same reductions as everybody else, because they are, quote, part of those school systems.

DR. BOSETTI: And they regionalize them the same way.

MR. FISCHER: Thank you.

MR. CHAIRMAN: Thank you, Mr. Fischer.

MS CARLSON: Would I find funding for charter schools under 2.1.1 or 2.4.1?

MR. JONSON: Well, you could find them almost everywhere, and I don't mean that in an offhand manner. One of the features of a charter school is that it would be funded on the same basis as other schools.

MS CARLSON: So exactly the same number of dollars would be allocated per student at a charter school as they are at the public schools?

MR. JONSON: The dollars that would be allocated would be allocated from school board budgets, or as we've indicated quite clearly, we have in mind some at the provincial level that serve provincewide programs allocated from the Department of Education budget. The nature of the funding would be an integral part of the charter. Let me just give you a hypothetical example. Let us say that one of our pilot charter schools was one which was in the area of special-needs education. Then part of the charter agreement would be the agreement for funding of that school on the basis of the special-needs programming students that they would be serving. If it was a school serving some other function, the charter agreement would have to outline that. We've said that charter schools are not schools which go out and have public funding and then charge tuition on top. They are working within the fiscal framework of the school systems.

MR. HENRY: A funding formula.

MR. JONSON: A funding formula, yeah.

MS CARLSON: How are you going to ensure that over time those students who attend charter schools are not just going to be students who fall within the upper quadrant of learning abilities so that we have some provision there for students who are less academically orientated or what we deem to be problem children now within the system, that they will still have the same access as other students?

MR. CHAIRMAN: Sheer policy, Ms Carlson.

MS CARLSON: Well, I think it ties into 2.1.5 when you talk about special education grants and being downsized, that there may not be a dollar provision to follow those students.

MR. CHAIRMAN: I'll accept it on that basis.

MS CARLSON: Thank you.

MR. CHAIRMAN: I won't accept it on a general basis.

MR. JONSON: Mr. Chairman, I hope that as we look at new initiatives and directions and improving education in the years ahead we can somehow get by these – and I'm not wanting to focus on the questioner here – sweeping charges that are made whenever you try to change the education system, such as we're going to a two-tiered system or we're only going to be focusing on academic students.

The charter school initiative that is being undertaken in many other places – although it has not been in place very long, and that's why in our proposal we're saying very definitely that we want to pilot and evaluate, not just announce it as some kind of sweeping program. But the experience is that the charter schools have been focusing on a wide range of areas. One of the best and most publicized examples is the charter school type initiative that was taken in Harlem, where the performance of the schools in that area of New York was dismal and getting dismal-er.

MR. CHAIRMAN: Is that a word? I think he said real dismal.

MR. JONSON: They were not meeting their academic standards at an increasing rate. There had been all kinds of efforts within the existing education structure there to address the problems in that particular area of New York, and finally a decision was made, and as I understand it, largely initiated by the teachers themselves. They had ideas about how to approach the problem, how to organize their school, how to get the job done. They were given the flexibility and the opportunity under this type of structure, and at least the preliminary results that I have read about it indicate it has worked, and that was not an already academic program type of approach.

The other example that I've just used – I see a place for a charter school pilot project in the area of special-needs students. I'm sure there will be some proposals coming forward for the academic focus too.

10:15

MR. CHAIRMAN: Mr. Renner.

MR. RENNER: Thank you, Mr. Chairman. I'd like to get back again to equity grants, 2.1.4. The minister partly answered my question in his gratuitous response a little earlier, but I'd just like to explore that a bit further. I was surprised when I looked at the budget figures to see that the line item shows no increase from the year before, and we all know there was \$30 million in lottery grants last year. You explained that that was going to be made up in increased assessment this year, which I understand, but I'm wondering why that increase wouldn't be reflected in this budget. If it is, where is it? It certainly doesn't appear to be in this line item.

MR. JONSON: Well, this line item reflects the amount of money being allocated from general revenues. When we, as we have clearly indicated, collect the money from the local tax base, that will be identified in its own box, so to speak. Then the allocation of that money will be reported as well, including the proportionate money for equity that will come out of assessment growth and the mill rates applied to it.

MR. RENNER: So what you're saying is that next year there will be another line item in this budget that's obviously not there because the legislation is not in effect at this point. When you go to the full funding, we'll be adding another whole program or another line or something into this budget?

MR. JONSON: Yes. There will be quite a revision. It will be added in, yes. I'd just like to indicate that part of that will also, in this year particularly, be identified as having come from the local tax base.

MR. ZATKO: Just to clarify that, the actual equity funds going out this year to the school boards would be about \$98 million, \$73 million from general revenues and the remainder coming from local revenues. So that budget is \$98 million.

MR. RENNER: Okay. Well, I think it's important that we understand that.

I'd like for my third question to move on to a different line. Everyone else has been doing it, so I guess I can too. Is the teachers' retirement fund, 2.5, restricted to teachers? Are there any administrators, any of the administration involved in the teachers' retirement fund? What I'm getting at is that if we're going to downsize administration and if the administrators are participating in the teachers' retirement fund, I wonder if there's going to be a long-term impact on the teachers' retirement fund by having fewer people contributing to the fund.

MR. JONSON: First of all, yes. In fact, the overwhelming majority of administrators in the school system, practically all that are certificated teachers are part of the TRF. They are contributors to the teachers' retirement fund. Yes, having fewer people contributing to the fund does have an impact, certainly. It just brings down the size of the overall operation, and staff who can better explain the technicalities should comment. Depending on who retires in what category at what age always has an implication for the direction the fund's taking.

DR. BOSETTI: Well, yes, the whole cost of TRF contributions is related to the dispersal of people along the age meridian from beginning to age 65, and early retirements of course cost more to the fund, and retirees tend not to contribute to the fund. So the number of teachers employed is a significant variable and can vary the contribution rate substantially, as well as early retirement at age 55 which takes 10 more years of money out of the fund which normally is not calculated in the actuarial assessment. All of those factors can cause significant vacillations in the contributions required. Fewer teachers, more contributions.

MR. RENNER: That was my third. Can I get a clarification on that?

MR. CHAIRMAN: Well, for clarification purposes, yeah.

MR. RENNER: When you talk about adjustments on contributions, adjustments to who? Adjustments to the teachers or to the government?

MR. CHAIRMAN: That's another question.

I've got Dr. Massey and Mr. Hlady and Mrs. Burgener, and that concludes the nine.

DR. MASSEY: Thank you, Mr. Chairman. I guess I'd like to ask the minister how you justify taking \$25 million away from public kindergartens and spending \$25 million on private schools that serve private interests.

MR. JONSON: Well, first of all, Mr. Chairman, there are students in private schools. You've got to remember that. There are students in private schools. There are special-needs students

in private schools. There are ECS programs operated by community and private groups. Quite bluntly, let's say that you withdrew all private school funding. Let's look at the numbers for a moment without right now getting into the philosophy of it. If you withdrew all private school funding, the vast majority of those students would have to go back into the public school system at full funding. Therefore, I think if you are looking at it in terms of cold, hard cash, the funding of private schools is at a lesser rate and is costing the budget less than the public and separate.

Now, I'm a public school system supporter. I've indicated that. But we have an acknowledged private school system in this province, and we are funding it. I have a hard time seeing from a financial savings point of view how you would argue that eliminating private school funding would get you the money for more early childhood funding.

DR. MASSEY: Is it not possible that those private schools would finance themselves?

MR. JONSON: I said the vast majority. I acknowledged that there would be some private schools that would continue and they would finance themselves. Yes, I acknowledged that that would be a possibility, and we have one or two in the province that basically do that now, plus our registered private schools, as they're called.

DR. MASSEY: Along the same line, then, will charter schools for funding purposes be held accountable to public boards or a separate board?

MR. JONSON: To a public or a separate board or to Alberta Education, most definitely. In fact, the key concept or at least one of the key concepts of a chartered school is that you outline what the expectations are – what are the expected outcomes when you charter a school? – and their continued existence depends upon meeting those. The criteria, the goals, and the evaluation of outcomes in a chartered school concept takes on added prominence because in between you allow more flexibility in the way you deliver the service, but the important thing is that they do produce.

DR. MASSEY: Thanks, Mr. Chairman.

MR. CHAIRMAN: Thank you.
Mr. Hlady and Mrs. Burgener.

MR. HLADY: Thank you, Mr. Chairman. My first one is on 2.3.1, more specifically special-needs ECS. Have you got a breakdown on exactly what they're being cut? It's just the one number there. We're seeing approximately a 33 percent cut there. I'm just curious if there is an area inside ECS for the special-needs students and how much it is being cut. Is it being cut the same as everything else, or is it being cut much less?

10:25

MR. JONSON: Which line are you referring to? I'm sorry.

MR. HLADY: Line 2.3.1, just under the preschool education grants. I'm sorry; maybe it comes under special education. I'm not even sure where it comes, but for special-needs ECS.

MR. JONSON: Okay. I see it. Under early childhood services there are five components. There's the basic instruction grant under early childhood services which is cut. It works out to 38.4 percent this year, for '94-95. Then you have the transportation

grant which is a reduction of 60.4 percent, and that is there. The program unit grants, which are the individual grants for the really high-needs special education students, are just down 1.4 percent in the budget, because we anticipate a bit of an increase in numbers there. Then there's the general education block grant, which applied in this area is down minus 22.9 percent, and mild and moderately handicapped ECS students, the grants there are down only 1.2 percent.

Now, that's rambling through a great deal of information, but the important thing here is that the program unit grants, which are focused on the special-needs ECS students, and the mild and moderately handicapped grants, which again are focused on special-needs students, are only in the final analysis going down in total about 1.4 and 1.2 percent. The big factor in that line is the reduction in the basic instruction grant and transportation grant and general block grant.

MR. HLADY: I'm sorry. What was the first one at 38 percent? I missed that.

MR. JONSON: The basic instructional grant. This is what we've been discussing earlier here, where we made the decision to cut back.

MR. HLADY: Okay. That's good. Thank you.

MR. JONSON: I guess something else for clarification is that that percentage on the basic instructional grant, if it was calculated on a school year basis, would show 50 percent, but the budget is on a fiscal year, and there's the carryover of the existing grant right into it.

MR. HLADY: The individual school boards are also aware of seeing this breakdown and where you've done what.

MR. JONSON: Yes, we've provided school boards with our estimate of what their grants will be for the coming year.

MR. HLADY: In each of those areas.

MR. JONSON: Uh huh.

MR. CHAIRMAN: Mrs. Burgener.

MRS. BURGNER: Thanks. My questions also relate to the private schools, vote 2.4, and my first one is a clarification of the numbers that are presented, because I have a concern about the comparable estimate numbers and the actuals and then the forecasts. There seems to be a significant discrepancy between what are estimated and what are forecast and what the actual was for last year. I'd like, first of all, some clarification on why those numbers seem to have varied so.

MR. JONSON: You're asking about '93-94?

