

## Legislative Assembly of Alberta

Title: **Wednesday, April 16, 2003**

1:30 p.m.

Date: 2003/04/16

[The Speaker in the chair]

head: **Prayers**

**The Speaker:** Good afternoon.

Let us pray. As we begin our deliberations in the Legislature today, we ask You, O God, to surround us with the insight we need to do Your will to the benefit of our province and its people and to the benefit of our country. Amen.

Please be seated.

head: **Introduction of Guests**

**The Speaker:** The hon. Minister of Transportation.

**Mr. Stelmach:** Thank you, Mr. Speaker. It's indeed a pleasure today to introduce to you and through you to members of the Assembly 47 visitors from Tofield school. They are seated in both galleries. They're here with teachers Mr. Fred Yachimec, Mrs. Lynn Hryhchuk, Mr. James Rae, teacher assistant Mrs. Sandra Norton, and parent helpers Mr. Doug Herrick and Mr. Wayne Lysons. I would ask all of our visitors to rise and please receive the traditional welcome of our Assembly.

**The Speaker:** The hon. Member for Drayton Valley-Calmar.

**Rev. Abbott:** Thank you, Mr. Speaker. It gives me great pleasure to introduce to you and through you to all members of this Assembly 23 visitors from Winfield school in Winfield, Alberta. Winfield is the school that I graduated from way back in 1984. These students are accompanied by teacher Terri Cocks and parent helpers Greg Patton, Michelle Malbeuf, Marilyn James, and Samantha Heeney. They're seated in the members' gallery, and I would ask them all to stand and receive the warm welcome of the House.

**Mr. Vandermeer:** Mr. Speaker, it's my honour this afternoon to introduce to you and through you to members of this Assembly 23 wonderful students from St. Dominic Catholic school. How do I know they're wonderful? Their teacher described them as such a wonderful class. Mrs. Jones is their teacher. They are also accompanied by Mrs. Laura Marrelli, Mr. Geoff Turtle, and Mrs. Cheryl Smyth. I'd ask that the Assembly give them their traditional warm welcome.

Thank you.

**The Speaker:** The hon. Member for St. Albert.

**Mrs. O'Neill:** Thank you. Mr. Speaker, it's my pleasure to introduce to you and through you to members of this Assembly eight people who are here today because they were the guests of the Premier. Brian Sehn, the owner of Alberta Asphalt Enterprises, had purchased a luncheon with the Premier at a Rotary auction, and he invited seven of his business associates. They're here today seated in the members' gallery, and they are Brian Sehn, as I said, the owner of Alberta Asphalt Enterprises, accompanied by Pat Bancarz, Dale Klein, Michael Keating, Basil Koziak, Neil Koziak, Dan Peskett, and Dean Paprotka. I'd ask them to please rise and receive the traditional warm welcome of this Assembly.

head: **Oral Question Period**

### Education Property Taxes

**Dr. Nicol:** Mr. Speaker, yesterday when asked about education property tax, the Premier stated: "There is no tax increase. I repeat: there is no tax increase." I can't say that the Premier is telling lies – it's unparliamentary – but I can't say that he's telling the truth either. To the Premier: will you admit that the bottom line is that Albertans are going to pay more property taxes this year to fund education than last year?

**Mr. Klein:** Mr. Speaker, there will be more money collected because, fortunately, there's been tremendous growth in this province due to the prosperity.

Relative to the education portion of property taxes, that will remain frozen unless, of course, an individual's property is reassessed and is assessed at a higher value. Then not only will they pay more in property tax, but they will pay more in education tax. It only stands to reason. That's how it works in this system.

**Dr. Nicol:** To the Premier: will the Premier tell his ministers to not continue saying that there's no tax increase for education?

**Mr. Klein:** No, Mr. Speaker. We are not going to say that because fundamentally the education portion of the property tax has been frozen unless there is an increase in the value of property, and that is a determination that has to be made by the municipal council.

**Dr. Nicol:** To the Premier: so you're willing to allow your ministers to confuse Albertans by telling them one thing when in fact something else is happening?

**Mr. Klein:** Mr. Speaker, perhaps I can explain it this way so the Liberals might be able to understand it. Might. I emphasize and underline "might." Under the Canadian system of taxation – the Canadian system, because I'm using an analogy here now – when you earn more money, you pay more in income tax. That doesn't necessarily mean that the fundamental rate or the base goes up, that the taxation rate goes up. It just means that you make more money. As it stands with property tax, the more the value of your property increases, the more taxes you pay. It's simple.

**Dr. Nicol:** The bottom line is that Albertans will be paying more in education property taxes this year when compared to last year.

Albertans' education property taxes increased more than government spending on schools. To the Premier: when will this government stop using education property taxes to fund education given that education property taxes aren't based on Albertans' ability to pay?

**Mr. Klein:** Mr. Speaker, I'll have the hon. Minister of Learning supplement, but not all education costs are supported through the education portion of property tax. About 32 percent comes from the education portion of the property tax. The rest is funded out of general revenues. I know that it's a matter for Committee of Supply; nonetheless, I'll have the hon. minister respond.

**Dr. Oberg:** Thank you very much, Mr. Speaker. Very quickly, there has been an increase in the amount of the taxation that has been collected due to the growth in the province. The amount has been around \$60 million, I believe, in that area. Our budget for the K to 12 component of Learning went up \$191 million this year.

**Dr. Nicol:** Again deception, Mr. Speaker.

To the Premier: when will the government fund education based on the cost of education instead of on the value of someone's home?

**The Speaker:** We're right on the edge here. We've got a designated estimate this afternoon with respect to Learning, and we have ample opportunity this afternoon to debate the budget of the Department of Learning. If we're on property taxes . . . If we get on the other one, we're right on the edge.

**Mr. Klein:** Well, Mr. Speaker, as I've mentioned in this Assembly previously, the education portion of property tax is one source of revenue to partially fund, I think to the tune of 32 percent, education in this province. If we were to suspend that and not count on that money, we would have to find it from other sources. That could involve raising provincial income taxes. I don't know if we want to do that. I don't know if the Liberals want us to do that. But if they have any bright ideas for a change that could result in changing the way we obtain that revenue, send them over.

**The Speaker:** The hon. leader.

**Dr. Nicol:** Thank you, Mr. Speaker. To the Premier: will the Premier change government policy and restore local democracy to the individuals in the communities and allow local taxpayers to determine how local taxes are spent?

1:40

**Mr. Klein:** Mr. Speaker, I'm not quite sure what the hon. leader of the Liberal opposition is driving at. Basically, property tax is set by the municipal council, and there are processes in place through the courts of revision in the various municipalities to appeal taxes if they think that those assessments are unfair, and that to me is all part of the democratic process.

#### Emergency Services in Calgary Health Region

**Dr. Taft:** Mr. Speaker, the report of the fatality inquiry into Vince Motta speaks forcefully about concerns with the Calgary health region. It says, "The public is being misinformed," and "The adult emergency services area has . . . worsened . . . and continues to worsen." It calls for dramatic change and says, "There is no place for pollyanna reports that speak of 'strengths and areas in need of improvement,'" and then says, "By most accounts, serious weaknesses and problems exist in the emergency departments in Calgary." To the Premier: given that yesterday the Premier said, "When there are problems, we act on those problems," how does the Premier explain why there was no action on an earlier fatality inquiry which might have prevented Vince Motta's death?

**Mr. Klein:** Mr. Speaker, I'll have the hon. Minister of Health and Wellness respond in more detail. [interjection] I'm sorry; he's not here. [interjections] Oh, he's just come in. I don't know if he caught the question, but I can tell you generally what we plan to do relative to the Motta situation. As the hon. minister pointed out, this is a very tragic situation, and I know that the heartfelt condolences of everyone in this Assembly go out to the Motta family on their loss.

The Calgary regional health authority is taking this fatality inquiry very seriously and has already, as I understand it, taken steps to address some of the concerns raised and, I would assume, also steps to address the specific situation the hon. member alludes to. Actions have been taken to improve co-ordination among emergency room

staff and to free up hospital beds, and as a result, as I understand it, waiting times in Calgary emergency rooms have dropped 28 percent since 2000-2001.

The judge called, as the hon. member knows, for an independent inquiry into Calgary's health system but only – but only – if steps have not been taken to improve the system. Steps have been taken, and we'll need to evaluate whether those steps have been sufficient to justify the findings of Judge Delong.

Calgary emergency rooms serve, as the hon. minister pointed out, about 250,000 people a year. Sometimes, unfortunately, mistakes are made, and improvements are needed to ensure that they don't happen again. In that regard Alberta Health and Wellness is working with the Calgary regional health authority to review the recommendations, and any other further steps that need to be taken will be taken.

Relative to the specific question I'll have the hon. minister respond.

**The Speaker:** We'll move on.

**Dr. Taft:** To the Premier again: given that senior positions in the Calgary health region have been occupied by the Premier's former chief of staff, by the Premier's former deputy minister, by the Premier's former Treasurer, and by a host of other Tory supporters, will the Premier admit that the top of the Calgary health region is rife with patronage appointees instead of seasoned health care executives?

**Mr. Klein:** Mr. Speaker, these are competent individuals. I'll tell you and I'll tell the hon. member and I'll tell this Assembly a little story about the selection of my former deputy minister, the Deputy Minister of Executive Council. I was driving along one day when I received a call from the then chair of the Calgary regional health authority, who advised me that they were conducting a search for a chief executive officer. He said: the three candidates we have in mind are all from Ontario, and they want salaries in the area of \$500,000 to \$700,000 a year. I said: God forbid; surely you can find someone in Alberta who can fulfill that job. I said, "Take a person like Jack Davis," for instance, who was earning far less than that, about \$150,000 a year as head of Executive Council. The chair says: are you serious? Well, at that moment I knew that I'd been hoisted on my own petard because they hired Jack Davis, a perfectly capable, very, very competent public service employee.

**Dr. Taft:** I guess that if you're the right person, a job is only a phone call away.

To the Premier: given that the need for a new hospital in south Calgary was identified as urgent six years ago and was to open this year, can the Premier explain why the Calgary health region hasn't even formally asked for the money to build one?

**Mr. Klein:** Mr. Speaker, I understand that the priority in Calgary was the children's hospital, and we have fulfilled our commitment to the capital costs of that particular hospital.

Going back to the previous question, you know, it strikes me that this is what the Liberals want, to hire someone from out of province at an inflated salary, because it fits in with the traditional patterns of unreasonable, unaccountable, Liberal spending.

**The Speaker:** The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Medicine Hat.

**Dr. Pannu:** Thank you, Mr. Speaker. Yesterday in question period

the Premier stated that the death of Vince Motta had nothing to do with the closing of three hospitals in Calgary. Unfortunately, for all his public relations efforts, Justice Delong disagrees. In his fatality inquiry an entire section is titled Delay Due to the Lack of Beds. Justice Delong points to the lack of beds and notes the closure of three Calgary hospitals. Judge Delong writes, "To suggest the solution does not include more beds is to ignore the obvious." He later writes, "This must be seen as an urgent matter." My questions are to the Premier. Now that you have had a day to actually read the report, is Justice Delong incorrect, Mr. Premier, or does this government in fact owe an apology to the Motta family for closing hospitals and causing an avoidable death?