MRS. BURGNER: Well, the comparable number for 2.4 for '92-93 is \$23,228,000, but our net estimates are \$24,981,000. So it would appear that we're budgeting more money in this year than what we actually spent last year, yet we've got comparable forecasts and estimates in '93-94 that are \$26 million and \$27 million, but we're actually estimating . . .

MR. JONSON: Well, the staff will give you the technical answer, but I see what you're getting at. If you go back to the previous

total budget year, going back actually to '92-93, a decision was made to provide special education funding to private schools, provided of course they offered special education services. Also, a decision was made to provide them 75 percent of other grant areas, provided they offered those programs as well. That resulted in about a \$3 million total increase in private school funding, and that was reflected in the actual estimates. So private school funding had the situation where they went up, and then they got the grant reductions applied to them and they've come down again. That's what's reflected there.

MRS. BURGNER: My second question for clarification. The fact that they've been given an increase from what was the actual in '92-93 reflects the fact that they've accessed additional dollars, and those additional dollars have taken the number up. When we apply the current reductions for this fiscal year, they're down again?

MR. JONSON: They're coming down again, yes.

MRS. BURGNER: Okay.

MR. ZATKO: Supplementary to that, I'd just like to add that private school enrollments are actually increasing more than public schools. They're actually about 4 percent. They have the benefit of an increased number of kids, and since a lot of our grants work on that basis, they're getting a benefit for that.

MRS. BURGNER: That was my next question. However, I have a shared philosophy and support for the private school model, because I think it's at the heart of the parental choice that we're talking about. I think it's one of the strongest arguments that we need to form an education, because parents are making this significant choice. I've looked at some demographics.

DR. MASSEY: Is this policy, Mr. Chairman?

MRS. BURGNER: I haven't asked the question yet.

MR. CHAIRMAN: Well, we haven't heard the question yet.

MRS. BURGNER: Excuse me. Thanks. I have looked at some of the figures about who is now enrolling, and it's not the wealthy families that are making exceptional choices for their children. I think it reflects how parents want to use their personal resources in respect to their children. I have a real concern about the September enrollment year and the growth in private schools and whether or not we've done the forecasts and we've got the appropriate dollars allocated. I see this as a trend, I see it as a strong one, and I'm not convinced that we've budgeted appropriately for it. So I'd like some explanation as to how you've arrived at these numbers and what we're going to do if we're out of sync with it.

MR. JONSON: In our budgeting we do make the best possible projections on enrollment growth. I think the straight answer to your question is yes, we are making projections for growth in enrollments. This year we budgeted for a 2 percent enrollment growth; that is, the fiscal year ending March 31, 1994. It looks as if we were a little bit high. It's probably going to be about 1 and a half percent across the total system. Whether we're talking about private schools or home schooling or the public and separate of the overall public school system, we do recognize and factor in our projections on enrollment growth, and I think when you do

that, you have to recognize we're not likely ever to be dead on. Sometimes we'll win and sometimes we'll lose, in a sense. We do that with the private schools too.

MRS. BURGNER: Thank you.

MR. CHAIRMAN: Thank you.

That concludes the round on this program. Do we have anybody else that would like to ask another question on program 2? I'll reiterate that if you do, we start a whole new round on this program. Mr. Hlady.

10:35

MR. HLADY: Thank you, Mr. Chairman. I have some community schools in my riding right now, and what I was wondering was: can I get some information from the department re what it would take for a community school to look at going to a charter school or having other options on where they're going to go? Can you get me information on the process? I'm not sure exactly what it would take for them to move to a different style of school or if that is something they want to do. They want to examine it and see what their options are. Can you get me the information, what it would take to move from a community to a charter, so that we're covering all the bases?

MR. JONSON: Well, we will be providing, I guess you'd call it, a briefing note, just a background information sheet shortly generally on charter schools in terms of the criteria and describing the whole charter school concept, but that certainly doesn't answer your question.

The thing is that as I see it, the purpose of charter schools and piloting them is to put forward and try something which is an innovation which has potential for improving the system and also, as I've said, offering a special service which is not being adequately addressed out there in the system. The community schools are there, and the question I can't answer is: what would be their proposal? What would they achieve by going to a charter school if their proposal is to be what they are right now?

MR. HLADY: Thank you, Mr. Minister.

DR. BOSETTI: The question seems to me to relate to whether or not charter schools could recapture the \$80,000 per school that they've lost.

MR. HENRY: Community schools.

DR. BOSETTI: I'm sorry; yeah, community schools. Effectively, the answer to that would be no. We don't have the \$80,000 to put into a community school that becomes a charter school and the \$80,000 used to hire co-ordinators basically, people who would work in a co-ordinating function. So I don't see the charter school concept as being a replacement for community school funding, not simply that.

MR. HLADY: Right. Okay. That's fair enough.

I guess there is certainly the need, and as we're going through this time of change, it's the ideal time to do it. When will that information be available that they can see what they need to do? Because they don't know what it would take to set up under a different scheme.

MR. JONSON: Well, it's available.

MR. HLADY: Is it available now?

MR. JONSON: Yeah. It should be available. We haven't made any official release, but we intend to. We can provide that information.

MR. HLADY: Okay.

MR. JONSON: It's maybe not the profound document you're looking for, but it certainly sets out – it's more a description and definition and the first stage in providing information on charter schools. We'll get it out to all committee members.

MR. HLADY: That's great. Thank you. That's fine, Mr. Chairman.

MS CARLSON: With regard to 2.1.5 again, the special education grants. In my constituency lately I've attended a number of education forums . . .

MR. CHAIRMAN: I can't hear you.

MS CARLSON: . . . where the parents are specifically concerned about the withdrawal of aides and remedial rooms and academic challenge programs, things of that nature, from the school system with the reduction in funding, with specifically the reduction in funding to special education grants. In goal 3 of the business plan you talk about improving the co-ordinating of the delivery of services for special-needs children. Can you tell me specifically how much money in that vote is allocated to achieving that goal?

MR. JONSON: In terms of your specific question about the co-ordination of services initiative, our contribution to that effort with the other departments would be, I believe, in vote 3 where we provided money for those five pilot projects across the province. So the answer is: there's nothing in there on specific funding for that co-ordination effort.

MS CARLSON: Okay. Is there anything in this one, then, for ensuring that the special needs in terms of aides in the classroom and remedial rooms are going to be there at an adequate level to service these children?

MR. JONSON: Well, first of all, the first point here, Mr. Chairman, is that we have made sure that the special-education lines in our budget are preserved. The reductions applied to those lines are 5 percent September 1 and 2 and a half percent September 1, 1995, which I think shows we want to maintain those grant programs and maintain that service. Even within our grant reductions it's been given some priority as opposed to, say, the general SFPF grant where there was another 5 percent as of April 1.

Now, here I have to preface this by recognizing that school boards do have decisions to make about their budgets. It seems that special education is being affected, by what I hear or read in how they're starting to budget for the next school year. The only comment I would make is that I think the system and school boards should look really hard at making major changes to their special-education program if it's working. I think they could be looking at, we've said many times, administration and so forth but also the scope of the other programs they're offering. I would ask questions such as: are you carrying a number of low-enrollment programs, programs where you've got 10, 12 students in a class? Things like that I think should be really looked at hard before the

focus is placed on special education. That's just an editorial comment.

MS CARLSON: Well, the fact is that with the budget cutbacks, even in my children's own school, which is an elementary school, the aides are gone. Their remedial room is gone. The academic challenge program is gone. Is there anywhere in program 2 where you have budgeted dollars to monitor that to make sure that it in fact isn't happening, that special needs are not being cut completely out of the system?

MR. JONSON: At this point in time, Mr. Chairman, and I think in terms of budgeting in the future, quite frankly, this is a decision being made by school boards as they see their priorities.

As far as the second part of the member's question in terms of being able to track it and to monitor it, we had the discussion about that at the beginning of our meeting, and the answer there is yes. We are going to be making additional efforts to track and to monitor what's happening with the money that flows out in grants. But the decision is the school boards' right now, and I don't see that changing substantially.

MR. CHAIRMAN: Thank you.

Mrs. Laing.

MRS. LAING: Thank you. I'm on 2.1. When you look at the contributions to the Alberta school foundation fund, where do the residential taxes, the revenues, show up in your budget?

MR. JONSON: It's there.

MRS. LAING: Is it? I can't find it.

DR. BOSETTI: Page 97 of your estimates book.

MRS. LAING: Oh, over in the big book.

Also, I was going to ask: why have a lot of the grants categories been moved into the Alberta school foundation fund?

MR. JONSON: Well, the general answer there is simply that it's a sort of consolidation of the overall set of grants that go out to the school boards. We have the Alberta school foundation program. Then in that will be the grant categories that flow from the general revenue of the province clearly identified and the moneys from the collected local contribution flowing to the school boards.

MRS. LAING: Coming back to special ed again, 2.1.5.: how will the special-ed funding be determined under the new framework?

10:45

MR. JONSON: I don't have the answer because there's a new framework. As I indicated to a previous question, we are starting work on that, and we plan to have it finished by the end of this year. Reno may want to follow up on that.

DR. BOSETTI: For the current year – I'm sorry; the 1994-95 year. I always forget what year we're in. It's a transition year, in which we've provided block funding for special education. We'll still have program unit grants for children in early childhood services, and we'll also continue to have a high-incidence grant. That is to say, where there's a preponderance of high-cost kids, we have a special grant for those. In subsequent years, however, we're looking at finding another way. Since we're using full

provincial funding, there's no local tax base, and we'll have to look at categories of high-needs kids and appropriate funding to follow those children. We'll be into a modification of program unit grant funding because there's no local tax base to augment whatever is available, so we have to look at real costs of children in those programs and provide appropriate funding to deliver those programs.

MRS. LAING: Thank you.

MR. CHAIRMAN: Thanks, Mrs. Laing.

Mr. Bracko and then Mr. Renner, and I have Mrs. Burgener.

MR. BRACKO: Thank you. The capital amortization provision, 2.1.7: could you explain what that is?

MR. CHAIRMAN: I didn't hear the question at all.

MR. BRACKO: Explain what 2.1.7 is.

MR. JONSON: Mr. Chairman, the question is a good one.

MR. CHAIRMAN: I still didn't hear it. Could somebody repeat it once more, please?

MR. JONSON: What is 2.1.7, the capital amortization provision?

MR. CHAIRMAN: Thank you.

MR. JONSON: I was just smiling, Mr. Chairman, because through Treasury Board and through the development of this budget and the changing of the accounting procedures we've been working on, this has really been mind-expanding or numbing or something.

In terms of accounting for capital, the capitalization amortization is a line which indicates the paydown or the reduction in the value of our capital assets, our whole school capital investment that's out there. That didn't used to be shown here.

DR. BOSETTI: Maybe I can add a little bit. I'm not sure it will clarify very easily; I'm not an accountant. In the past we would record as expenditures just our debenture payments. Now we're recording the total capital expenditure, and then we amortize the payments over years, as we did previously, but it shows in this accounting structure as an expenditure, as a cost. It's a way of adding the cost of the buildings to the cost of education, fundamentally, and depreciating those accordingly.