**Mr. Klein:** Mr. Speaker, I'll have again the hon. Minister of Health and Wellness respond, but when those hospitals were closed in Calgary – and indeed one was imploded . . .

**Dr. Pannu:** One of them was blown up.

**Mr. Klein:** Imploded. Blown down, not up.

Mr. Speaker, that was done precisely to allow more hospital beds in facilities like the Peter Lougheed hospital and the Foothills hospital, the Rockyview hospital to open up. So the beds that were lost through the closure were more than gained through the opening up of new beds in state-of-the-art, good facilities. I think that we need to do a thorough evaluation of Justice Delong's findings before we jump to any conclusions relative to this issue.

Relative to the bed situation in Calgary I'll have the hon. minister respond.

**The Speaker:** The hon. minister.

**Mr. Mar:** Thank you, Mr. Speaker. The province of Alberta is one of the only jurisdictions – it may in fact be the only jurisdiction – that in fact records information about wait times in emergency rooms. We track this for the purposes of determining how it is that we are improving in the area of improved service in emergency medicine. Obviously, it's difficult to compare Alberta with other provinces when other provinces don't record this kind of information, but demonstrably we are reducing the number of unnecessary visits to emergency rooms throughout this province.

**1:50**

I think it's well known by members of this Assembly as well as members of the public that the Health Link line has dramatically reduced the number of unnecessary visits to emergency rooms and physician offices throughout this province. It will be up and running throughout the entire province by this summer. In the example of the Capital health region before the Health Link line was put in, the number of emergency room visits was growing steadily at 6 to 7 percent a year. It's dropped now to a much more sustainable 1 percent a year. This can be directly attributed to Health Link. It's the reason why primary health care reform is very important here.

That's not to say that we have an emergency room system in this province that is ideal, Mr. Speaker. Of course, there continue to be things that we can try to improve. We are committed to doing that, and we are committed to carefully considering and working with the regional health authority on His Honour Judge Delong's recommendations, the 25 recommendations set out in his report.

**The Speaker:** The hon. member.

**Dr. Pannu:** Thank you, Mr. Speaker. Will the Premier make a

commitment to the people of Calgary today to accept and implement Justice Delong's recommendation to find additional hospital beds, and will he do it setting a time line that reflects the urgency noted in his inquiry?

**Mr. Klein:** Mr. Speaker, I'll have the hon. minister respond.

**Mr. Mar:** Mr. Speaker, we have already embarked on increasing the number of beds in acute care facilities in the city of Calgary. To the best of my recollection there are some 1,400 beds planned for facilities in Calgary. They've already opened up 700 of the 1,400.

**The Speaker:** The hon. member.

**Dr. Pannu:** Thank you, Mr. Speaker. How can this government and this Premier continue to defend the board and senior management of a health region that Judge Delong says takes an adversarial approach to a fatality inquiry and views it as a public relations challenge rather than a fact-finding exercise?

**Mr. Klein:** Mr. Speaker, they do not view this as a public relations challenge. That is an irresponsible statement, to say the least.

As I said in my reply to a question from the hon. Member for Edmonton-Riverview, this was a very tragic situation, and our condolences really do go out to the Motta family. I said that actions have been taken to improve the co-ordination among emergency room staff and to free up hospital beds. The hon. minister addressed the situation vis-à-vis hospital beds in Calgary and mentioned the plans for 1,400 new beds, 700 of which have already been brought onstream. That's more than two full hospitals.

The judge called for an independent inquiry into Calgary's health system but only if steps have not been taken to improve the system. As we understand it, steps have been taken, and we'll need to evaluate whether those steps have been sufficient to justify Justice Delong's concerns. That reasonable, intelligent evaluation is now being undertaken, and we will continue to work with the Calgary health authority to review the recommendations and to take any further steps that need to be taken. We will take those steps because we're concerned, as indeed are officials of the Calgary health authority, as indeed are citizens at large, as indeed are the members of the Motta family that this kind of tragedy does not occur again. We're interested, Mr. Speaker, in addressing the problem, in fixing the problem. We aren't interested, as the NDs are, in using this as a political football.

**The Speaker:** The hon. Member for Medicine Hat, followed by the hon. Member for Edmonton-Gold Bar.

#### **Debt Reduction**

**Mr. Renner:** Thank you very much, Mr. Speaker. Since this government eliminated deficit budgets in Alberta, it has been a priority to make annual payments reducing Alberta's debt. A number of my constituents have expressed concern that the new fiscal policy implemented in budget '03-04 does not appear to maintain that same commitment to debt reductions. My questions today are to the Minister of Finance. I would like to ask the minister why there are no identifiable lines in this budget dedicated to debt reduction.

**The Speaker:** The hon. minister.

**Mrs. Nelson:** Well, thank you very much, Mr. Speaker. Let's be

very clear. In the budget document there is a section called Accumulated Debt, in the fiscal plan, that clearly lays out how our debt will continue to go down. This will occur because we have had banner years in the past where we've put money away in what we've almost labeled a prepaid mortgage account, and in this particular fiscal year the scheduled debt that comes due will be paid by those dollars that were put in that account for this year and for next year. So at the end of this fiscal year our debt will be down to \$4.8 billion. That's nearly 80 percent. Nearly 80 percent of the accumulated debt of the province will have been cleared by the end of this fiscal year, so we're way ahead of target, and we're keeping our eyes focused on getting rid of that debt.

**The Speaker:** The hon. member.

**Mr. Renner:** Thank you, Mr. Speaker. My second question to the same minister: can the minister assure all Albertans that this government remains committed to eliminating Alberta's debt?

**The Speaker:** The hon. minister.

**Mrs. Nelson:** Yes, Mr. Speaker. In fact, we can. In fact, we are so committed to this that I can tell you as a promise – and I've said this in two budget speeches – that we will be the first province in all of Canada that will in fact be debt free.

I can also tell Albertans, Mr. Speaker, that we're so committed to getting rid of this debt that the benefits we have today are as a result of staying with our feet to the fire to clear the debt. We've cleared over \$1.3 billion on interest expense from our books forever. I call those lost costs because they don't do anything other than pay interest. Today those dollars are employed in priority programs that Albertans want, such as health and education. So our commitment is there. It's sound, it's true, and we will continue on that path.

**The Speaker:** The hon. member.

**Mr. Renner:** Thank you. My final question to the same minister: can the minister advise what the expected time frame is before the sustainability fund is fully funded and debt payments will be resumed?

**Mrs. Nelson:** Well, Mr. Speaker, we would hope, based on our analysis within this budget, that in the next couple of years we will have roughly \$2.2 billion to \$2.5 billion in our sustainability fund. After that fund reaches \$2.5 billion, we will have choices if there are additional revenues that do come through from operating surpluses or from our resource revenues. We'll be able to make choices such as continue to put money into debt retirement or put money into capital and a variety of other things that would enhance the asset base of the province. We're hopeful that the fund will build quicker as opposed to later so that we do have some additional choices to make. But let's be very clear: we're very focused on clearing the last of the accumulated debt.

**The Speaker:** The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Edmonton-Rutherford.

#### **Income Tax Deduction for Purchase of Tools**

**Mr. MacDonald:** Thank you, Mr. Speaker. During debate on a private member's bill to allow for an income tax deduction by Alberta workers for the purchase of tools necessary to do their job, a vote in this Assembly was held. When a standing vote was

conducted, of the members present 42 stood in favour of more tax breaks for workers; seven stood against. My first question is to the Premier. Given that the Premier promised that the only way taxes in this province were going was down, why, 18 months after the Alberta Personal Income Tax (Tools Deduction) Amendment Act, 2001, was voted in this Assembly, has it not been proclaimed?

**Mr. Klein:** Mr. Speaker, private member's Bill 207, I believe it was, the income tax amendment act, which would have provided tax credits for the purchase of tools by tradespeople, has received royal assent but, as the hon. member has pointed out, will not be in force until it receives proclamation.

There was a recent newspaper article that reported the Liberal labour critic, the hon. Member for Edmonton-Gold Bar, as saying that the government is showing contempt for journeymen and democracy by not proclaiming Bill 207 even though it was passed in November 2001. Well, Mr. Speaker, there are good reasons, reasons that even the hon. member should be able to understand. One, in December 2001, one month after Bill 207 was passed, the federal budget included a new tax deduction for the extraordinary cost of apprentice vehicle mechanics' tools. It was thought that proclaiming Bill 207 could result in double credit for vehicle mechanic apprentices because of the interrelationship of the federal deduction and the provincial tax credits.

2:00

**An Hon. Member:** The federal Liberals beat you to it.

**Mr. Klein:** No, they didn't beat us to it. I think that they were watching us and said to themselves, as Liberals often do: "Hey, that's a good Conservative idea. What we'll do is we'll snatch it."

Mr. Speaker, the federal deduction in fact has addressed the largest part of the concerns that led to the passage of Bill 207 by allowing the tool deduction to apprentice vehicle mechanics, who incur the highest tool expense or cost and have the least ability to pay. If a decision is made to proceed with an Alberta credit, the Alberta legislation should be amended to eliminate duplication or double-dipping before it is proclaimed. The Minister of Revenue, I understand, has discussed this with the sponsor of the bill, Bill 207, the hon. Member for Clover Bar-Fort Saskatchewan, and has agreed to meet with a number of key industry people to discuss the matter further.

**The Speaker:** The hon. member.

**Mr. MacDonald:** Thank you, Mr. Speaker. Again to the Premier: given that corporations have received tax breaks recently from this government, why have not workers at the will of this Legislative Assembly received a tax break as well?

**Mr. Klein:** Mr. Speaker, you know, you provide the answer as clearly and as succinctly as possible, and they don't understand it. Well, they do understand it, but what they haven't been able to come to grips with is that from time to time they have to get away from their script.

In answer to the question, Mr. Speaker, I'll have the hon. Minister of Revenue respond.

**Mr. Melchin:** Mr. Speaker, I'd first like to say that it's nice to see that some of the members of the Liberal opposition are now asking for proclamation of this bill when only two voted for it in the first instance, and two actually voted against it. So it's interesting that that would be brought forward at this time in the Legislature.

Furthermore, this bill was actually targeted so that the apprentices, the largest group, would actually be benefited. The workers of which you spoke, the mechanic apprentices, actually are the ones who have benefited substantially by it. So we have addressed it already by the Liberal government introducing legislation that accomplishes much of this purpose.

**The Speaker:** Hon. Member for Edmonton-Gold Bar, you also rose on a point of order; right?

**Mr. MacDonald:** Yes. Certainly, Mr. Speaker.

To the Minister of Revenue: given that the hon. minister has stated that the Department of Revenue has evaluated the act, how much money did the government save by not providing this tax break to workers in this tax year that has just concluded?

**Mr. Melchin:** Mr. Speaker, actually, the best option that the federal government did take – and I know that the sponsor of the bill, the Member for Clover Bar-Fort Saskatchewan, would say the same thing – was to get the deduction both for federal taxes and provincial taxes. Our provincial tax rates are already at a 10 percent threshold, very low amounts. So what the federal government did by incorporating some of these suggestions is what the apprentice mechanics now get in both the deduction for federal taxes and provincial taxes. They do receive the benefit of a reduction in provincial taxes already as a result of the new legislation.

**The Speaker:** The hon. Member for Edmonton-Rutherford, followed by the hon. Member for Edmonton-Glengarry.

#### Alberta/Quebec Relations

**Mr. McClelland:** Thank you, Mr. Speaker. My question is for the Minister of International and Intergovernmental Relations. On Monday Quebecers elected a new government. Many of the intergovernmental priorities Jean Charest advocates are similar to those our Premier has been talking about for some time, like addressing the fiscal imbalance and scheduling regular first ministers' meetings. My question: will the government of Alberta enlist the support of the new Quebec government to advance our mutual interests?

**Mr. Jonson:** Mr. Speaker, as the hon. member has noted, we do have a number of areas of mutual interest as provinces, and of course one of the priority items is that of the fiscal imbalance within Canada. Quebec and Alberta have a long history of working together on intergovernmental issues, and we look forward to reinvigorating this co-operation with the election of a new government in Quebec. Premier Klein has written Jean Charest congratulating him.

**The Speaker:** Please, Minister, please, please. We know the rules about identification of names in this House. Let's get on with the answer.

**Mr. Jonson:** I apologize, Mr. Speaker. The Premier has written to the Premier-elect of Quebec and expressed his desire to enter into dialogue and discussions with the Premier-elect. The intergovernmental agenda will be a busy one in the year ahead, and I look forward to meeting with and discussing mutual issues with the minister of intergovernmental affairs when my counterpart is announced in the province of Quebec. We will be examining and exploring every opportunity to work on matters of mutual interest. We all, of course, have the goal in mind of strengthening Canada.

**The Speaker:** The hon. member.

**Mr. McClelland:** Thank you. My final question to the same minister: has the government of Alberta identified a single priority issue that will be pursued with the government of Quebec to get one recognizable achievement?

**Mr. Jonson:** Well, first of all, Mr. Speaker, both governments, I believe, have a concern with respect to the lack of respect and co-operation that seems to exist in Canada at the moment with respect to the place of provinces and the importance of provinces within Confederation. With the election now of what we understand to be a federalist government in Quebec, the government of Alberta is certainly interested in working with the province of Quebec to pursue our mutual interests and to develop a stronger and more united Canada where provinces are fully respected.

#### Provincial/Municipal Agreement

**Mr. Bonner:** Mr. Speaker, yesterday I asked the Minister of Municipal Affairs why the province refused to sign the fair and equitable working relationship agreement for the minister's council on roles, responsibilities, and resources. The minister refused to answer my question. Instead, he talked about how wonderful the council is. To the Minister of Municipal Affairs: will you sign the working relationship agreement? Yes or no?

**Mr. Boutilier:** Mr. Speaker, let me repeat my answer from yesterday to the hon. member. In keeping with the spirit of the slowness that was mentioned yesterday, let me just say this. I have spoken with the council, as have some members of this Legislature: the hon. Member for Calgary-Mountain View, the hon. Member for Edmonton-Rutherford, the hon. Member for Whitecourt-Ste. Anne. We have communicated with the mayors of both Calgary and Edmonton and the presidents of the Alberta Urban Municipalities Association and the Association of Municipal Districts and Counties, and we have communicated.

Thank you.

**Mr. Bonner:** Given that the minister said yesterday that the agreement has been through caucus and cabinet, what is the holdup with signing it?

**Mr. Boutilier:** Mr. Speaker, to the hon. member for that excellent question: this is the fourth time I'm answering it. We are moving forward with a committee, the first of its kind in Canada. We are working very closely, and in fact I want to reiterate how pleased I was with both the mayor of Edmonton and the mayor of Calgary, who commented on the positive nature of our most recent budget we announced in this Assembly.

2:10

**Mr. Bonner:** Mr. Speaker, given that members of this council have stated that the council has no mandate, would the minister please tell us what the mandate is, where it is written, and what tangible results municipalities can expect from this council?

**The Speaker:** The hon. minister.

**Mr. Boutilier:** Well, thank you very much, Mr. Speaker. Perhaps I could relay that one of the products of this committee is that of: how do we grow the pride? Specifically, cities like Calgary and Edmonton are growing, and we're trying to work with them on

issues such as infrastructure. The importance of infrastructure with municipalities was clearly reflected in the most recent budget. We're moving continuously along that line in this very, very important partnership, that I'm very proud to be associated with.

**The Speaker:** The hon. Member for Red Deer-North, followed by the hon. Member for Edmonton-Mill Woods.

#### Midwifery Services

**Mrs. Jablonski:** Thank you. Mr. Speaker, many women in Alberta choose to use the services of a midwife, who is a specially trained professional in pregnancy and childbirth. With numerous hours of teaching, coaching, and physical, nutritional, and emotional support midwives provide a very valuable service. This holistic service is, however, only available to families in Alberta who can afford it. My question is to the Minister of Health and Wellness. British Columbia, Manitoba, Ontario, and Quebec cover the cost of midwifery services. Can the minister advise the House if this government is considering paying for the cost of midwifery services?

**Mr. Mar:** Mr. Speaker, parents and families continue to tell me that the choice of a midwife-assisted birth is important to them. Right now in the province of Alberta there are some 23 midwives, perhaps a few fewer now. A couple, I understand, have left the profession. They were responsible last year for 248 hospital births and 396 home births in the year 2001-2002.

I have requested a review of funding of midwifery services in the province of Alberta. I'm advised that the working group has concluded its work, although I have not yet seen the final report, and I do look forward to reading the recommendations that they set out.

We do of course, Mr. Speaker, continue to subsidize the profession by covering the cost of professional liability insurance for midwives, a step that was taken last year.

**The Speaker:** The hon. member.

**Mrs. Jablonski:** Thank you. Mr. Speaker, the cost of malpractice insurance is a challenge for midwives in maintaining a practice. What is this government's commitment to supporting the cost of midwives' malpractice insurance?

**Mr. Mar:** In 2001 a rather large spike occurred in professional liability insurance faced by midwives across Canada. They did come to this provincial government to look for assistance in covering their professional liability insurance in order to sustain their profession. We did that in 2001. We continue to do it now, Mr. Speaker, and this year we will cover 70 percent of the cost of the insurance. That amounts to \$11,270 per midwife for a total cost in insurance of \$16,100.

**The Speaker:** The hon. member.

**Mrs. Jablonski:** Thank you, Mr. Speaker. No more questions.

**The Speaker:** The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Edmonton-Highlands.

#### Premier's Council on Alberta's Promise

**Dr. Massey:** Thank you, Mr. Speaker. The legitimate line between private firms and government services is becoming more and more blurred. How companies become involved in government programs and reap publicity is of increasing concern as Alberta's Promise is

developed. My questions are to the Minister of Children's Services. How many companies besides Sleep Country made a bid for the minister's appearance in their community service advertising campaigns with respect to children?

**Ms Evans:** I suppose I ought to be flattered, but I'm flabbergasted. Alberta's Promise, which was given royal assent, was actually a bill that the opposition appeared to like, and today in this House I just await more, Mr. Speaker, breathlessly.

**The Speaker:** The hon. member.

**Dr. Massey:** Thank you. At least it wasn't "stunned"; it was "flabbergasted."

How will the minister ensure that private involvement in Alberta's Promise programs will not be seen as government endorsement of commercial enterprises?

**Ms Evans:** Mr. Speaker, Alberta's Promise is actually arm's length from this government. It is a council of entrepreneurs and corporations that has been selected to be a part of an overall group that will promote and, I would say, provide huge support through their communities, as they've always done, for the kinds of activities that people like to do to better the communities for children and families. Yes, I am there in my capacity as Minister of Children's Services to be a part of liaison back to this government, but overall those are people that have been selected not as a part of any party but because they are leaders in their own right in our communities. The United Way is there.

I'm not sure if they're trying to challenge the integrity of those CEOs, but perhaps the Premier would like to add his observation.

**Dr. Massey:** To the same minister, Mr. Speaker: how will the minister ensure fairness to all companies who may want to become partners in Alberta's Promise?

**Ms Evans:** Mr. Speaker, we are not making selections of corporations to be involved. Every corporation in Alberta should be involved. Every company in Alberta, every corner store, every person that earns a dime anywhere should be quite willing to stand up for Alberta's children and families.

**The Speaker:** The hon. Member for Edmonton-Highlands, followed by the hon. Member for St. Albert.

#### Municipal Financing Corporation

**Mr. Mason:** Thank you very much, Mr. Speaker. In last year's budget the government took \$100 million from the Alberta Municipal Financing Corporation's retained earnings and transferred it into government general revenues. The Provincial Treasurer claims that the Alberta government needed the money despite posting a \$1.8 billion surplus this past year. Alberta Urban Municipalities met with the Minister of Finance to protest this action and to urge the government to turn the administration of AMFC over to Alberta municipalities. My question is to the Minister of Municipal Affairs. Why is the government adding the \$100 million transfer from the Municipal Financing Corporation to its multibillion dollar budget surplus instead of returning it to municipalities to support needed infrastructure projects, including green infrastructure projects, which the AUMA says can help Alberta reach its greenhouse gas targets?

**The Speaker:** Hon. minister, about seven questions there. Just deal with one. Okay?

**Mr. Boutilier:** I'll try to move slowly with the response to the question. The hon. member does raise an important point regarding the \$100 million with the Alberta Financing Corporation. I will ask the Minister of Finance, who's ultimately responsible for that corporation, to also supplement, but I want to say this. We had the pleasure of meeting with the AUMA on this very important initiative in dealing with greenhouse gases. In fact, the Premier attended our meeting. They had some very good ideas, and in the budget the Minister of Finance indicated that we are pursuing very actively this initiative in partnership with the AUMA.

I'd ask the Minister of Finance, responsible for the corporation, to also supplement.

**Mrs. Nelson:** Mr. Speaker, the hon. member opposite tried to indicate that we had a negative meeting with AUMA. In fact, we had an extremely positive meeting with AUMA. We chatted about the future, and we did talk about the \$100 million that was moved into general revenue from AMFC in the previous year, but we focused our attentions on the future.

One of the things that was very important was a proposal that they had come forward with to our government just a matter of a couple of weeks before our budget was presented in this very Legislature, and it's an excellent project that would actually see municipalities have the ability to retrofit a number of municipal buildings to help in the climate change and energy efficiency projects that we have throughout Alberta.

In the budget speech itself I did mention that additional work would be done to flesh out this program and that the Minister of Municipal Affairs would be bringing a scenario forward after working with the AUMA for our caucus to consider a policy direction. Personally I think it's an excellent proposal that did come forward, and I'm anxious to see it occur.

So to indicate that the meeting was negative was absolutely incorrect. The Premier and the Minister of Municipal Affairs and myself all came out of that meeting feeling extremely good.

**Mr. Smith:** I was there too. I felt good too.

**Mrs. Nelson:** Yes, the Minister of Energy was also there, and he felt good.

2:20

**Mr. Mason:** I'm glad they're all feeling fine over there, Mr. Speaker.

Given that the AUMA's own report to its members said that "AUMA's executive recently met with Finance Minister . . ." – I'll leave out the name – "to protest this action and to urge the government to look at the feasibility of turning over control of the AMFC to municipalities under a system similar to the one in effect in British Columbia" and that "the minister rejected this idea," I will ask . . .