MR. BRACKO: My supplement on that is: what is the total amount we owe, then, if these are debentures that are being paid off? Is this the debt of the whole province?

DR. BOSETTI: No. It's only for school capital.

MR. BRACKO: Okay. Do you have an amount?

DR. BOSETTI: This is the annual principal payment on that amount, on the amount we owe.

MR. JONSON: What is the total amount that we have invested in school capital debentures?

MR. ZATKO: It's about \$1.1 billion or \$1.2 billion in total. Our total outstanding debt, principal and interest, is about \$1.2 billion.

We'll have to confirm that. If we had to pay out all the bills today, we'd have to pay about that amount of money.

The key change to keep in mind here, I think, is that whenever a commitment is made to build a building, it's fully expensed on the day it's approved. So if a school building costs \$1 million, \$1 million shows up in our books, and then we write it down over the life of the building. If it takes 20 years to write it down to zero, you'll see that in the way we're accounting for it now. I think that's a good change in our procedures, because basically everyone knows then what our current and future liability is in terms of draw on revenues in the future. So we fully expense the building the day a commitment is made, and then we write it down over the term of the loan.

MR. BRACKO: Just for clarification: this includes schools, district offices, the whole works?

MR. ZATKO: No.

MR. BRACKO: That's separate? The school districts' debentures are separate from the department's debentures?

MR. ZATKO: Eventually it will be all one. Currently we're in a transition year, so where school boards have built an administration building in the past, that would have been imbedded in their budget. In '95-96, since everything will be fully funded, then the total capital liability in debt will be shown in our budget. So we'll know exactly the picture on capital in our budgets in future, starting in '95-96.

MR. BRACKO: My final question, then, on that is: for any new school being built, will this provincial formula be used, applied to it for the construction, or can the district add more if they want to, like they used to?

MR. JONSON: No. When we move to full provincial funding, then we will still be using the planning process and approval process we have right now, but we'll be looking at it quite differently in that there will be an overall total approved amount provincially for the school building. It is not that there will not be local input into needs and designs, but there won't be that factor in there that's been in there in the past where a school board might add as much as 40 or 50 percent to the cost of the school.

MR. ZATKO: As a supplement, then, Mr. Minister. Even when we take into account provincial funding and school board funding – “topping up” is what I think you're referring to – the overall construction costs per metre are 20 percent less than comparable buildings. So even when you take into account provincial and topping up ideas, the final cost per metre is very comparable to similar buildings – about 20 percent less.

MR. BRACKO: Thank you.

MR. JONSON: From our point of view. We have some people that . . . [interjections] I would have to put a plug in for the school buildings branch, and I think they do a good job of that program.

MR. CHAIRMAN: Thank you, Mr. Bracko.

I've got Mr. Renner, Mr. Henry, and Mrs. Burgener.

MR. RENNER: Thank you. I'd like to deal with 2.1.3, transportation grants. I don't think Medicine Hat is unique in the

province, and the situation we have is that in many cases there will be a public school and a separate school essentially side by side. Two sets of buses travel all around the city picking students up, follow each other, park practically side by side, and discharge the students. It would seem there is room for some economies of scale if the separate and public boards would co-ordinate their transportation activities.

I'm wondering if you have given any consideration to building in some kind of incentive for the two boards to get together and co-ordinate. I realize there's nothing preventing them from doing it now, but for whatever reason they don't seem to do that. Has your department considered putting financial incentives in place to encourage them to do that?

MR. JONSON: Yes. First of all, Mr. Chairman, there is some incentive right now certainly in this sense; that is, the grants were reduced 10 percent last year, and then they've got the further reduction this year. To the extent that suasion can have an effect, when they say, “How do we cope with this major reduction in transportation funding?” one of the first things we say is, “Well, look at the duplication, if there is in your area, of bus systems.” But that's all at this point in time, and some areas have responded. There has been some progress made, although not as much as we would like to see.

The other thing is that we're working on or reviewing the transportation formula. When we review that particular formula, we'll be looking at bus sizes and a number of things in that regard. There's been some work in communications back and forth with the Association of School Business Officials of Alberta, some papers exchanged and so on, because they have a great deal of experience and knowledge of the inner workings of transportation at the local level. Right now we don't have anything in place for this year other than the impact of the grant reductions, but for the provincial fiscal framework and so on from '95-96 onward that is one thing we hope to design something for.

10:55

MR. RENNER: The other question, also on transportation. The problem that many, especially urban, school boards have is that the population moves. It's not practical to move the schools and follow the populations, so as the city grows, you actually are faced with higher transportation costs because you're moving the students to the schools rather than moving the schools to the students. Long term I think that's probably cost effective, although I'm not sure. I'm wondering: has the department done studies that would show whether it's cheaper on a long-term basis to bus the students to the school or to tear down the old school and build a new school?

DR. BOSETTI: Yes, we've done some ongoing work in that domain and looked particularly at what we call our bus-or-build formula. I can't give you the details of the formula, but I can assure you that that has been applied to examine whether or not it's going to cost more to bus than it is to build. That's taken into consideration in new capital construction.

MR. ZATKO: If I just might add to that, when we look at whether or not to build or bus, we do a calculation to determine the numbers over 20 years to see what is the right way to go.

In terms of tracking transportation costs, by the way, over the last eight years – part of our performance measurement system is to track whether or not transportation unit costs in urban and rural areas are going up or down, and they've been going down consistently in urban and rural areas, so there are increased

efficiencies being accrued. The question is: are they enough? I think there still can be some more efficiencies achieved in the transportation area. It has not been going up; it has not been escalating, is my basic point right now. They have been becoming more efficient. I think they can become more efficient as well. So the trend is to pare costs.

MR. RENNER: My final question, then, is related to the focus on parental choice and how that will impact on transportation costs. My understanding is that if parents choose to send their children to a school other than their designated school, they would be responsible for their own transportation costs. Would there be any impact on transportation budgets in a significant way by having that policy?

MR. JONSON: Well, the direction is that – first of all, I should back up, Mr. Chairman, and say that if you're going to run a transportation system, you have to be dealing with groups of students, and you have to be working within a defined area, whether it's the city of Calgary or county of Ponoka. Therefore, in terms of providing transportation grants, I do not see transportation grants following the student just for the practical reason that for the students that are there you've got to operate a viable transportation system. If they're going to exercise their choice to go to a school a distance away, that's one amount of funding they can't expect to follow them.

Now, the second part to the answer is – and I refer to a comment I made earlier – that while I think there will be some students exercising their choice, I don't see a mass migration across the province here. In the major urban cities such as Edmonton where they've had this open boundaries among schools, approaches to transportation, as I understand it, have been taken: where they have the bus passes. They use the public transport system. That's appropriate for your older students. In those cases where at the elementary level – I don't have any scientific research here but just talking to people – people decide to go two miles to an elementary school other than the neighbourhood elementary school, they take the children there themselves. In other words, they assume that responsibility and cost to make that choice. I think that has to still be there.

MR. CHAIRMAN: Thank you, Mr. Renner.
Mr. Henry, Mrs. Burgener.

MR. HENRY: Thank you. In 2.1.1, basic instruction grants, I assume that's from 1 to 12. My understanding is that for the high school formula you're moving to a per course or per credit completed formula. Related to that, just to make sure I understand before I ask the question, I think that was meant to address the issue that we've all heard about: the grade 12 who returns for the fourth year of high school to play football. Is that a waste of resources? I think there's broad support for that move, but the concern that's been expressed to me is that the association of athletic organizations in high schools has dealt with that, saying that you can only play for three years and then you're finished.

While that may be a good move, to move in that direction, the concern that's expressed to me – and I'm wondering how you intend to respond to this or allow for this – is that if you're funding on a per course completed, then how do you allow for those situations whereby the student's not able to complete a course and perhaps loses a year or a semester because of health reasons or family breakup or a move of the family, things beyond the student's control? How do you intend to not penalize that student or penalize the school division so that they have to

penalize the student? How do you intend to allow for those factors yet achieve the objective which I think there's general support for?

MR. JONSON: Well, I'm prepared to admit, Mr. Chairman, that there are a number of specific questions that are coming up with respect to the CEU, and we're responding.

MR. HENRY: CEU? Sorry.

MR. JONSON: Yeah, credit enrollment units – sorry – type of funding. I think we're answering those questions. I want to say something generally about it, and that is that there are the types of examples that have just been mentioned, but there are also the pluses. That is that the CEU funding if you calculate it out is based on a 35-credit load providing, quote, full funding. So there's a kind of bonus factor here. If you're running an average of 37 completed credits, there's a bonus in funding to the school, if you want to put it that way. Therefore, I think there has to be the recognition that there are going to be some factors on the other side that you can't completely make special consideration for. So there's a balance there.

With respect to the student who leaves school I guess under the category of what you would call “no fault of your own,” at this particular point in time, as I understand the details that have been worked out thus far, yes, that would be a, quote, loss. But let's say it's two or three out of 600. Then it's compensated on the other side where you get the bonus for the additional ones that go 38, 40, 43 credits.

DR. BOSETTI: Also for the ones who come in and complete in that particular school. That's another balancing factor.

MR. JONSON: Right.

MR. HENRY: Okay. Time will tell. In response I do want to say two things. If there's increased credits, there's increased costs to the school division. I would ask the minister to just take this under advisement. I think we need to watch to make sure that school boards don't penalize students who for no fault of their own are not able to – the temptation if you're getting that kind of funding on a per unit is to say, “You try and get so many credits; then you're finished.” We've got to watch for that.

My second question, then, has to do with 2.1.1. We're back to the open boundaries. Some people call it a voucher system within the public system. I think you would agree with that, but an open boundary kind of system. I want to know how you're going to be able to monitor the costs, because there are two things, two situations that have been pointed out to me that may occur and we need to monitor. I want to know how you're going to monitor this. Number one, the situation where you have a small high school in a county situation that has very limited offerings in terms of options, et cetera, and the grade 11 or 12 student says, “Well, I'll just drive my car the 20 or 30 minutes into the city” – into Lethbridge, where it's been raised to me, or into Red Deer or whatever – “and I'll get the service there.” Then that of course makes it more difficult for that high school to be viable in the county area. How are you going to monitor that? The other kind of situation which is one of the . . . I should have stated at the beginning that I support the policy of open boundaries. I think it's a good move. But how are you going to ensure that we don't get into the situation where school divisions or schools start to spend money on marketing or selling their product?

11:05

MR. CHAIRMAN: How many questions was that?

MR. HENRY: That's one question.

MR. JONSON: The question about spending money on marketing. Mr. Chairman, it's an interesting question in terms of a school jurisdiction getting into allocating money specifically for marketing. I don't quite frankly have an answer there as to whether one would . . . My off-the-cuff remark is that I don't see it as appropriate for a school board to be developing an advertising budget, and that's something we would look at if it occurred. However, if we're talking about a school board or a school by virtue of the fact that in reporting what it is supposed to report in terms of its accountability and its programs and achievement levels and dropout rate and so on – if that's what we're talking about, then I think that's appropriate.

MR. HENRY: I think I made a point there.