**The Speaker:** Hon. member, later on this afternoon come and visit, and we'll go over the scripting of how to write a question. Come to the question, please.

**Mr. Mason:** Mr. Speaker, given those comments from the AUMA, I would like to ask the Minister of Municipal Affairs why he didn't stand up for municipalities in this province when the Provincial Treasurer took away a hundred million dollars.

**Mr. Boutilier:** Mr. Speaker, quite the contrary. We had a very positive – it's proactive. Alberta is leading this country in dealing with environmental initiatives. I want to say that the Minister of

Environment participated in the meeting. We have an infrastructure in place called Climate Change Central, which was the first of its kind in Canada. The Premier implemented this plan over four years ago, and we're going to embark on this partnership with the AUMA and other important stakeholders in terms of energy efficiency.

I would like the Premier to supplement.

**Mr. Klein:** Mr. Speaker, I don't know where the hon. member is getting his information.

**Mr. Mason:** From AUMA.

**Mr. Klein:** Well, maybe a member of the AUMA who obviously was not at the meeting. This was not a meeting to protest anything.

As the hon. Minister of Finance pointed out, the president of the AUMA led off by asking that the \$100 million be returned. We said: well, let's put our minds together and see if we can come up with a better way if you want to use this money to address the problem of greenhouse gas reductions. We suggested a few ways in which this may be accomplished involving all municipalities. They were very receptive to the ideas.

I can tell you that the Minister of Finance was there, the Minister of Municipal Affairs, the Minister of Energy, the Minister of Environment. I was there. Representatives of the AUMA were there. Everyone left. We all shook hands. It was a very enjoyable, a very cordial meeting. This scenario that the hon. member is trying to create through what I would suggest is serious misinformation is absolutely wrong, because the tone of that meeting was a very, very good tone. Indeed, it was a very cordial meeting, and we went away with an understanding that the AUMA and the government of Alberta worked together.

**The Speaker:** Hon. member, we have now spent seven minutes on two rather lengthy questions, which have raised answers of great length.

We're going to move on to the hon. Member for St. Albert, followed by the hon. Member for Edmonton-Ellerslie.

#### Infrastructure Canada/Alberta Project

**Mrs. O'Neill:** Thank you very much, Mr. Speaker. This morning I attended an official announcement of the ICAP program, the infrastructure Canada/Alberta project. The announcement was for 43 community infrastructure projects worth about \$43.2 million. My question is to the Minister of Transportation, and it is around what role Alberta has played in the establishment of this project, in the funding formula for it, and the unique situation that Alberta finds itself in with this program as it unfolds, as I understand, across Canada. There were 43 projects announced, and I might add that six of them were in St. Albert.

**The Speaker:** The hon. minister.

**Mr. Stelmach:** Thank you, Mr. Speaker. Upon receiving notification that there were some funds available from the federal government in terms of a three-way partnership, we immediately wanted to ensure that the \$171 million that Alberta committed to the program would be spent in such a manner as to get the best value for the taxpayer and also improve significantly a lot of the hard infrastructure in the province of Alberta.

What we did, to my knowledge the only jurisdiction in Canada, at least the first to do that, was involve our municipal partners in a committee not only to build the criteria as to how the program would

proceed but also involve them in a management committee that looked at all of the project evaluations and made the decisions on the projects coming forward. This committee decided that as much money as possible should be invested into green infrastructure. This is water, sewer, improving roads. Some of it went into co-nominated money between the feds and the province in terms of buildings.

The hon. member is correct. We announced a number of projects today, and I'm happy to say that all of it went into hard infrastructure, into the ground where we really don't see it, but it certainly improves the quality of life for Albertans.

**The Speaker:** The hon. member?

**Mrs. O'Neill:** No, sir.

head: **Recognitions**

**The Speaker:** Hon. members, I'll introduce the first, who comes well decorated, the hon. Member for Medicine Hat.

#### **Medicine Hat Tigers Red Deer Rebels**

**Mr. Renner:** Mr. Speaker, the reason I stand before you today dressed in red and black is because I lost a bet. I had hoped that the Member for Red Deer-North would be standing in her place today dressed in orange and black making a similar statement to the one I'm about to deliver.

Last night the Medicine Hat Tigers met the Red Deer Rebels in game 7 of a hard-fought second-round play-off series. As you might have surmised from my dress, the Rebels won. Congratulations, Rebels. The people of Medicine Hat wish you all the best in your drive to the Memorial Cup.

More importantly, Mr. Speaker, I want to thank the Medicine Hat Tigers. To owners Darrell and Brent Maser, general manager Rick Carriere, head coach Willie Desjardins, assistant coaches Bryan Ellerman and Doug Lidster, and most importantly to every player who to a man played his heart out, congratulations on an outstanding season. Hockey fans in Medicine Hat haven't had this much fun in years. To the returning players, we look forward to an even more successful season next year, and to the players who will be moving on, may the years to come be as memorable and meaningful as the one just completed.

Mr. Speaker, go, Tigers, go.

**The Speaker:** Standing Order 2 actually provides the Speaker some leeway in terms of contingencies unprovided for, and I'll now call on the hon. Member for Red Deer-North to extend congratulations.

**Mrs. Jablonski:** Thank you, Mr. Speaker. I know that it was an exciting series and that Medicine Hat outdid themselves and made Red Deer work to their best potential. I am very proud of the Medicine Hat Tigers, but I'm also very proud of the Red Deer Rebels, who will go on to fight in another series against either Regina or Brandon. We'll cheer them on as they end up fighting Kelowna and going to the Memorial Cup. I just want to say thank you very much to the people of Medicine Hat for making it very exciting for the people of Red Deer during the series.

**The Speaker:** The hon. Member for Calgary-Fort.

#### **Musical Montage 2003**

**Mr. Cao:** Thank you, Mr. Speaker. I am so proud of our students from many schools in southeast Calgary for the effort they have put

together in their performance at the Musical Montage last Monday at the Calgary Jubilee Auditorium. I want to recognize the excellent and dedicated work of teachers and parents to develop our youngsters through musical and performing arts.

Mr. Speaker, with your permission I want to take this opportunity to name the people who made this outstanding event possible for thousands in the audience and hundreds of performers: Bob Edwards school led by David Siemens, Chris Akkerman school led by Heather Nail, David Oughton school led by Corry Moriarty, Dr. Gladys Egbert school led by June Pearson, Erin Woods school led by Liz Pewtress, Ernest Morrow school band led by Erin Brinkman, Forest Lawn high school dance led by Sylvia Hayward, G.W. Skene school led by Anne Hodgson and Dian Goods, Langevin junior high school led by Harriet Siemens, Milton Williams school led by Barb Schantz, Mountain View school led by Carrie Stoesz-Johnston and Gail Langman, Penbrooke Meadows school led by Susanne Lee and Paul Toews. All of this is possible under the co-ordination of director Liz Gouthro, principal Stephanie Davis, and musical director Joan Sampson.

Thank you.

2:30

#### **Education Funding**

**Mr. Bonner:** Mr. Speaker, over the next few weeks many school boards across this province will be faced with difficult decisions as they enter their budget process for the next school year. They must face this task with revenues that were much less than expected, a change of funding for grade 10s resulting in lower financial support, and decreased funding for plant operations from Infrastructure. In addition to these shortfalls, they must also factor in an increase in salaries and benefits for teachers as a result of an arbitrated settlement.

School boards facing budget shortfalls will require staff reductions to balance their books. In one school board for every \$7 million shortfall they will have to cut 100 staff. What makes this decision so difficult for school boards is that some of their brightest, enthusiastic, and least experienced teachers will be let go from jobs they love and will probably never return to the teaching profession. For example, a high school with 3,000 students could lose 10 staff.

To all school boards in the province: we thank you for your continued commitment and dedication to excellence in education for our students. Best wishes on your forthcoming deliberations as you try to maintain these high standards on severely restrictive budgets.

**The Speaker:** The hon. Member for Olds-Didsbury-Three Hills.

#### **Henry Heuver**

**Mr. Marz:** Thank you, Mr. Speaker. I'd like to recognize an outstanding Albertan, Henry Heuver, who was the first annual recipient of the Olds College partner of the year award. Mr. Heuver has dedicated countless hours to the college by chairing the Olds botanic garden committee and sitting as a director on the Olds College Foundation. Mr. Heuver was instrumental in the development of the beautiful Olds Botanic Gardens, which were officially opened in July of last year.

Mr. Heuver's passion has transformed the Olds College. As a man of vision he does whatever is needed to help turn the college into a living laboratory and increase the learning capacity for the students. Mr. Heuver plans to continue to play a major role in the next phase of the Olds College campus development, which will see a 16-hectare teaching and research wetlands project completed by 2005.

I'd like to take this opportunity to join with the staff and the students of the Olds College in thanking Mr. Heuver for his



dedication to the Olds College and congratulate him on this well-deserved award.

Thank you, Mr. Speaker.

**The Speaker:** The hon. Member for Cardston-Taber-Wamer.

#### **Erle Rivers High School Boys' Curling Team**

**Mr. Jacobs:** Thank you, Mr. Speaker. It is again my pleasure today to rise to recognize excellence in high school athletics, in particular to recognize an extraordinary team of athletes from the Erle Rivers high school boys' curling team. Recently the Erle Rivers team won gold in the provincial curling championships, which were hosted by J.C. Charyk high school in Hanna.

The Erle Rivers team consists of lead Chris Lindeman, second Craig Pittman, third Adam Thompson, skip Owen Conway, spare Jason Wehlage, coach Boyd Conway, and school representative Ken Brown. These young curlers continued the long tradition of the sport in its finest and most honourable form at this year's provincials. Curling demands sound tactics, solid teamwork, a deft touch, and nerves of steel. The Erle Rivers team displayed exceptional skill and excellence and strategy to capture the gold medal.

I would ask the Members of the Legislative Assembly to join me in congratulating all members of the Erle Rivers boys' curling team for their remarkable talent and their provincial championship win.

Thank you, Mr. Speaker.

**The Speaker:** The hon. Member for Edmonton-Mill Woods.

#### **Mill Woods Newsletter**

**Dr. Massey:** Thank you, Mr. Speaker. Every month but July 27,000 copies of the *Mill Woods Newsletter* are delivered to residents of Mill Woods. This unique publication is the work of the Mill Woods Presidents' Council. Each of our 10 community leagues detail their programs, activities, and special events in the publication.

Though named a newsletter, this tabloid-sized publication often comes in two sections the size of a daily newspaper. Mill Woods wide events and the results of communitywide deliberations like the suggestions from our town hall on reducing crime are published. Volunteer sports organizations and Mill Woods groups like MCAR-FA keep residents informed of projects. Columns and advertisements from local, provincial, and federal political representatives serving Mill Woods are included. The newsletter is a unique source of information about community events and opportunities.

Congratulations to the Mill Woods Presidents' Council and those who work to bring the *Mill Woods Newsletter* to life each month. You make a huge contribution to better living in Mill Woods.