The last question. I'm not sure whether this is 2.1.1 or 2.1.5. In Bill 8 the clarification of the responsibilities with regards to health needs and special health services for special-needs students – I know there's been some work done with regard to co-ordination with the Department of Health and local health authorities and whatnot to ensure that services are provided to special-needs students. I see heads nodding in agreement with that. I'm wondering: do you anticipate a figure being taken out of your department for those services that may have been provided and transferred to the Department of Health? Do you understand what I'm getting at?

MR. JONSON: Yes, I understand.

MR. HENRY: Is that what we're looking at or not?

MR. JONSON: First of all, with respect to this interdepartmental work, I'm very anxious to see us get on with it, but all people are working on so many fronts now and we're in session. It's a personal priority of mine to get back to this and to work towards something more definitive on it. Yes, the possibility of budget transfers is inherent in our effort here. In other words, if it is worked out that whether it's Health to us or us to Health, the important thing is to get this job done, and that's possible in the future.

MR. HENRY: Just a clarification. Is that evident here, or are we going to see that potentially down the road?

MR. JONSON: Potentially down the road. It's not evident in this year's budget, and this year's budget, as we've said, is in many ways the status quo structure of the grants that have been in place in the past.

I'd just like to, if I could, Mr. Chairman, go back to a previous question, and that is with respect to the credit enrollment unit. There are a couple of purposes here. Yes, part of it is to try and give a fair amount of funding to the person who is taking, say, five or 10 credits in a high school as opposed to the one who's taking 35 or 40. But the other thing is that the credit enrollment unit provides quite a bit more flexibility to the high school system in when and where and what time of year they offer courses. When you think about its application, it has a lot of potential for new and more adaptation of where and when and how you offer courses to your older students.

MR. HENRY: Thank you.

MR. CHAIRMAN: Thanks, Mr. Henry.

I've got two more questions. We're at two and a half hours now, essentially. Would you like to take a five-minute break right now or wait until the other two have gone or just run straight through? It's up to the committee.

MR. HENRY: Why don't we finish this vote?

MR. CHAIRMAN: Good idea. That was my first choice too.

MR. FISCHER: Could I just interfere or have a point of order for a second on our process here? We seem to be getting bogged down pretty heavy on program 2 here. It would be kind of nice if we could get an overall coverage of all our points here. Is there no way that we can just skip along a little bit quicker?

MR. CHAIRMAN: Well, we had one heck of a debate the first year, as everybody keeps calling it, actually a few months ago, the first time these subcommittees met on this. It was a decision that was made between the House leaders that we do it vote by vote by vote. As long as there are people that wish to ask questions . . . Frankly – I think this is my fifth one – we generally get through most of it. I don't believe we've ever hit the capital side of it, but we generally get through the operating votes. Frankly, I as chairman do a lot of reminding to people in the last hour of what we've got left and how much time there is to be allotted to it. So I appreciate the comment, but it was one heck of a debate the first set of these that we went through.

MR. HENRY: Mr. Chairman, to the point of order. I appreciate the concern, but I think a lot of the budget is in program 2. I think we only have two more questions, and then we would be willing to move on to vote 3.

MR. CHAIRMAN: That's assuming that no single member wants to do another one on vote 2, but I haven't got anybody's . . .

MR. HENRY: I consulted with my colleagues on this side. Perhaps Mr. Fischer can consult with his colleagues, and then we can move on.

MR. CHAIRMAN: Well, right after we're finished this round on vote 2, we'll take five minutes, and maybe we'll all chat about getting to the next one.

MR. FISCHER: Richard, on that very point, you mentioned that you have to go the full round.

MR. CHAIRMAN: You don't have to ask a question.

MR. FISCHER: I just have a little trouble with that. If we have a question or if the opposition has a question, it shouldn't have to trigger a whole brand-new round of questions. I guess that's why I'm having a little trouble with it.

MR. CHAIRMAN: What it is is just the simple fairness of it here, Butch. It's when you hit a program – I mean, you can't let somebody ask an extra question on a single program and not allow the other eight members to ask the question. So to me it frankly is the absolute fairest way you can do it. It doesn't necessarily mean that you've got to ask a question on every single round within the vote.

MR. FISCHER: Thank you.

MR. CHAIRMAN: Anyway, I've got Mrs. Burgener and Dr. Massey, and I hope these are quick questions, because I've had about 15 cups of coffee this morning and I'm ready for a break.

MRS. BURGNER: Butch, did you just raise that point because you knew it was my question coming up?

MR. FISCHER: I'm sure it'll be short.

MRS. BURGNER: It will. I've got three things.

MR. CHAIRMAN: There is a rule here, by the way, that says these questions should be one main, two supplementaries with limited preamble. We've been preambuling the supplementaries quite a bit, but this is a lot more flexible, so fire away.

MR. HENRY: We're following Jocelyn's lead.

MR. CHAIRMAN: You'll notice the word "preambuling."

MRS. BURGNER: I've got three disconnecting points. What is the expectation in terms of reaching efficiencies when we have our school board budgets being the academic year and that's not in concert with the provincial budget. Consequently, as we try to tie this up, you guys have to spend time juggling two sets of books. Is there any expectation of addressing this?

MR. JONSON: No.

MRS. BURGNER: Thank you. Okay. My next . . .

MR. JONSON: I think I do have to elaborate just a little bit. The history of this is that not that long ago – what is it? – about six years ago the school budget was on the calendar year budget, and the argument was made by school jurisdictions that it would be so much better for us if we could budget on a school year. That change was made, but now we have, as I understand it, the calendar year budget for municipal governments, the fiscal year of the province, and the budget of the school year. I think the situation is going to continue, quite frankly, although when we get to tables such as this the frustration is expressed, and rightly so, about the different juggling that has to take place. I don't hear any discussion out in the public realm about changing it right now.

MRS. BURGNER: Using that as my framework for a question, my supplementary, then, has to do with the additional budget dollars. That's the only way I can connect it. When you have the additional Health dollars to support special-needs students, considering we haven't finished health care restructuring, where do those dollars come from, and how do they fit into our budget to assist in health related issues for students?

MR. CHAIRMAN: She's starting to sound like Mike Henry.

MRS. BURGNER: Well, I didn't know you were going to suddenly invoke that rule.

MR. CHAIRMAN: There are a number of questions within the question.

11:15

MR. JONSON: We of course don't have any Health dollars in our budget at this time, and they don't have any of ours in theirs

– at least I hope not, although if it's going for a good purpose, fine. I think the way this has to be approached and the way we're trying to approach it in looking as we did at Crystal Park school but also in this whole co-ordination of service effort is that you've got to look at the job that needs to be done. I think there are different approaches that can be taken. I don't think you have to necessarily move money out of the health care budget into ours to effect, let us say, better, more regular, more flexible, more integrated service with schools and health units. I mean, the money can still be in the Health budget; it's the structure for delivering the service. I think that also applies vice versa.

I know one of the concepts out there is that there should be another department, a fifth department of child services. I don't really think you have to go to that extent. I don't know if that's where it's going in terms of our discussion. I think the important thing is that the roles and responsibilities and the collaborative relationships are established so the job can get done. Where it shows in the budget is not the critical thing.

MRS. BURGNER: My final point – you'll find it extremely well connected – has to do with the CEUs, a question on the recognition that certain subject material is more effectively taught in sequence. If our students are now into a credit unit model, are you giving directions to the high schools to make sure those students access these credits in sequence?

MR. CHAIRMAN: That has nothing whatsoever to do with this budget.

MR. JONSON: However, the answer, though, is – well, if you don't want me to answer, Mr. Chairman.

MR. CHAIRMAN: It's up to you, Mr. Minister. We've been allowing the ministers to answer policy questions.

MRS. BURGNER: I can talk to you after.

MR. HENRY: Well, I'd like to hear the answer. It's a good question.

MR. JONSON: The answer, though, is no. We're not giving that kind of direction, but we're making it possible. That is, it is more possible to do that with the credit enrollment unit approach than it is under the current funding system and what generally is the case across the province now, and that is a semester system. But to tell them to do it, no. The potential or possibility is there.

DR. MASSEY: I would save my question for program 3, if I could be first.

MR. CHAIRMAN: Sure. Then in that event, we have concluded, unless – oh, I've got one before you actually. Mr. Fischer about a half an hour ago wanted to get on this program.

MR. FISCHER: If it'll help to speed along, let him go first.

MR. CHAIRMAN: In any event, we are finished this round. Nobody else wants to ask a question on program 2?

Then at this juncture of time we're at about two hours and 40 minutes. Why don't we take a five-minute recess? I do mean about five minutes. Some of us have plane reservations to get out of here and appointments in Calgary later on in the day, so I'd appreciate a five-minute recess, and then we're back at it.

[The committee adjourned from 11:19 a.m. to 11:30 a.m.]

MR. CHAIRMAN: We are on program 3, first round, and I have no hands. I have Dr. Massey and Mrs. Laing. [interjections] I'm sorry; I'm sorry. Well, let me put it this way. Butch, you wanted to go after Dr. Massey?

MR. FISCHER: I wanted to go right after Dr. Massey.

MR. CHAIRMAN: So I have Dr. Massey, Mrs. Laing, Mr. Fischer, and Ms Carlson.

MRS. LAING: Oh, you can put him in the middle.

MR. CHAIRMAN: Listen, guys, we'll all get them in.
Dr. Massey.

DR. MASSEY: Thank you. This is the program where resources for services to schools, I would imagine, would be found in terms of regional services. It seems to me that the government's plan to move to site-based management in the budget is going to take, if the Edmonton public experience is any indicator, some massive resources. I think of the seven principals that were appointed there to pilot it and then the dollars that were spent afterward getting out to school staffs and trying to get that done. Where would I find that money in here for that kind of development: 1,700 schools across the province?

MR. JONSON: Mr. Chairman, the member is quite correct. We have to look to providing a plan in terms of in-service in this whole area to the extent that resources are available, but there is not a provision in the budget for that specifically. We're looking at reallocating some resources internally to do some of that work, but as it sits there, there isn't an identifiable line. We do know that we've got to do that.

DR. MASSEY: Could it be an additional reduction in school board budgets, then, if they were forced to do it?

MR. JONSON: Mr. Chairman, there has to be some contribution or allocation of school board budgets. I think there's the need for a co-ordinated effort here, and it's a good activity. In fact, as I said, when it comes to the whole area of in-service in the future and so on, I think there are some positive things in the overall plan. In the year ahead we have professional development days, we have teachers' conventions, we have the ATA specialist council on school administration. There are a lot of vehicles out there that need something additional to do. I shouldn't put it that way. I think they can do additional things. I'd like to put it in a positive sense. Those things have to be used, and in addition we have to do some planning and reallocating within the department.

DR. MASSEY: So there will be moneys allocated for that purpose?

MR. JONSON: We will have to work with all the agencies involved to work on that task, yes.

DR. BOSETTI: May I just augment that?

MR. JONSON: Sure.