**The Speaker:** The hon. Member for Wetaskiwin-Camrose is pretty proud, too, today. The hon. member.

#### **Camrose Kodiaks St. Albert Saints**

**Mr. Johnson:** Thank you, Mr. Speaker. There was another important hockey game last night, and today the Camrose Kodiaks and their many fans and supporters are celebrating. Last night the Kodiaks emerged as the Alberta Junior Hockey League champions with a 1-nothing win against a formidable opponent, the St. Albert Saints. It was a fitting end to a thrilling seven-game series.

It was an extremely tight series, and both organizations should be commended on their great play. The coaching staff of both St. Albert and Camrose did amazing work with their respective teams.

Congratulations are especially given to the coaching staff of the Kodiaks, head coach/general manager Boris Rybalka and assistant coaches Doug Fleck and Miles Walsh.

The Camrose Kodiaks are owned and operated by the Camrose Sport Development Society, who are to be commended for their success with the team since entering the league just six years ago. This is the second Alberta Junior Hockey League championship for the Kodiaks in the past three years. Two years ago they went on to win the Royal Bank Cup Canadian championship. Now for the Kodiaks it's onward in representing Alberta in their quest for another Canadian championship.

Congratulations to the players, coaches, and all those within the Kodiak organization on their Alberta Junior Hockey League championship.

**The Speaker:** In terms of fairness might I again exercise the privilege accorded to the Speaker under 13(1) and call on the hon. Member for St. Albert.

**Mrs. O'Neill:** Thank you very much, Mr. Speaker, for this opportunity to first of all congratulate the Camrose Kodiaks, who played very, very well in the seven-game series, but I'd like also to congratulate our St. Albert Saints, who with the Kodiaks spent many an hour on the ice during this series in overtime. While it was a 1-nothing game, indeed I think both teams played very well, and I'd like to congratulate the coaching staff, the owners, which is a community-owned team in St. Albert, and all of the players for their terrific sportsmanship and their wonderful play on the ice. Congratulations also to the St. Albert's Saints.

Thank you.

head: **Presenting Petitions**

**The Speaker:** The hon. Member for Cardston-Taber-Wamer.

**Mr. Jacobs:** Thank you, Mr. Speaker. I rise today to table copies of petitions containing the names of 190 Albertans who as residents of Alberta petition the Legislative Assembly to deinsure abortion through Alberta health.

Thank you.

**The Speaker:** The hon. Member for Edmonton-Riverview.

**Dr. Taft:** Thank you, Mr. Speaker. I rise with two different petitions today. One is signed by about 55 people from around the Edmonton region, and it says:

We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government of Alberta to consider a funding increase for public education to provide relief from the financial situation arising from the arbitrated settlement of the teacher's labour dispute.

The second is also signed by 50 or 60 residents of the capital city region, and it says:

We, the undersigned residents of Alberta, petition the Legislative Assembly . . . to reject legislation that allows for the sale of municipal reserves and the privatization of the construction and ownership of publicly funded schools.

head: **Tabling Returns and Reports**

**The Speaker:** The hon. Member for Calgary-Currie.

**Mr. Lord:** Thank you, Mr. Speaker. I rise today to table the requisite number of copies of three different studies done regarding

the earned income tax credit, otherwise known as the incentive to work program, which is an alternative idea to raising minimum wages and which is credited with lifting 4.8 million people out of poverty in the United States.

I also rise to table the requisite number of copies of a report called *Improving Effectiveness and Efficiency in Government*.

Thank you.

**The Speaker:** The hon. Member for Olds-Didsbury-Three Hills.

**Mr. Marz:** Thank you, Mr. Speaker. I rise to table the appropriate number of copies of 31 letters to the Minister of Health and Wellness requesting that Didsbury district health services be within the Calgary health authority.

**The Speaker:** The hon. Member for Cardston-Taber-Wamer.

2:40

**Mr. Jacobs:** Thank you. I rise again, Mr. Speaker, to table the appropriate number of copies of letters from 34 Albertans asking the Members of the Legislative Assembly of Alberta to deinsure abortion.

**The Speaker:** The hon. Member for Edmonton-Gold Bar.

**Mr. MacDonald:** Thank you very much, Mr. Speaker. I have one tabling this afternoon, and it is a series of documents that were released yesterday in regard to Aquila corporation in America indicating that there was a net loss of \$977.9 million U.S. for the quarter ended.

Thank you.

**The Speaker:** The hon. Member for Edmonton-Riverview.

**Dr. Taft:** Thanks, Mr. Speaker. I have four tablings today, all with permission. The first is copies of a letter to the Minister of Learning from a constituent, the mother of four sons, who says among many things: "it has been very discouraging to me to witness continuing cutbacks in funding to our public education system."

The second is also from a constituent, Carleen Ellis, with permission. It's also expressing concern about the funding to public schools following the teachers' arbitration settlement last year.

The third one is also from constituents with permission, Catharine Compston and Dr. Paul Bird, writing to the Minister of Learning to express concern over increasing erosion to the public school system.

Finally, with permission copies of a letter sent to me, although it's addressed also to the Premier, from Rod McConnell expressing great concern over water policy and the possibility of a new tax on water, which the government is "preparing to impose on the citizens of Alberta."

Thank you.

**The Speaker:** The hon. Member for Edmonton-Mill Woods.

**Dr. Massey:** Thank you, Mr. Speaker. With permission I table five copies of a notice entitled *Solutions for Schools*, a notice of a public forum to be held on April 24 at the Provincial Museum which will focus on presenting funding solutions for Alberta schools. The forum will highlight a policy expert from Colorado, Dean Neu from the University of Calgary, parents, and two teachers, who will examine the way in which Alberta schools are financed and present some proposals which will see that system bettered.

Thank you, Mr. Speaker.

**The Speaker:** The hon. Member for Edmonton-Strathcona.

**Dr. Pannu:** Thank you, Mr. Speaker. I've got two tablings today. The first one is a letter that I received just a couple of days ago from Mrs. Cindy Jefferies, chair of the board of trustees of Red Deer public school district no. 104, in which she seeks our support for the trustees' request to the Minister of Learning to make some amendments to the School Act so that certain absences of insurance coverage for perils arising from terrorism, toxic mold, and cyber risk can be covered. Certainly, we'll be extending our support to that change.

The second tabling is appropriate sections of Judge Delong's report referring to the issues that I raised in my questions; namely, closing of hospitals and the resulting shortage of beds in Calgary, overcrowding in emergency rooms there, and the failure of the CHR to provide information in a timely and useful manner.

Thank you, Mr. Speaker.

**The Speaker:** The hon. Member for Edmonton-Highlands.

**Mr. Mason:** Thank you, Mr. Speaker. I'm tabling the appropriate number of copies of page 133 of the financial report of the Alberta Municipal Financing Corporation and an AUMA article called *Budget Watch*. The finance report indicates that on March 19, 2002, the government of Alberta transferred \$100 million of AMFC's retained earnings to the provincial revenues. The AUMA article mentions that the government used the \$100 million to offset the budget's shortfall and that the AUMA met with the Minister of Finance to protest this.

**The Speaker:** The hon. Member for Edmonton-Gold Bar on a point of order.

#### Point of Order

#### Allegations against a Member

#### Imputing Motives

**Mr. MacDonald:** Yes. Thank you, Mr. Speaker. I rise on a point of order, please, and I quote Standing Order 23(h) "makes allegations against another member," and (i) "imputes false or unavowed motives to another member." This is in regard to an exchange in question period this afternoon between myself and the hon. Minister of Revenue.

The Minister of Revenue stated earlier – and I don't have the convenience of the Blues – that only two members from the opposition voted in support of Bill 207. Now, on November 21, 2001, in *Hansard* there certainly was a standing vote in regard to the matter of Bill 207, the Personal Income Tax (Tools Deduction) Amendment Act, and certainly there were more than two members of the Official Opposition that voted in support of the motion. They were, for the record, the hon. Member for Edmonton-Centre, the hon. Member for Edmonton-Mill Woods, and the hon. Member for Edmonton-Riverview. Against the motion there certainly were seven individuals from this Assembly. There were 42, as I said in my question, for the motion, but for the record, two that were against the motion were the hon. Minister of Revenue and the hon. Minister of Finance.

With that, I would now ask that there be a retraction and an apology not only to this member of the opposition but to the entire opposition benches because this was certainly a misrepresentation. Thank you.

**The Speaker:** The hon. Government House Leader.

**Mr. Hancock:** Thank you, Mr. Speaker. I think the hon. member has clarified from his perspective and perhaps from his caucus's perspective. I don't know what the position of various members of the Liberal caucus was on Bill 207. *Hansard* says what *Hansard* says, and it's available for the perusal of all members, but my understanding – I don't have the formal *Hansard* document in front of me – is that there was a recorded vote on November 21, 2001, and I think that that was the vote to report the bill from committee. There were two Liberals voting in favour and two Liberals voting against. That, of course, does not deal with all of the other votes that might have happened on second reading or third reading or in terms of other votes that might have happened in committee, and therefore we have to take the hon. member's representation that some members of their caucus may have been in support of the bill and some may have been against the bill.

I think that's clarified the situation. I don't think there's a particular point of order on this situation, but I think it is clear that on the one vote that we have a record of – and I certainly don't want to be encouraging recorded votes just so that we have a record of how everybody votes. Heaven forbid that we need to go through the process that we've gone through earlier on that. We cannot take a recorded vote on one vote on a bill as being the be-all and the end-all of how everybody voted on the bill.

So I think that on behalf of the government I'm prepared to accept the hon. member's submission that some members of the Liberal caucus were in favour of the bill and some members of the Liberal caucus were against the bill, and the exact numbers haven't been recorded for posterity nor is that necessary to do because in fact the bill was passed by this Legislature and awaits proclamation.

**The Speaker:** Hon. members, this is one of those interesting situations where perhaps it's best not to walk down the road that one wants to get involved in.

The hon. Member for Edmonton-Gold Bar raised a point of order. I'm going to read from chapter 13, the Rules of Order and Decorum, Marleau and Montpetit, with respect to the rules that govern certain activities.

Members may not speak against or reflect upon any decision of the House. This stems from the well-established rule which holds that a question, once put and carried in the affirmative or negative, cannot be questioned again. Such reflections are not in order because the Member is bound by a vote agreed to by a majority.

The chair has been quick to call attention to reflections on votes.

Now, this chair gives a lot of leeway in this Assembly and I guess would be standing up virtually 25 times during the question period if one were to enforce all the rules. So it's very clear that one is not supposed to reflect on votes, yet the hon. Member for Edmonton-Gold Bar in his first question said the following: "42 stood in favour of more tax breaks for workers, seven stood against," which would sort of violate what we're supposed to be doing. So then when the point of order comes up and another member responds and basically makes the comment that certain people voted against something, that would have been a violation too, but it followed the first violation. So that sort of negates it all.

2:50

Now, I really don't want to go down this road, but we do have all the recordings published in the *Journals*. They're part of the historical record, and on page 132 of the First Session of the Twenty-fifth Legislature dealing with a vote held on May 23, 2001, on second reading with respect to the bill in question 46 members voted in favour of the motion, 11 against. I can read into the record who voted for and who voted against if you wish, which is part of the record already, but it's really not required.

Secondly, on November 21, 2001, there were actually two votes that occurred. The first vote occurred on an amendment. Forty-two voted in favour of the amendment. Seven voted against the amendment. Again, of the seven it's very clear to me which political organization the various members belong to. Then you turn over to the next page and then the question on the bill itself to be reported. Thirty-six voted in favour of the motion, nine against.

Now, in just this very little brief overview there were a number of numbers quoted, a number of statistics quoted, and it basically points out the reason why we're not supposed to reflect on votes in the House.

So if the hon. Member for Edmonton-Gold Bar wants me to rule that there was a point of order because the hon. Minister of Revenue violated something, I must also rule that the hon. Member for Edmonton-Gold Bar violated the rule by reflecting on the vote in his preamble. So we'll call that one a draw, and maybe we won't reflect on the votes in the future.

The hon. Member for Edmonton-Highlands.

### Point of Order

#### Explanation of Speaker's Ruling

**Mr. Mason:** Thank you very much, Mr. Speaker. Today during question period on my second question I was called to order for including a somewhat lengthy quotation in my second question, something which I accept as quite correct. However, when I rose to ask my third question, I was not permitted to ask that question, to put it to the minister, and my understanding is that too much time had transpired. Given that we often have very, very lengthy answers from particularly the Premier but also other ministers without intervention from the chair, I would ask under 13(2) for you to explain your decision in that matter.

**The Speaker:** The chair would be absolutely delighted to explain the decision. Let's see. First of all, the chair will begin by quoting to the hon. member Standing Order 2 of our Standing Orders.

In all contingencies unprovided for, the question shall be decided by the Speaker and, in making a ruling, the Speaker shall base any decision on the usages and precedents of the Assembly and on parliamentary tradition.

The chair would then refer the hon. member to Standing Order 13(1): "The Speaker shall preserve order and decorum and shall decide questions of order."

Further, the chair would draw to the attention of all hon. members, starting at page 420 and continuing in Marleau and Montpetit, a section called Role of the Speaker During Question Period, and the chair would like to in essence quote the following.

The Speaker has often expressed concern that shorter questions and answers would allow more Members to participate. Since the Speaker retains sole discretion in determining the time that individual questions and answers may take, the Chair may interrupt any Member consuming more than a reasonable share of time in posing or responding to a question. While it is not the Chair's responsibility to determine the length of answers given during Question Period, the Speaker has pointed out to the House that, in the interests of fairness, questions should be as concise as possible in order to encourage answers of similar brevity and thereby allow the Chair to recognize as many Members as possible.

Today the chair has attempted to provide as many hon. members with an opportunity to participate in question period as possible, and today 15 hon. members did advise. Now, our rules – no, not our rules. Not our rules. A ruling by the chair determined a number of years ago that the order of the questions in question period would be the following: the first three questions would go to the Official Opposition, the fourth question would go to the leader of the second

party, the fifth question would go to a government member, the sixth to an Official Opposition member, the seventh to a government member, the eighth to an Official Opposition member, the ninth to a government member, the 10th to an Official Opposition member, and the 11th would go to a member of the second party. So, in essence, what you would have in the first 11 questions is: the Official Opposition, which in this case has seven seats, would have six questions; the government, in this case with some 50 private members in the House, would have three; and the third party, with two members, would have two questions.

Now, today this is what happened in terms of length and brevity: the first set of questions took two and a half minutes, the second took four, the third took 6.5, and then we came to the fourth question. The leader of the third party consumed seven minutes in questions and answers. The fifth question took four; the sixth took six; the seventh took not very many; the eighth took three; the ninth took three; the 10th took three; and the 11th, the hon. Member for Edmonton-Highlands, two questions in seven minutes. At this point in time we got one more question in, and if I count out this time, our question period is 50 minutes, and between the leader of the third party and the hon. Member for Edmonton-Highlands their questions and answers, albeit that the hon. Member for Edmonton-Highlands only got two in, consumed 14 minutes of the 50, or 28 percent of the question period time, which, if anything, is disproportionate in terms of the opportunity for other hon. members to participate.

I repeat again, and I quote from Marleau and Montpetit:

While it is not the Chair's responsibility to determine the length of answers given during Question Period, the Speaker has pointed out to the House that, in the interests of fairness, questions should be as concise as possible in order to encourage answers of similar brevity and thereby allow the Chair to recognize as many Members as possible.

All the chair was trying to do was to be fair to all hon. members. I suspect that that's probably more of an explanation than the hon. Member for Edmonton-Highlands was seeking, but the chair would encourage him to review the statement just made by the chair in its totality prior to the next situation that may develop with respect to this.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Tannas in the chair]

**The Chair:** Good afternoon. I'd like to call the Committee of Supply to order. I wonder if for our first consideration we would give consent in committee for a brief introduction of guests?

[Unanimous consent granted]

head: **Introduction of Guests**

*(reversion)*

**The Chair:** The hon. Minister of Community Development.

**Mr. Zwozdesky:** Thank you, Mr. Chairman. I rise to introduce a very special guest who is in our members' gallery this afternoon. She has a keen interest in education issues and is here to listen to the discussion at the Committee of Supply stage for Learning. She is an active parent volunteer in the Hazeldean community, and I would invite Dawn Banner to please rise and receive the warm welcome of all members of the Assembly.

**The Chair:** Any others? No?

3:00head: **Main Estimates 2003-04**

**Learning**

**The Chair:** I would ask if there are any comments or questions to be offered with respect to these estimates and business plans. We'll call on the hon. Minister of Learning.

**Dr. Oberg:** Well, thank you very much, Mr. Chairman. It's certainly an honour to be able to stand before you today and explain the budget estimates of the Department of Learning. Before I go any further, I would like to thank the House for supporting my ministry's budget in the past years. We've made education a priority, and the world is taking notice as countries seek our advice in improving their own education systems. They are striving for similar achievement test results as obtained by our students. So thank you very much to all Members of the Legislative Assembly for making that happen.

The estimates of Learning begin on page 275 of the '03-04 government and lottery fund estimates. Learning's business plan starts on page 295 of the Alberta 2003 budget document Making Alberta Even Better. These estimates further the excellence in our learning system and will continue to ensure that Alberta has one of the best learning systems in the world if not the best.

Again for the '03-04 year my ministry received the second largest dollar allocation of all departments. This demonstrates continuous government commitment to making education and lifelong learning a top priority for all Albertans. In this coming fiscal year total investment in our learning system will top \$5 billion for the first time. This also includes \$162 million of support to our opted-out separate school boards. This planned spending represents an increase to base program spending of \$231 million, or a 4.8 percent increase. In addition, school boards will receive \$20 million for textbooks and other classroom resources, and postsecondary institutions will receive \$10 million in performance awards.

On page 285 of your estimates book operating support to public and separate schools has increased by \$147 million, or 4.9 percent, to just over \$3.1 billion. This budget provides school jurisdictions increased funding to operate their schools and provide a quality education to their students. The increase provides for, first of all, \$77 million, or a 2 percent increase, in general grant rate adjustments. There's also \$17 million, or 8 percent, for enrollment increases for students with severe special needs. There's another \$20 million for technology upgrading and a \$10 million increase in the SuperNet funding. Also included are \$6 million for general enrollment growth and \$17 million for annualized teachers' salary enhancement. Mr. Chairman, the \$6 million for general enrollment growth is predicting an enrollment increase of .25 percent over the upcoming year. The \$17 million for annualized teachers' salary enhancement is the continuation of the 4 percent and 2 percent that was announced two years ago.

We're also revising the funding framework to provide school boards the maximum flexibility to address student needs and local priorities. Mr. Chairman, this was a huge priority for the school boards, that they wanted and needed the flexibility in how they spend their money, and indeed in the new funding framework approximately 90 percent of the funding will be available in flexible terms for the school boards. In addition, we have renewed our commitment to the Alberta initiative for school improvement at \$68 million a year.

There's also \$44 million in other increases, including \$5.7 million for curriculum supports through our Learning Resources Centre, about \$1 million, or a 2 percent increase, in student health services, an increase of \$29 million for teachers' pensions. Mr. Chairman, this is a very important number. Of the government's contribution

of \$268.3 million that goes directly to the teachers' pension plan, approximately 40 percent is for the unfunded liability and approximately 60 percent is for the ongoing increase.

Private schools will receive about \$110 million in '03-04, an increase of \$8.9 million. Mr. Chairman, this reflects the 60 percent funding component of the basic instruction grant and a projected 5 percent increase of students with mild and moderate special needs as well as an overall projected enrollment increase.

Mr. Chairman, in postsecondary education funding will increase to a total of approximately \$1.3 billion in '03-04. This includes \$1.1 billion for postsecondary institutions, an increase of \$44 million, or 4.1 percent. Page 281 of the budget details how the \$1.1 billion is allocated. The increase provides \$22 million for a 2 percent operating grant rate increase, \$12 million to maintain student spaces for apprentices, and \$10 million to enhance accessibility and high-priority needs of study. In addition, there is \$10 million in onetime performance funding to be awarded to institutions meeting key performance indicators including accessibility, quality, learner outcomes, and research.

Alberta's postsecondary system plays a critical role in the preparation of a highly skilled workforce as well as in the creation and application of new knowledge and technology. Our government is committed to ensuring that the system can continue to fulfill its role. In anticipation of questions, Mr. Chairman, the guidelines for the \$10 million onetime access fund have not been put out yet. As well, the guidelines for the performance grants have not been put out yet. We are looking at modifying the KPIs, or key performance indicators, to ensure that they fully are responsive to what is needed within Alberta's postsecondary institutions.

Within the \$1.1 billion as well, we will spend \$113.1 million on the access fund to maintain expansion seats created within the postsecondary system. This includes about \$12 million to maintain 5,000 training spaces created for apprentices, Mr. Chairman. The access fund is one of the best ways that we have to increase the size and enrollment of our postsecondary systems. In total 11,000 new postsecondary spaces will be created through the access fund in '03-04.

In addition to the direct funding to our postsecondary institutions, \$18.9 million will be invested in community-based lifelong learning including inmate education, special English language training, family literacy opportunities, and another \$5.5 million in interjurisdiction programs. Again to anticipate a question, the interjurisdiction programs are veterinary medicine at the University of Saskatchewan, optometry at the University of Waterloo, and orthotics and prosthetics at British Columbia Institute of Technology. These are incredibly important interjurisdictional relationships that we have, and it is something that we have to continue. As you know, there is no veterinary nor optometry school in Alberta, and it is through relationships such as these that we enable our students to complete veterinary medicine or optometry or orthotics and prosthetics.

I would now like to direct your attention to page 282, which is titled Assistance for Learners. In our continuous drive to create and maintain a well-educated workforce in Alberta, we strive to ensure that financial need is not a barrier to further education. While we recognize that the cost of postsecondary education is a shared responsibility between students, their families, and government, government does its share to maximize opportunities for students and keep debt levels down. In '03-04 the Alberta government will spend \$55.3 million on needs-based bursaries and grants to students, \$34.1 million on scholarships to about 20,000 students, \$35 million to cover future costs of student loans issued, and \$108 million to be disbursed as student loans. Loan limits are being increased to reflect

the rising costs for all students. As well, the amount of additional loan assistance available to rural students who must move to attend a postsecondary institution will be increasing to \$2,100.