DR. BOSETTI: Clearly school boards have a responsibility for ensuring that the principals who are running the schools are able

to implement a site-based management program. Our department does not have the capacity to in-service 1,700 principals. I just want to point out that school boards have by far a much larger percentage of their budget allocated to administration than has our department. So we would expect that that administrative allocation within the school board certainly would be redirected to ensuring that principals are able to do the job. We don't want to again be accused of intervening in the responsibilities of school boards. It's their job to ensure that their staff are able to do the job that has to be done.

MR. JONSON: You know how the system works.

DR. MASSEY: Yes, I know how system works. That's why I'm alarmed.

MR. JONSON: Well, no, you shouldn't be alarmed because you know how the system works. With respect, right now in the school system school boards are allocating probably a couple of days a year and paying their administrators to go to administrative retreats and conferences and other things. It's right there now. Now they've got something to do with that allocation and that money and that flexibility; that is, implement this direction.

I agree, certainly, that Reno is right in that the majority of the resources – I mean, look at the whole budget: 95 percent of the budget goes out to school boards basically. So that's where the resources are. We have the role here in vote 3, though, to provide the leadership, to provide the fleshing out, if you will, of the direction we're undertaking so that the school systems and the Alberta Teachers' Association and the Alberta School Boards Association can build the in-service and programs they're going to be working on around this direction.

MR. CHAIRMAN: Thank you, doctor. That was four questions. I assume the second one was for clarification. But it's definitely three at this point in time.

Mr. Fischer.

MR. FISCHER: Thank you. Under vote 3.1.6, distance education: how do you relate distance education to our smaller schools. Certainly there's a fear in the rural areas of our little schools being chopped out. They almost feel that regionalization means regionalization of their schools and their history. I believe that distance education can offer a lot in that area. Would the minister comment on that for a minute? Then I'll ask my other question.

MR. JONSON: Well, in the budget the effort in terms of distance education is maintained and enhanced, so I'm not sure of the question. Certainly we fully intend to keep developing our capability as far as distance education is concerned. The distance education effort ties in with a broader effort in terms of the whole application of technology in education. Perhaps, Mr. Chairman, I didn't understand correctly.

MR. FISCHER: No. That's fine.

If you have a little school of 25 students, are the teachers then going to be able to look after more grades and be supplemented through distance education? Are we going to achieve those efficiencies so that we can save some money, or are we going to shut the schools down?

MR. JONSON: Well, I think that, yes, distance education being improved and expanded will continue to help keep small schools, particularly small high schools, viable. The question that comes

up, however – I think if I could, Mr. Chairman, I'd jump ahead of the member's question. I think the underlying issue here is the business of the continued existence of small schools and its relationship to regionalization. Now, I think distance education has already helped in this province and will continue to really help preserve the existence of small schools and reduce the need for students to go vast distances by bus or to schools far away. So I think that will continue.

I'd just like to make a comment with respect to regionalization, and that is that I don't think regionalization is going to in any way lead to, as somebody somewhere said, bang, the elimination of 200, 300, or 400 schools, depending on what night he was speaking. It wasn't an hon. member here, by the way, that I was thinking of.

11:40

MR. HENRY: Thank you for the clarification. We're waiting for the information systems to be fully developed.

MR. JONSON: Right.

There are cases in the province where because of the boundary between jurisdictions, you've had schools established very close together, and both have had trouble being viable. In those particular cases, yes, I do see two schools becoming one or three schools becoming one. That's one of the advantages, quite frankly, of regionalization.

MR. FISCHER: Okay. Thank you very much.

MS CARLSON: How much funding will be allocated on an annual basis now to each ESL student?

MR. JONSON: As I recall, English as a Second Language is \$650.

MS CARLSON: Okay.

Do you have any specific measures you propose to ensure that ESL students receive adequate English instruction?

MR. JONSON: We do not have any measures specific to English as a Second Language, but English as a Second Language is part of the overall instructional program of schools and certainly, I hope, as subject to evaluation of teachers and programs as any other program. In other words, it's part of the school's offerings. Every school board in this province is supposed to have a teacher evaluation policy. Every school board in the province has some way of looking at schools and evaluating them. We don't have a category of ESL instruction evaluation; it's part of the whole.

DR. BOSETTI: We do ask them to participate in the achievement test banks. We've had a little bit of debate on it. They say that these kids can't read and write, but we want to know that, and we want to know whether they're going to be able to read and write. So we do include them in the evaluation process with respect to achievement tests, recognizing that if they're learning to read and write, those are the standards, if you like, that are expected of all kids.

MS CARLSON: So there's no specific evaluation of ESL and no provision in the event that somebody doesn't meet the minimum standards?

DR. BOSETTI: We have done some evaluations in the past. Just before we converted ESL eligibility for a longer period of time,

we concluded that it needed more time to get ESL kids able to be fluent. We do periodic evaluations, but we don't have an evaluation program specifically directed at ESL.

MR. ZATKO: Just as a supplement to that, we had two annual report cards on the performance of education in Alberta, and we did a survey of English as a Second Language students in both of those. So we're tracking them. We'll probably track them again this year to see how they're doing. There has been some work, and while we're still formulating the next stage of our broad evaluation process, it's likely we will include them again for the third year.

MR. CHAIRMAN: Thank you, Ms Carlson.

Mrs. Laing, then Mr. Henry, and then Mr. Renner.

MRS. LAING: Okay. Thank you, Mr. Chairman. I'm going to talk about 3.2.3, native education. With the need to enhance educational programs for aboriginals and the attempt to keep them in school so they can further their education, why was the budget for the native education branch reduced?

MR. JONSON: Well, I'll ask the department. There was some moving around of responsibilities in vote 3. We're still working in that area. I can answer part of the question. When we made a decision, not this budget year but one budget year ago, to put the native education grant on the block, there were some decisions made internally in terms of the need for staff to be assigned particularly to administering that money. We still have a role in native education, and I'd ask the members of the department to elaborate there.

DR. BOSETTI: The grants that went to schools for native education projects were reduced by 5 percent. They were not reduced any more. The other reductions occurred in that 5 percent rollback in terms of costs to the department. So native education has been retained. It's been retained as a special program, and it's been reduced by 5 percent this year and projected to be reduced by 2.5 percent next year.

MR. ZATKO: I believe that is \$4.7 million.

DR. BOSETTI: That's the total amount spent.

MRS. LAING: Thank you. What kinds of things does this grant include over the basic programs?

MR. JONSON: First of all, the native education grant – and this is in a sense relating back to vote 2 – goes to those jurisdictions which have native student populations and also do something in terms of additional service for native students. There's quite a variation across the province on how they approach this, but in most cases it is applied to liaison or co-operation efforts between the native parent community and the school. Quite often the money goes into an additional person in counseling or a liaison worker. Sometimes it's involved in terms of supplementing and augmenting materials. There's quite a variation across the province with respect to it. I think the department people could elaborate more.

DR. BOSETTI: Briefly, I can elaborate only to say that we produced a number of books written by native people with respect to the history, language, and culture of native people. Those books are available for all children in order to enhance the

understanding of the contribution of native people to our history and our culture and development.

MRS. LAING: Thank you. I was going to ask you about PICS school, just to keep it there. Is this going to be moved to advanced ed, or are they splitting the funding, or has anything been decided for the coming year?

MR. JONSON: I can't, Mr. Chairman, answer the question with respect to PICS completely. First of all, our funding would continue to the degree that it applies; that is, the under age 20 high school student would continue to be funded. Advanced education: I can't quote you the figures, but they are going to be funding part of the program under their new approach whereas they're going to be providing extension funding on a needs basis. I don't know if this would be the case, but I would think that if there were adult students, though, going to PICS who have employment and income, they would be expected to pay under the new needs-based approach of advanced education for adult education.

MRS. LAING: Thank you.

MR. CHAIRMAN: Thanks, Mrs. Laing.
We have Mr. Henry and Mr. Renner.

MR. HENRY: Thank you. Regarding 3.1.4, language services, which I understand includes ESL. Just as a brief preface, I was at two different occasions in my own constituency, which has a high number of new Canadians in it, in the last week, and quite independently people raised the concern about immigrant children and the cut to early childhood services, the 200 hours. The parents' worry was that ECS was for them not only a general kind of program but was also a language preparation for grade 1. I'm wondering what kind of money in 3.1.4 you've budgeted to respond to the increased demand on ESL because of the 200-hour decision with regard to early childhood services and how that will affect immigrant children.

MR. JONSON: Well, in terms of the specific program in vote 3 with respect to the operations of the department, I'll ask Reno to respond on that. With respect to English as a Second Language, first of all, albeit it's been reduced by the 5 percent and 2 and a half percent, the English as a Second Language grants are still there. Yes, ECS has been reduced. The answer I'm getting to is that although I'm not trying to say the educational opportunity grant is going to be the solution to all the problems – it's not going to solve all the problems of ESL and inner-city schools – one of the major factors or criteria in qualifying for that money is a high number of English as a Second Language students. So that should help to a degree, in recognizing that.

11:50

MR. HENRY: Just for information, my particular constituency is not often considered inner city, so a lot of new immigrants don't necessarily live in the inner city and may not be able to access it. The minister, I think, knows my concern about that.

In my travels around the province and I think in the roundtables that the minister allowed me to participate in – and I thank him for that – there was considerable talk about the rate of curriculum development. I'm wondering, with regard to 3.1.3, the cost of that and the cost of that to you as a department, directly and indirectly, through new resource materials at the local level. So I'm wondering if you could provide for me at some date in the future, hopefully early, perhaps a chart. I've outlined it very

briefly, and I'll read them. The chart might outline, in terms of new curriculum development over the last three years, the program, the date or dates it was piloted, when it was actually implemented into the school system, the number of students that were affected, and the cost of the resource materials in that program per student. There's a lot of hearsay but not a lot of concrete information as to whether that is a significant cost or not. Okay? Could that be provided? That's agreed to? Great. Thank you very much for that.

With regard to distance education again, and probably part of this has been covered, I'm wondering: are there plans to do any sort of survey or any sort of tracking with regard to the school divisions – and I'm talking mostly rural, in small high schools especially – that are being forced to downsize their number of programs, relying more on distance learning? Is that being tracked at the current time? As the minister well knows, in the next six months, because we are in the budget cycle, those decisions are being made by school divisions. So the question is: do you have the adequate amount of dollars there? Are you tracking it?

MR. CHAIRMAN: Good finish.

MR. HENRY: Right under the wire.

MR. JONSON: If Reno would answer the question on tracking of distance ed, then I'd like to go back to a couple of the lead-up comments and try and answer them.

DR. BOSETTI: Just to reassure you, we are tracking the utilization of distance education programs: by whom and in what magnitude. Just for additional information, the large urban centres are large users of distance learning. It's to augment program offers, to facilitate scheduling, so that children in the larger schools in the cities are able to access programs by distance learning. They use a lot, as well as the rural Alberta students. We do track where our students are and who utilizes those services.

MR. HENRY: I'd like to follow up on that, but perhaps I can meet with the minister at another time and talk about that some more.

MR. JONSON: There is a point that I'd like to make about distance education. I've said many times that distance education is really only as distant as the length of the phone line or the airwaves. The other thing is that there's a bit of a controversy that you may want to question in question period or something, so I'll answer it now. That is that we are looking at charging more for distance education services. In your medium-sized or large school jurisdictions we feel that's only fair. If the distance education agency is providing the instruction, why shouldn't the costs be accruable to the people who are providing at least part of the service?

MR. HENRY: You mean the school board?

MR. JONSON: Yes, instead of distance education being provided at the cost of the distance education centre. It's really supplementing or replacing service they'd otherwise have to offer within the jurisdiction. So that's just a point.

Two quick points. In terms of curriculum development overall, Mr. Chairman, mainly because we have certainly heard this from the public as a thing to be considered in our overall dealing with the deficit and the spending reductions and partly, of course,

because of the restrictions on funding, there will be a slowdown in curriculum development. I just wanted to make that comment.

The other thing is that I recognize what you said about your constituency and the term "inner city." It's also very applicable in Calgary because the traditional inner-city type schools, particularly with respect to English as a Second Language, are out on the east side of Calgary. But inner city has come to have a meaning in education that doesn't really relate to the location, so that's the way we use it.

MR. CHAIRMAN: Mr. Renner.

MR. RENNER: Thank you, Mr. Chairman. I'd like to deal with 3.1.5, Alberta Distance Learning Centre. I assume that's what we would commonly know as a correspondence school. Is that right?

MR. JONSON: Yes.

MR. RENNER: That wasn't my question. I just wanted to make sure that he wasn't going to be having a whole lot of questioning on something that I didn't know what I was talking about.

MR. CHAIRMAN: You have to learn – Mr. Henry could give lessons on this – to link five or six together.

MR. HENRY: On a cost recovery basis.

MR. CHAIRMAN: Exactly.

MR. RENNER: I guess the first question is in light of the fact that, across the board, school boards and schools are having cutbacks. I see no cutback here, and I wonder what the reason for that is.

MR. JONSON: Well, relative to two or three things. First of all, with respect to the MLA for Wainwright's question, we're putting added effort, quite frankly, on this, on the whole area of distance education and the application of technology. This is to make up or to compensate for some of the reductions, for instance, that the small schools and small school jurisdictions of the province are facing, to provide the opportunity for students to take courses on individual bases. For instance, even in an urban centre, as I alluded to earlier, school boards do have to look at, I think, dropping full-blown courses where they're running at, say, a 10 to 1 or 5 to 1 pupil/teacher ratio. But distance education, if they have the course on their list, can then be taken by that student on an individual basis. To accomplish all these things and also to make it possible to offer math 30 in a remote centre where you only have two students requires that we have more capability in this area. Yes, we're not wanting to reduce it. We don't think it's wise to reduce it if the demand is there.

MR. RENNER: I agree. I'd like to then just explore that a little bit further. We have the resources there. We have the course development, the teachers, and everything. Does the same restriction apply to this facility as in the rest of the system, where it's accessible only to students who are under the age of 20 on a registration basis?

MR. JONSON: If adults were to pay full cost recovery, they could access this too, as I understand it. Is that correct? If they pay for it, they can access the system as well.

MR. RENNER: That leads into my third question. We saw the introduction of net budgeting when we went through the estimates for advanced education, and I'm wondering if you've given consideration to that. If so, would there not be applicable another line of dedicated revenue that could be applied through cost recovery – or not necessarily even cost recovery; perhaps even more than cost recovery – for offering these programs to adults?

12:00

MR. JONSON: Yes, consideration has been given to that, Mr. Chairman, and there's a line in our budget plan which talks about marketing our services. We definitely have three or four areas where we think there is a potential for the programs and services of the education system in this province to be marketed, yes.

DR. BOSETTI: I'd just add, Mr. Minister, that we do recover costs of distance learning materials through the revolving account, the learning resources distributing centre, but that's only the cost of print and production, not the cost of development. The Auditor has looked at us and said: well, you should add the cost of development to your costs. The reason we've not done that is that the costs then become seemingly prohibitive. Development costs are high, and if you try to amortize those costs over the first batch that you sell, you'll never sell them. Well, we really subsidize the development costs and try to recover the print and production costs.

MR. RENNER: Thank you.

MR. CHAIRMAN: Thank you, Mr. Renner.

Mr. Hlady, Mrs. Burgener, and those are all the questioners I have for this round.

MR. HLADY: Thank you, Mr. Chairman. I'm going to hop around a little bit here. You mentioned ESL was \$650 per student. That's what's committed for this year.

MR. ZATKO: Yes.

MR. HLADY: What was it last year?

MR. JONSON: It was \$684.

MR. HLADY: Six hundred and eighty-four?

MR. JONSON: I think that's what it was.

MR. HLADY: Okay.

All the talk's been about ECS's 50 percent reduction, and I was kind of curious. It doesn't appear to be like that. When we were in here earlier – I don't know if I can hop back to that actually – I was kind of curious why it's showing as more like 30 percent as a reduction in here. Why is it not following through school?

MR. JONSON: I can answer the question, Mr. Chairman, if that doesn't set a precedent.

MR. CHAIRMAN: That's fine.

MR. JONSON: Is that okay? The reason is that we're dealing with a school year versus a budget year, and the reduction does not cut in until September 1. So the funding that currently exists – there's seven-twelfths of the full funding there, and then it's

reduced for five-twelfths of the year. That's why in total at the end of our budget year, it works out to 30 percent.

MR. HLADY: Right. I don't know if I might have missed this earlier, re the regional offices. The ECS: some private operators and school jurisdictions have been very dependent on receiving the services free from the regional offices. Will they be able to pick that up anywhere else?

MR. JONSON: One of the areas that we have to maintain, although it may be in two regional offices – but then it's hard to talk about regional offices. It's really Edmonton and a regional office in Calgary, if you want to put it that way. One of the other services that we have to maintain is the liaison or administration with the private ECS operators, private schools, the whole home schooling structure in the province, and there are these administrative things that we have to carry on.

MR. HLADY: Okay. Good. Thank you.

MR. CHAIRMAN: Mrs. Burgener.

MRS. BURGNER: Thank you. Halvar, I just want to go back to votes 3.1.5 and 3.1.6 in respect to technology. I believe the definition of responsibility of the department has to do with curriculum and implementation of curriculum as it relates to technology. So I'd like to know: what in your budget have you allocated to outsource or privatize or whatever the development of the technology?

MR. JONSON: Allocated outside . . .

MRS. BURGNER: What I'm saying is . . .

MR. JONSON: Yeah, right. I understand you.

MRS. BURGNER: Oh, I'm glad. It's always touch and go.

MR. JONSON: But I don't know the answer.
Reno.

DR. BOSETTI: We do contract out a lot of our work. In fact, most of our work we contract out, and that would show in the supply and services budget. It does show as a part of our budget, but it is determined on the basis of where we buy the particular product or service. We have people on contract, for example, for a month to develop a program or to develop components of it. We don't have curriculum development people in our department. We generally bring them out of the school systems and pay the school jurisdiction on a contract basis.

MRS. BURGNER: I guess my clarification then – this is my second question – is: are resources going to the curriculum component and not to the technology component?

DR. BOSETTI: They're going to both: curriculum and technology. We have a significant undertaking with the department of communications Canada in developing, for example, CD-ROM math levels 1, 2, and 3. I think we've already developed math level 4. That's a national endeavour, and we're participating in that, basically, putting in our people out of the distance learning centre to develop those programs. We developed a CD-ROM disk, if you like, for math level 4, which is selling in Portugal for \$800 for site licence, for example. We're not getting the cost

back in the same way that we should, but we are effectively selling some of our very state-of-the-art delivery and development using technology. We also have a number of projects under way in jurisdictions; for example, the Yellowhead jurisdiction is looking at fibre-optic links of schools. There are a lot of projects that go on that we don't fund but participate in and generally provide advice and assistance to our staff.

MRS. BURGNER: My final question is: where would I get that background information to identify what we're doing? Could you provide that?

DR. BOSETTI: Yes, we can.

MRS. BURGNER: I'd appreciate that. Thank you.

MR. CHAIRMAN: That concludes that round.

Dr. Massey, did you want to stay on program 3, realizing of course that that means everybody gets another shot at program 3?

DR. MASSEY: Yes, program 3.

MR. CHAIRMAN: You're on.

DR. MASSEY: I'd like to, if I could, bring together 3.1.5 and 3.1.6 and ask about technology. There seems to be great faith that technology is going to make up for all of the teachers that have been lost in this budget somehow or another. I look back at Access and its original mandate, and even in 1972 when it was written about, it was supposed to be the creator of the communications highway. They used that language in 1972. Twenty some odd years later that hasn't happened, so you can understand I'm a little skeptical about this great faith in technology. My question is: are those two budget items and Access in any way put together and rationalized in terms of coming to grips with the whole business of technology?

MR. JONSON: Well, my deputy can elaborate on this further, and I know that my assistant deputy here is anxious to, too, but I'd just like to give the general state of things.

First of all, with respect to Access. It has an education component in it and then different parts to it such as the dubbing service and so forth. In this overall review of Access, the department has very much tried to stake out its territory or make its need for the continued availability of that aspect of Access. That is thankfully recognized in the report that came out not too long ago about the future of Access. In other words, whether it goes option 1 or option 2, it's recognized that that need has to be served.

The second thing is that in our overall plan we want to develop the concept of an Alberta distance learning agency. We've been working with Advanced Education and Career Development on this and the other entities in government which deliver programs via technology. In the future we hope to have that co-ordinated where the different bodies develop programs, put it into the system, and it can be delivered out as applicable across this province.

So that's my general statement on it. Reno or Gary may want to elaborate further.

12:10

DR. BOSETTI: I'd just add a little bit. Over the time of Access's life we've probably had something like \$4 million worth of Alberta Education money in Access, and we annually direct the

use of those moneys for the production of learning materials. So we give them an annual plan and get the production out of Access.

The other thing that we're doing on this that is vitally important is looking at the whole use of two-way audiovideo technology which is on the market today. We're looking at its applicability in the use of technology. The reason that television has been sitting in the classrooms for years and has not really functioned is its lack of two-way video and two-way audio. If we can put that together, we can see education delivered from a school in Edmonton to a school in Slave Lake, using fibre optics in particular. So we're looking at that, experimenting with it, and developing programs in that vein. We hope that somehow there can be some linkage of some of the assets of Access in order to effectively deliver programs from one centre to another or from a centre to other centres, using two-way audio, two-way video technology.

Just with respect to technology in itself, our department has been looking at the use of technology from a different perspective than many have. We're not looking at what new technology is there and what does that technology do. We're looking at what we want to accomplish and then looking at which technology would help us to do it. I think the way to waste a lot of money is to buy all the new technology that comes and then try to find a place for it. We're looking at what we want to accomplish for Albertans and then what technology would help us to accomplish it more effectively. I think it's a more reasonable approach to take.

DR. MASSEY: I guess I would assume that's what had been going on in the past.

DR. BOSETTI: No.