### 3:10

When a first-time, first-year student's combined loans reach \$5,000 per academic year, or \$2,500 per semester, any further Alberta student loans assistance is provided as a nonrepayable loan relief benefit. Mr. Chairman, what we have attempted to do is keep that \$5,000 level. That has been the level for the last three years, and as you have seen the loan limits go up, that \$5,000 limit has stayed. In effect, what is happening is that any increase that has gone to the student loan program has indeed gone directly into the students' pockets in the form of nonrepayable student loans. It's commonly known and it's commonly understood among students in Alberta and among students in Canada that Alberta has the best student loan program in the nation, and that's something that we're extremely proud of and that we continue to move on.

Mr. Chairman, I will, if I may, anticipate one question that I'm sure is coming on the estimates, and that is in relation to what I have just been talking about, support to postsecondary learners. Indeed, what you see is the dollar amount going down from \$134 million to \$133 million. What we have been able to do in agreement with the Auditor General is decrease the amount of the future cost of student loans issued from \$41 million to \$35 million. In actual fact, it is freeing up an extra \$6 million to put out to students through this because we do not have to hold back the future cost of student loans. This has been an agreement that the Auditor General and I have arrived at.

There are a lot of things that are included in this budget, Mr. Chairman. Our department continues to be one of the top departments in the world when it comes to learning. In the things that we do in Learning, whether it's curriculum revisioning, whether it's postsecondary education, again we continue to lead the world. Our postsecondary institutions are something to be extremely proud of. Campus Alberta is alive and well and is moving towards even bigger and better fruition. As I have told the Assembly in the past, there will be a new postsecondary act that will be coming this session, which will combine the four existing postsecondary acts into one act. Also included in this will be the ability for institutions to provide baccalaureate degrees where the quality is there. This could be such things as a bachelor of technology at NAIT or SAIT. It could be a bachelor of arts at Grande Prairie or a bachelor of nursing at Medicine Hat.

Mr. Chairman, for those hon. members who did not see the news on Monday, something happened that does not create much news in the city of Edmonton, but it's probably one of the most significant events for northern Alberta that has occurred in quite a while, and that is that NAIT has taken over Fairview College. This will enable the resources at NAIT, the programs of NAIT to be delivered onsite in Fairview, which will be a huge, huge benefit to the students of Grande Prairie, the students of Fairview, the students of Peace River, and the students in between.

Mr. Chairman, we continue to move along. This morning, for example, I okayed the new curriculum that will be coming forward. For your information, when I okayed the curriculum today as to what is going out, we will be looking at a new curriculum being in place in the years 2008, 2009, 2010 for different subjects. Again, what we have to realize in curriculum revisioning is that it does take us that long to move it along because we study, we field test, we ensure – we absolutely ensure – that our curriculum is the best in the world as it goes forward, and my curriculum department is certainly to be credited with that.

Mr. Chairman, I have a couple of people in the audience today who for some reason or another are undergoing some penance to be here, and I hope they enjoy what they're going to be seeing this afternoon.

I would invite the hon. opposition members to ask any questions, and I would give to them the undertaking that if there are questions that are not answered, we will be following up in *Hansard* and will be supplying the hon. members with written answers to those questions. So I understand it is back and forth between the opposition members and myself for the first hour.

Mr. Chairman, thank you very much for allowing me this opportunity to open the debate.

**The Chair:** The hon. Member for Edmonton-Mill Woods.

**Dr. Massey:** Thank you, Mr. Chairman. I'm pleased to have an opportunity to review the estimates of the Department of Learning for this coming year. There's a great deal of financial information in the documents, and in anticipation of today's review I've been talking to a number of parents and a number of parent groups. I'd like to focus, if I could, for the first part of the questioning on the money that would be included in program 2. The minister can correct me if I'm wrong, but I believe that it's the money in program 2, page 278, the support for basic learning, once that money is approved, that forms pretty much the basis for the funding for school authorities, that from that we get a per pupil grant for grades 1 to 9 and we get a CEU for grades 10 to 12.

I have to admit, Mr. Minister, that the last funding manual I have is the one that appears on the Learning ministry's site. I just ran it off earlier today. It's dated September 2001, so the numbers I use may not be right. That funding manual indicates that for 2003-2004 the basic instruction grant will be \$4,454 per funded student and that the CEU for grades 10, 11, and 12 will be \$127.26 per CEU. So those are the figures that I've been roughly using, and they may be incorrect. I'm not sure that it matters that much. What I'd like to do, if I could, for those parents is to try to unpack that student funding and what the assumptions are that are built into that per student grant. How did the department decide that \$4,454, if that's the figure, was the correct grant to pass on to school boards so that they could fund instruction or that \$127.26 is the correct funding for each CEU? So I have a series of questions about the assumptions built into that number.

The first one is: what are the assumptions about teachers' salaries that are built into that number? Is it an average teacher's salary from across the province? What is the assumption that's built into the teacher's salary for a classroom teacher? In terms of principals' salaries what assumption is built into that? I've looked at the assumptions from some other jurisdictions, and they have used average costs across their jurisdiction, so I wondered what ours was and how it was arrived at. I'd like to know what the certified employee hourly wage rate is that is built into this grant.

I'd like to know the core instructional staff that is assumed by the number. For instance, in kindergarten what is the assumption in terms of how many youngsters there'll be in a kindergarten, and with respect to grades 1 to 9 again what are the assumptions in terms of class sizes? I know that from elsewhere there's a wide range of assumptions. I think that for the last jurisdiction I looked at, they assumed a class size of 24 or 25 for grades 4 through 9, and that was built into their per pupil grant. So I'd like to know the number of students that it's assumed will be in classrooms across the province so that this rate could be determined.

3:20

I'd like to also know what the assumptions are about specialized staff: music, physical education, art, second language, reading

specialists, those kinds of individuals. Are there specialist assumptions based on this number, and if those assumptions are there, how do you determine that, yes, we will be funding music specialists or we'll be funding art specialists or phys ed specialists, that we expect there'll be this number in the province and then that gets reflected in the instructional grant?

One area where the information is readily available is for students with severe disabilities: the severe mental, multiple, physical/medical, deaf, or blind disability. According to the funding manual I have, they're funded at \$13,382 per student, and I'd like to know: what percentage of the student population does the government assume will draw upon that grant? That is, what is the student population that will be eligible for that \$13,000 grant, the percentage of the students in the student population with severe disabilities? And, if I might, the percentage of students that the Learning department expects will be eligible for the severe emotional/behavioral disability grants, which are part of the students with severe disabilities, and that grant is \$12,180 per eligible student. Again, some indication of the percentages of those students that the Learning department assumes will have to be funded across the province when they're drawing up the budget.

Similarly, if I might, Mr. Chairman, the funding for English as a Second Language, the ESL funding, according to this grants manual is \$759 per funded student, and may I ask: what percentage of students, again in the student population, does the Learning department expect to serve or draw upon that grant?

In terms of substitute teachers is there assumption built into this in terms of how many substitute teachers will be required across the system so that it can be reflected accurately in the per funded student grant?

The assumptions that are built in for professional development. This funding, as I understand it, would have to include funds for professional development. What assumptions did the government have when they determined the formula this year, what assumptions about professional development, and what is the basis? How do they make those assumptions? Do they assume so many professional development days for a school? I look at some of the funding formulas from elsewhere. For instance, in a thousand-student high school it's assumed that it'll take a full-time equivalent each year to provide the professional development for teachers. Again, what is the assumption built into it?

The supplies, books, and materials. What is going to be the number that's used so that the \$4,454 per student would be deemed adequate? I wonder if we can get the numbers with respect to classroom materials and equipment. Is that included in here, or would that be somewhere else? There's a whole section on supplies, books, and materials. How much out of this \$4,454 was dedicated to supplies, books, and materials?

I have a number of other questions. The funding manual on the government's web site indicates that SuperNet access funding is to be announced, and I wonder if that has now been determined. There was a second one that I had. I've lost my place. Sorry. I'll have to come back to it later. There were a couple of other funds.

The question is: are supplies, books, and materials included, I guess, under the learning resources, the \$10.75 credit per student? Would that account for all of that: copying, texts, classroom materials, and equipment? Is that what the \$10.75 covers, and if that's true, how is it determined that \$10.75 would adequately cover the needs of a school if that's the allocation there?

The technology integration allocation of \$45 per funded student. Again the question is: how did the department determine that \$45 was going to be adequate for schools to meet the requirements for technology integration? Similarly, with the early literacy initiative

of \$231 per student how did the government decide that \$231 was an appropriate amount?

The questions I have asked, Mr. Chairman, are really very detailed, and I don't expect it's the kind of information that the minister carries around in his back pocket, but I think it's really very important information for parents who, understandably, look at the budget, and many of them read the numbers, the \$2,277,286,000 that are going to be spent on support for basic learning, and their eyes sort of glaze over. I think it's at the level of that per pupil grant that it starts to become more meaningful to them, and I think it can shed a great deal of light in terms of the way that the budget is constructed. I think it provides a strong rationale for the government in terms of how the budget has been built.

3:30

**The Chair:** The hon. minister.

**Dr. Oberg:** Thank you very much, Mr. Chairman. We'll certainly endeavour to talk in some general terms about the questions that were asked, and for any specifics that have been asked that I do not answer, again, I have people who will review *Hansard* and make sure that the answers are given to the hon. member.

The first set of questions that the hon. member has asked is: what rationale have we got for the numbers? In essence, what dollar amount have we placed for teachers' salaries, have we placed for principals' salaries? Mr. Chairman, one of the important things that we do in budgeting is we allow flexibility for the school boards. It is a well-known fact that teachers' salaries are different all over the province. In some areas, like Edmonton public, they're up to around \$72,000 as the average salary and benefits. In other areas they're down around \$65,000. What we do is provide the basic package of dollars for the school boards in which they can then use those dollars as they see fit. I believe that that's very important in the local decision-making process. If we were to completely itemize, for example, how much a teacher costs, to me, you know, there is a question as to how that relates to bargaining, how that relates to a lot of things.

So what we in essence do, Mr. Chairman, is provide a onetime grant, and the actual numbers that the hon. member used were pretty close. There were a few discrepancies to what are actually located in the budget, but I will go over some of these because I do feel that they are important. First of all, in grades 1 to 9 the first number that is utilized is \$4,454, which is the amount that each and every student receives. To put that in perspective, for a class of 25, say, just for comparison, we're up to \$111,350. You then add in those students that have severe special needs. You can add in early literacy. You can add in sparsity and distance. All of these different issues are then added on top. To give you an example, a severely disabled student, a cognitively disabled student, would receive – and I apologize for my taking time here, but I will get the exact number – \$17,836 from the basic grant as well as the severely disabled grant. That is what they would be receiving through the jurisdiction. Again, what the school boards have asked us for is flexibility on how these dollars are used.

Another question that the hon. member asked was: what percentage of the school population is severely disabled? Again, Mr. Chairman, this is something that we have changed quite significantly in the past few years. When I first became minister, there was a cap on the number of students who would qualify for severely disabled. One of the first things I did as minister was take off that cap because it didn't make a lot of sense to me to not pay when the students were there to need it. What that moved into was the whole idea of assessing each and every student around the province, and what soon

became very evident is that we were spending thousands and thousands and indeed hundreds of thousands of dollars to have students assessed. That was purely there to get funding. So what it was in essence was an assessment for funding, and to me that wasn't a very good utilization of the school dollars.