MR. JONSON: Can I just comment on the comment, since it was made? Unfortunately this isn't the case, and this is not unique to education either. Quite often the availability and the advertising of the machinery and the technology drives expenditure, and people don't back up and look at what they need it for.

DR. MASSEY: If I may, Mr. Chairman, I still haven't heard whether the Alberta Distance Learning Centre and the distance education, those dollars, and Access, the pieces of dollars there – is that all being co-ordinated? Is that all put together in one parcel in this total effort, or are they still going to operate separately?

MR. JONSON: Well, first of all, the Alberta Distance Learning Centre is operating together with the element which was the old correspondence school branch. We have been working with Access as it exists. What we were focusing on, I guess, in our remarks is the future and our desire to keep the capability of Access available to education in this province, so we can continue to work on that and develop these new plans that we're talking about.

DR. MASSEY: That's fine. Thanks.

MR. CHAIRMAN: Thank you, Dr. Massey.

Mrs. Burgener and then Ms Carlson, and that's it for this round unless somebody else has one, at which point we'll move to program 4.

Do you want in on this one, Mike? I'm sorry.

MR. HENRY: I'll wait and see how time goes; okay?

MR. CHAIRMAN: We are down, by the way, to one half hour left, and the last five minutes of these, just so everybody is aware, we generally use to wrap it up. We have one substantive motion that we must do at the end of this. It's the only one we can do in fact from this committee, and it takes about five minutes to wrap everything up and say thank you.

MRS. BURGNER: I want to speak on vote 3.2.7, appeals and student attendance. While we've acknowledged that there is growth in the number of students in our school system and there's a reduction in funds available through this process, at the same time we're going to more parental involvement in our school operations. Although we don't know exactly what shape that will take, there is certainly going to be an expectation on behalf of parents about what they can expect from their schools for their students. I don't see that we've allowed for an opportunity for the fact that we may see more appeals. I'm curious to know how we plan to handle that, because it doesn't appear in the budget.

MR. JONSON: Mr. Chairman, I certainly see more parental involvement and a closer co-operative working relationship between schools and parents and the community in cutting down in the long-term the number of formal legal appeals on things such as attendance. I am not trying to say here that this is going to suddenly eliminate our attendance problems by any stretch of the imagination, but I see more co-operation, more joint development of policies, more understanding of what the school requires in terms of regular attendance and assumption of responsibility by both teachers and parents to make that happen. I see that, in general, as being a direction which should mitigate the need for these formal pursuits of students who are not attending school.

MRS. BURGNER: If I understand you then, what will be happening is deregulation in the sense that there will be an opportunity for these decisions to be made at the local level and not have access to appeals; is that the sense?

MR. JONSON: No, no. I think I did say that the very need or the very number of difficult attendance cases to crop up and to go to the degree of having to enter into the formal appeal process should diminish if the school and the community are working closely together on their school policies and the importance of schooling and so on. Generally speaking, in talking about it in a broad sense, where you have that good school/community relationship, your attendance problems are less, the tension and misunderstanding that arises between the school administration and the parents is not there, and that reflects on a better attendance situation overall. Certainly for those specific cases, the avenue is still going to be there.

MRS. BURGNER: Okay. Thank you.

DR. BOSETTI: May I just add to that, Mr. Minister? There's another important component in this whole piece. A lot of our appeals – and we have been getting about one a week on average – are related to placement decisions. As we open boundaries, the disputes over placements should diminish substantially. There won't be disputes, because there'll be access. Right now a board has to direct, and it causes all kinds of problems because some boards direct and some don't and there are always disputes. But I'm hoping desperately that those disputes diminish because of the open boundaries and the choices made there.

MRS. BURGNER: That was going to be my third point. The appeals placement process can be very costly in terms of staff from a board's position, as well as obviously from the department's, and also, I would say, very difficult for parents. So with the open boundary there would be a greater flexibility for parents to opt into some of these private institutions and other educational opportunities because the funding will follow that student.

MR. JONSON: I don't at all see how they would opt into private institutions as a result of this. I don't see any relationship at all.

MRS. BURGNER: We have got students who want to go to Foothills Academy, and we would deem that our program provided appropriate education for that student and therefore deny the access to that program and the tuition agreement that followed. So I am saying that because the funding now would follow the student, if the parent feels that the best program for them is at Foothills, they can do that.

MR. JONSON: No. Foothills Academy is outside the public and separate school systems. The funding does not automatically follow them to Foothills Academy. They would still have to be going through the same process that they are now. If it came to that, there'd have to be an appeal.

12:20

MR. CHAIRMAN: Ms Carlson is the last speaker I have on vote 3.

MS CARLSON: Okay. Which of the services provided under vote 3 will be moving towards a cost recovery basis and which will be contracted out and/or privatized?

MR. JONSON: I'd ask Reno to go down that list.

DR. BOSETTI: Sure. We have a number of programs. I just want to say – and I know this is not an answer to your question but may be useful background. Thirty-seven percent of our budget and our people are engaged in delivery, not administration. So we look at the administrative costs. Thirty-seven percent is in delivery, and I can just give you what they are.

In program 2, for example, we have 29 positions which effectively are delivered by advanced education. So those belong in advanced education. We just haven't transferred them.

The Learning Resources Distributing Centre: that's the acquisition and distribution of books and textbooks. It's in this vote. That potentially can be privatized. It's a delivery system, and it occupies 126 positions.

The Alberta Distance Learning Centre could be placed on a cost recovery basis, and indeed if the learning centre is delivering courses to children and the credit enrollment unit prevails, then we should be providing those credit enrollment moneys to the Distance Learning Centre as opposed to school jurisdictions that are not educating the kids.

We have the materials resource centres. We have two, one in Edmonton and one in Calgary, and we're hoping to be able to consolidate those. Those are delivering resources to blind and hearing handicapped people. The resources are extremely costly. We'll never get into cost recovery. We'll deliver the services and subsidize them provincially basically. But those will be consolidated.

The Alberta School for the Deaf is another facility which occupies about 48 positions in our department, and that one we hope will be undertaken by another school district. It's not being

shut down. It's not being compromised in any way, but we hope that it gets into board delivery rather than being delivered out of our department.

In total about 320 of whatever number of positions we have – I can't remember now – are in delivery. That's 37 percent in delivery; they're not administration. Those are potentially quasi-privatizable, if you like, and certainly they can be delivered by school boards as opposed to having our department doing some of the delivery.

MS CARLSON: Okay.

Would there be an advantage to having the correspondence school operate as a charter school?

DR. BOSETTI: We're examining that issue, and I'm not sure. I really am not sure whether it would operate better as a charter school. If it's a charter school, it would be a charter school to the minister, and it is now operated by the minister. We're looking at the possibilities, but frankly I don't know for sure if it would function better as a charter school. It has the flexibility to deliver programs in the best and most efficient way possible. I'm not sure. I don't think so, but I'm not sure.

MR. JONSON: I guess the comment that I'd make there is that we'd really need to work and talk to the staff about that. Giving them kind of a fresh identity and more identifiable autonomy to get the job done: do they see that as improving the way they'd be able to deliver the system? I think that's what it would revolve around. They are independent of the rest of the system in a sense and kind of unique right now. It's a matter of whether that additional autonomy and identity might, you know, develop new ideas and new creativity within themselves.

MS CARLSON: Would there be more or less dollars allocated to them if they were a charter school?

MR. JONSON: There certainly wouldn't be any more unless there's a tremendous increase in demand for correspondence lessons.

The same principle would be, I think, looked to, and that is that they're part of the public or separate school system, albeit they're part of the department, and we would look at the dollars that are available. There would be the charter design, and there would be kind of a contract made for the budget.

MR. CHAIRMAN: I'm sorry. Were those Ms Carlson's questions then?

MS CARLSON: Yes.

MR. CHAIRMAN: Thank you.

I will point out, folks, that we've got 20 minutes left and one more program that we'd really like to get to I'm sure.

MR. HENRY: I'll make this a couple of quick questions, because I do want to get to the Premier's council.

There are a couple of line items. Vote 3.1.2, student evaluation services, which includes the diploma exams and achievement testing: I'm wondering if, again in the future, you would provide me with a breakdown. I'm interested in what's diploma, what's achievement in terms of dollars. How much is development and how much is the actual implementation? If I can get that breakdown, that would be helpful to me.

MR. JONSON: Yes.

MR. HENRY: Okay. Thank you.

Appeals and student attendance, 3.2.7: I know it's only about \$441,000. That's the student attendance board as well as the appeal process. I'm wondering if I could get a breakdown relative to that as well.

MR. JONSON: The numbers of?

MR. HENRY: The dollars used by the student attendance board.

DR. BOSETTI: We'll give you dollars and numbers.

MR. JONSON: And numbers of appeals if you want.

MR. HENRY: Yes. Your office – and I wanted to thank them – has already provided some of that info, and I appreciate that.

MR. CHAIRMAN: That's it, Mr. Henry?

MR. HENRY: We're on the third round; right?

MR. CHAIRMAN: Yes, vote 3.

MR. HENRY: Vote 3. Did I start the third round of questions?

MR. CHAIRMAN: No, you didn't.

MR. HENRY: I didn't. Okay.

MR. CHAIRMAN: I'm really happy that you haven't started this round.

MR. HENRY: I'll leave it at that. I know that some people might have other questions. They might want to go a third round.

MR. CHAIRMAN: Seeing none on vote 3 . . .

DR. MASSEY: I had one on vote 3. I don't on vote 4.

MR. CHAIRMAN: You've already had the second round of vote 3. We do have one more program. It's up to the committee. If I've got one person that wants another question on vote 3, it opens it up, and we'll never get to vote 4.

DR. MASSEY: I'd like to go to one more on vote 3.

MR. RENNER: I just want to make a comment if I could. I haven't spoken on this one yet. My understanding from previous experience with this committee is that if we get through all of the programs and there's still sufficient time left, we can go back again. So I think it doesn't hurt to move on. If there's time left, we can come back.

MR. HENRY: I think Dr. Massey has one set of questions, and then we would agree to move onto vote 4, unless there's a government member who would like a question.

MR. CHAIRMAN: Well, everybody has the opportunity.

Dr. Massey, if you've got a burning question on 3, ask the question.

DR. MASSEY: Now you're going to start to rate the questions.

I'd like to ask about 3.1.2, student evaluation services. I remember that last time we went through these estimates, the Treasurer came in and was somewhat astounded that there wasn't more money in evaluation, if I recall his comments. Is there any move in student evaluation to the development, particularly for those elementary school grades, of diagnostic tests rather than achievement testing? Is there money in here for it?

MR. JONSON: Yes. We have been developing diagnostic tests for some time. There's money in there for this. We're continuing that effort. It's important throughout, but it's particularly important for the early grades.

DR. BOSETTI: We have diagnostic tests in language and in mathematics, and we're refining them continually.

DR. MASSEY: Is that going to be expanded?

MR. JONSON: Not in this budget, no. I think the important thing is that it already exists. This is an editorial comment I guess, but I think one of our challenges is to try and get teachers to use them more. They exist; they're there now. It's a matter of getting them trained or getting them aware of them and using them more than they do currently.

DR. MASSEY: Thanks, Mr. Chairman.

MR. CHAIRMAN: Thank you.

No more questions on vote 3? We'll move to vote 4.
Mr. Henry.

MR. HENRY: Thanks for coming, Eric. One of the limitations here in asking questions on the Premier's council – and I think we all agree there's some very excellent work and important work done by the council – is that we have one budget line item, a total amount. I'm wondering if we can be provided with a more detailed breakdown, and then maybe we can get back in terms of more questions.

I note the work that the council has done with regard to the Action Plan and the Action Plan Report Card. I'm looking at it right here, and I commend you for that work. I see there's a downsizing here, a fairly significant one, in the budget for the council. After the report card, what sort of resources are being allocated to be able to monitor the response to the report card? The report card said that there were deficiencies in certain departments, et cetera. What sorts of resources are put into monitoring that to see if there's improvement?

12:30

MR. JONSON: I'll ask Eric to respond specifically. I think the question, Mr. Chairman, is what might be a number of different questions. The council looked at their budget, and they definitely did look at being able to fulfill their responsibilities. They sort of looked at – I shouldn't say around the edges. They looked at such areas as the meeting times and expenses – they've become very frugal there – the number of people on the board, things such as that, in order to make sure they can continue these functions which are set down. Eric may want to give you the details.

MR. BOYD: Mr. Chairman, the answer to your question in terms of the impact of the reductions is primarily in the area of contracted services, where in the production of a document like that, we've been able to go out and bring in the resources to complete

that kind of independent review. I think what we've had to try to do in order to participate in the deficit reduction process is say: are there other ways we can do that? In our evolution as a council and in the kinds of credibility we've developed with government, are there other solutions there? I think we're beginning to find out that there are other ways we can do that, because I think other departments have been much more willing to participate with us and to help some of those things happen. I think of the community supports project which we're moving through right now, where we've traditionally had to sort of find the resources to make those kinds of projects happen. Now I think we've got a sharing of four departments in the costs of that kind of a project. I think that's the way we've sort of strategized how we might be able to live with less resources in the contracted services area. That's the most significant reduction in our budget. We've been able to maintain the manpower that we have for the next three years in the business plan.

MR. HENRY: To the minister, the key word in terms of the review was "independent." I think the council did a good job of that. In the review it does note that – and not your department, Mr. Minister – not all the information provided to the council in order to do its review was accurate information by all departments. So do you see the council having the opportunity to come back to the department or to cabinet for an exemption of further reductions in funding so that they can be able to do this kind of independent review rather than having to rely on the departments? It hasn't always been reliable in the past.

MR. JONSON: I would have to say that I don't see that right now. Certainly the very purpose of the council is to draw to my attention and through me to the Premier and to the government these kinds of problems, if they come to exist. I don't see it as a problem right now which would relate to us wanting more money for the council. Certainly, as with all departments in government and everybody involved in this overall deficit reduction effort, the council, quite frankly, had to look at cutting back and reducing. I do think the council feels that they can still fulfill their mandate at this point in time, and therefore I would not commit at this time to say that I'll go back for more money until I see that there is a problem.

MR. BOYD: By way of supplementary, Mr. Minister. In the three-year business plan, which you probably don't have the opportunity to see, the decision was to, if possible, restructure so that we could take our 20 percent right now as opposed to spreading it over three years, with the suggestion that it would flat-line after that for the remaining three years. That would nearly take us to our sunset period anyway. So the three-year plan is to stay flat-lined. We're not expecting further reductions.

MR. HENRY: Correct me if I'm wrong, but I don't believe I've seen that three-year plan for the council, and I'm wondering if . . .

MR. BOYD: It is included.

MR. HENRY: It is included. Sorry.

MR. JONSON: You don't expect it to pop up in the middle of Education, you see, but it's there.

MR. HENRY: It is there. Okay.

Can I ask the Minister then: the cuts that are being done this year, is the expectation, barring unforeseen circumstances, that this will level off, that we won't see further reductions over the next two years?

MR. JONSON: Yes. Mr. Chairman, there's a philosophy, I guess, which applies to our whole budget one way or the other. I'm sure everybody here has probably considered what the relative merits of front-ending your reductions are versus stretching them out evenly or gradually over the three years. In the case of the council they have an important task, but they are not a large entity. It was felt – I guess ultimately you have to say by Treasury Board – that since the council had recommendations as to how to cope with this, it was better to make the change, adjust and get on with their work, rather than do this incrementally and have it distract from their work over three years when it didn't need to. So the reduction is done, the plan goes down, levels out, and they can get on with their work with the reductions that they make.

MR. CHAIRMAN: Members of the committee and ladies and gentlemen, I've been somewhat remiss. I didn't actually introduce Eric Boyd. He is the executive director for the Premier's Council on the Status of Persons with Disabilities, just so everybody knows who Eric is.

I have one other name on my list for vote 4, which is Mrs. Burgener.

MRS. BURGNER: What time are we at?

MR. CHAIRMAN: We have seven or eight minutes' worth of questions and then five minutes to wrap up.

MRS. BURGNER: Thank you and welcome. I had a chance to look at some of the work on the community supports and think it's an initiative where we should give credit to the various departments that are working together to co-ordinate that.

I have a couple of concerns with respect to education and the work of the council, and that has a lot to do with the career training that goes on with your senior high students. What kind of linkage do you see that the council will provide students who may be going on into the work force? Are you confident there are adequate resources there to assist disabled students moving to the work force?

MR. BOYD: You mean post high school?

MRS. BURGNER: Well, we have programs in our high schools and some of those students will not go on. I want to know if there's an effective link between education and whether it's advanced ed or whether it's career development. The reason for asking the question is that we know through social services that there are changes in things in funding for adults, and I'm wanting to make sure that the education opportunities which have to be developed at the basic education level are there. So my question to you is: have you got the resources to do that?

MR. JONSON: I think the question would be, Mr. Chairman: does the council have the resources to continue as they do to follow up and monitor how things are going in that realm, not to actually make it happen, because that has to fall to the line departments. Eric may want to comment on that.

MR. BOYD: Thanks, Halvar. I think so. I think one of the differences in the council today from the council when it came into being was that we didn't have credibility with departments. We didn't have any sense that departments wanted to co-operate or had to co-operate, so a lot of the work we had to do was much more advocacy-oriented than what we do now. We needed some independence and some resources to be able to do things independently.

I think what we're finding now is that the work we've been able to do has brought a sense of credibility within government, both politically and within the departments. I think in a very ongoing way the three staff that we have work very well with all the departments and all the levels, so there is a fair bit of co-ordination in the whole issue around preparation for training and policies around advanced education. We've been working hard with advanced education to look at some pilots as to how we could make shifts in terms of what's happening in social services and the funding that's being shifted over to advanced education and that kind of thing. So, yeah, I think we can still accomplish those kinds of things with the resources that we have.

12:40

MRS. BURGNER: Okay. Thank you.

My next question has to do with the community supports process, in that my understanding was that there were dedicated resources now from various departments. Can you give us some sense of the final product and implementation of that final product in terms of the report?

MR. CHAIRMAN: This is not dealing with the budget, though, is the problem.

MRS. BURGNER: Okay. Then I'll rephrase it. It's a different element compared to the other ones. I'll rephrase it and say this: one of the things that occurred to me when we went to those meetings was that there had been a difficulty in the past with departments working together, and consequently there's wasted resources. Can you assure me that through the work of that particular working group that waste and duplication of resources has been eliminated?

MR. JONSON: Well, I'll try this one. This is an interesting one. That's the polite way of saying it. In government new challenges always present themselves. First of all, though, on a serious note to the question as far as community supports, I think there is definitely an interest, a will on the part of the departments involved to be able to work to meet the objectives of that whole community supports initiative. We had a meeting not too long ago to look at moving forward to putting it into place. I know personally that I certainly don't want that initiative to be lost, and I don't think it will.

The reason I was smiling, Mr. Chairman, is that we've been putting an emphasis on co-ordinating services. Certainly community supports is one of them, but now we have an issue of co-ordinating co-ordination, because – and we've got to take a little bit of time to sort this out – we have in Education our own co-ordination of services effort. We have in Health with the whole regionalization effort a co-ordination factor. All these things are commendable, but as we make progress, we're getting to the point where they're coming together. You've got sort of three co-ordinating rings there, and we've got to stop now before they get tangled and try and sort things out, and that's where we're at right now.

MRS. BURGNER: Thanks. I think we'll leave it at that.

MR. CHAIRMAN: Thank you.

Ms Carlson, you have one and a half minutes.

MS CARLSON: I'm fast. In the business plan under the objectives, your second one talks about the "establishment and/or refinement of mechanisms . . . [for] advice and input" that might take the place of the council when it reaches its sunset date. Can you tell me how much of this year's budget is allocated to this?

MR. BOYD: It's difficult, because we don't break the budget down into programs as such, but I think in the first five years of the council's mandate we really looked at trying to bring some sense to the whole disability policy area within government and to provide some directions and challenge to better co-ordinate and better rationalize what happened. I think we've had some success in that area, but I think part of that whole strategy, too, has been to say that part of the solution is creating an environment and an attitude within government that would ensure that you don't always need a council to bring that input. To give you a classic example, in transportation we've created within that department a stakeholder advisory committee which is made up of all the stakeholders in transportation across the province, where they now become a link with that department in terms of planning around a barrier-free transportation policy within that department. So that's what we refer to in terms of trying to make sure that we create initiatives and create directions that will make the council sort of redundant at the end of its period. I think what we're saying is that we want to step up that direction in the last five years of our mandate. We'll be looking at the community as well and saying to the community: how can you begin to take on more of the role that the council has been involved in?

MR. CHAIRMAN: Thank you.

We have four minutes left. Generally speaking, we have one substantive motion that we must do here, and then I'd like to say a couple of thank yous.

Under Standing Order 56(7) debate has now concluded on the consideration of the Department of Education's 1994-1995 budget estimates. All those in favour? Thank you. All those opposed? I have three opposed and four in favour. The motion passes.

On behalf of the committee I would just like to thank the minister, Eric, and all the staff. Your answers quite frankly have been very frank, very forthright. I have to say that I lied earlier when I said I'd chaired five of these. It's actually six of them. It just occurred to me that we did FIGA in the last one, and this is possibly the least acrimonious one we've ever had. I hope this is going to show us the way in the future when we do these subcommittees and that we can have the good co-operation that's been shown today on both sides.

Thank you.

MR. HENRY: Does that mean that you're going to let us recall?

MR. CHAIRMAN: Actually, the vote was won. The estimates have been declared.

MR. HENRY: Thanks for that clarification.

MR. CHAIRMAN: Thank you very much.

A motion to adjourn?

HON. MEMBERS: Agreed.

MR. JONSON: I'd just like to say thank you to the committee members. I think embedded in the questions were some good things to think about and some suggestions, and we'll get your information back to you.

MR. CHAIRMAN: Thank you.
We're adjourned.

[The committee adjourned at 12:46 p.m.]