So what we have now evolved into is a system where we look at the profiles of every jurisdiction in the province and then extrapolate that number forward in anticipation of the number of students. So, for example, Mr. Chairman, to put it quite simply, if a school jurisdiction three years ago had 100, the next year had 110, the next year had 120, the next year 130, well, what we would anticipate this year is 140. It has worked very well. We instituted it two years ago, and there have been some complaints. Whenever there is a complaint, we go in and audit and take a look at what the actual number of students is and fund accordingly. What we found is that this greatly diminishes the amount of administration that is needed for the severely disabled students. A good example would be a blind student. Quite frankly, what we had to do in the old system was we had to have the child assessed every three years to see if they were still blind. [interjection] Yeah, I agree. That was something that was kind of silly and realistically was a waste of money, so we have moved away from that.

Another point that the hon. member raised – and this is very important – is the technology integration. The member is right; it's around, I believe, \$44 per student. That doesn't sound like an awful lot, Mr. Chairman, but let me put it in a slightly different perspective, and that is that it's \$20 million on a per year basis. If you went out today and bought \$20 million of computers, if you used it specifically for technology, specifically for hardware – and I fully recognize that there are other needs such as software, other divisional needs – you would probably get over 20,000 computers put into the school system each year. That's for a school population of roughly 580,000 students. So that's a tremendous amount. The important thing about the technology grant is that it is an add-on to the per student grant. It was not anticipated to be exclusively the only money that could be used or would be used for technology. Again, this is included in the flexibility that is given to each individual school board.

The other point that I wanted to talk about – and there are lots of them – is that ESL students now receive \$736 per ESL student. Again, that is an actual amount. It is an extrapolated amount. To put it into perspective, if you have 10 ESL students, you're receiving about 7 and a half thousand dollars.

Another point I want to make that was raised is the CEUs. We're now up to \$127.27 per CEU. For grade 10 students that are on 31 or more credits, they would receive \$5,097. The partial program, which is less than 31 credits, would receive \$2,548.50. So, Mr. Chairman, if you had a student that was doing 15 credits or 20 credits under this plan that we instituted, you would receive 2 and a half thousand dollars as opposed to slightly under \$2,000. So it is not ideal. The CEU credit program is a much better program.

I will say, however, that we have had some large issues with the CE programs. I've said in this Assembly numerous times that there were some students that were taking in excess of 80 credits, much of it due to CTS credits, and I will for the benefit of the Legislative Assembly just give one example, Mr. Chairman. I believe this illustrates the issue that we have with the CEUs, and that is – and I want all members to listen to this. We had one particular high school that played music over the intercom at lunch hour. For that music over the intercom at lunch hour \$129,000 was claimed. Each student was given one credit to listen to the music over the intercom at lunch hour. That is not the intent of CTS courses. CTS courses are a very valuable add-on to the education system, and this is

obviously playing with the system in order to receive funding. Albeit the CEUs have a huge advantage – and that huge advantage quite literally is to ensure that there are different learning opportunities for our students – what we have seen over a period of time is that there have been some severe issues with this.

**3:40**

What we are doing this year is we are retaining the full-time funding in grade 10 of \$5,097 per student, \$2,548.50 per part-time student, and what we are doing is asking the school jurisdictions to monitor the CEUs through a new accountability mechanism that will ensure that things such as what I have talked about do not continue to happen. I will say, just for the record, that this school was not in Edmonton. There are numerous schools around the province that have done this, and we really do have to be very, very careful as to what we are funding because it is taking money away from the other school boards. It is a closed pot, so the more money that one school jurisdiction claims for those dollars, the less another one has the ability to claim.

I believe in the CEU program. I believe in the learning opportunities that that program gives to students, but we do have to get the accountability back. I cannot justify as Minister of Learning to spend \$129,000 to have a high school listen to music over their intercoms at lunch hour. I don't believe that any taxpayer in Alberta would justify that expenditure. Indeed, Mr. Chairman, in keeping with that, the Auditor General raised this as an issue itself. So it is something that we have acted upon, and we will be implementing the accountability component. We are hoping that if the accountability component follows through like we think it will, the full funding for the CEU credits will be back in September of 2004 provided that the accountability is there.

Mr. Chairman, I believe the opposition would like to ask some more questions. Thank you.

**Dr. Massey:** I want to make it very, very clear to the minister that I wasn't asking for a rigid set of constraints to be placed on school boards. What I was asking for were the assumptions, and surely there had to be some assumptions about salaries for the Learning department to come up with this. If you look at how those templates are applied, they're applied globally, so you come up with a number. The money that goes out to a school district, as the minister appropriately says, should be flexible. If they want to spend the money on more teachers' aides and fewer teachers, then that's up to them, but at least there's the assurance from the province that there is a teacher for each classroom, that there's a basic amount of money there for textbooks, that no school should want for the technology they need. It's a way of arriving at the figure. How the money is actually spent is up to the school boards, and in terms of the school boards sending their money out to the schools, the same thing happens. They say: "This is what we're allowing you for teachers. This is what we're allowing you for maintenance. How you use it is up to your individual circumstances." It's really critical. It's at the base of school-based budgeting. There were times when schools were being painted out of central office and didn't have science textbooks, and that really upset teachers and principals.

Please don't misunderstand me. I'm not asking for rigidity; I'm asking for the assumptions. There have to be some reasons for these numbers to be here, and that's really what was at the base of my questions.

Thanks, Mr. Chairman.

**The Chair:** The hon. Member for Edmonton-Strathcona.

**Dr. Pannu:** Thank you, Mr. Chairman. I want to thank the Minister

of Learning for introducing his budget and for making some preliminary and helpful observations on the budget and how he sees it holding a promise for improving the education system that we have. Certainly, the business plan talks about commitment to "continuous improvement of the learning system," and I am willing to assume that when making decisions on the budget, the minister certainly had that goal as an important goal in front of him.

In the budget, Mr. Chairman, as the minister has outlined, although there's an overall increase which would suggest that the total money being spent will be going up by some 4 percent or a little more, the fiscal plan clearly outlines how this increase will be distributed across different functions of the system. A 2 percent increase in basic instructional grants is built into the system. A 3 percent increase in student transportation grants funding and funding for estimated increases of one-quarter of a percent in the overall enrollment increase. An 8 percent increase in students with severe disabilities. Twenty million dollars for technology upgrading is part of a three-year \$61 million commitment. So I just want to make sure they accurately refer to the numbers here. It's those numbers that I will be using in making my observations and asking questions.

Now, the increase in basic instructional grants will be 2 percent, and the inflation rate, I guess, over this year, 2002-2003, according to the government's own numbers will equal 3.7 percent. If you look at some other sources, actually Stats Canada's consumer price index for Alberta between February 2002 and February 2003, this twelve-month period, will be 6.9 percent according to them. But even if we take the lower figure of 3.7 percent in the 2003 calendar year as the rate of inflation, then I would ask the minister to address the discrepancy between the 2 percent increase in basic instructional grants when the inflation rate, as the government's own official sources indicate, during this calendar year will be 3.7 percent. How is that discrepancy to be addressed? The minister would I hope make some comments on that.

The issue of class sizes is an important one for Albertans. I had the pleasure of appearing before Alberta's Commission on Learning, that the minister established last year, among the hundreds and hundreds of other Albertans, and that commission's work is in progress at the moment. It will be coming back to I guess the minister and to this House with a final report sometime in the fall, but what the commission has heard so far are very serious concerns, almost the universal concerns across this province, expressed by everybody who has appeared before the commission on class size and the increasing diversity of our student population. So this increasing complexity and diversity of the learning population combined with the growing class sizes is a challenge that I was hoping and certainly parents and school boards were hoping that this budget would address, and I would like the minister to comment on it given the fact that we already have the highest student/teacher ratio in the country.

I'm referring to the student/teacher ratio in the country. The government's only poll, released January 19, 2002, found that average class size in grades 1 to 3 was 23 students per class; average class size in grades 4 to 6, 25 students per class; average class size of grades 1 to 6 is 24 students; and average class size of kindergarten, 20 students per class. Seventy-five percent of the classes have an average of four students with special needs. The average of these classes is 23.3 students per class. Forty-one percent of the classes have 25 or more students. These are numbers, I guess, that are the minister's own.

**3:50**

Using those numbers, my information is that that puts Alberta at the top in terms of average class size in the country, so the question



is: given the budgetary allocations, the minister's commitment to seeking "continuous improvement of the learning system," and it being, I think, generally agreed that class size and classroom conditions are a key to seeking this continuous improvement of the learning system, how will the budget numbers that we've just referred to contribute to this and support that very noble objective that the minister sets in the business plan for the children and the families of Alberta?

The other concern, Mr. Chairman, that emerges from this budget allocation, the budget that we are debating, the estimates that we are looking at, is now coming forth with much more clarity. The minister was asking the House and certainly members on this side of the House to wait until the budget was presented before we begin raising concerns about teacher layoffs and the possibility of growth in class sizes. I just looked at the *Calgary Herald* report this morning, and the Calgary board of education is now saying that having looked at the budget numbers, it is predicting at least a \$35 million shortfall for this year and the next year. It's a very dramatic number. The minister can no longer deny that the boards haven't looked at the provincial budget yet; therefore, they can't make these comments.

Similarly, Mr. Chairman, the situation with Edmonton public is just as bad. According to the board the budget of the school board will be burdened with a minimum of a \$10 million deficit as they move into the current year, and by next year their problems are only going to get worse. They are contemplating having as many as 350 fewer teachers. Whether it comes through layoffs or whether it happens through natural attrition, it doesn't really matter from the point of view of parents who have children in school. What they want to see is the relation between the number of students that are being served and the number of teachers available to serve them. The loss of at least 350 teachers is predicted.

I want the minister to now comment on the numbers. He has undertaken what he at one time called an audit of the Edmonton public school board expenditures. He later, I think, used a more precise and more accurate term to call it an operational review. There are certainly clear differences between what the minister's opinion is with respect to the shortfall for the year just ended for the Edmonton public school board. The Edmonton public school board insists that it's short by \$10 million at a minimum while the minister continues to insist it's \$5 million.

Whatever the amount, it's an amount that will have to be paid back. With the increases in class sizes, with the loss of teachers, and with other expenditures that are growing and the big gap between the increase in the per pupil grant rate of 2 percent and the inflation rate, which will be at least 3.7 percent and could be much higher if we were to refer to the cost of living increases in Alberta over the last year, how are the school boards supposed to be coping with it? Can the minister assure the House and through it the parents who have very grave concerns about the continued underfunding of our schools that the minister's budget will not lead to teacher layoffs or loss in the total number of teachers by our school boards?

I just mention, too, Mr. Chairman, that there are other school boards which are in a similarly precarious position. Edmonton Catholic has already expressed very, very serious concerns about losing teachers and not being able to maintain the quality of education because of their fear that class size will grow and learning conditions in general will deteriorate in light of what they know about what this budget and these estimates are promising. Elk Island school board is another one, Grande Prairie school board is yet another one, and I could continue to name more school boards. There are many, many school boards which do not see this budget as helping them to address in a satisfactory and adequate way the

educational needs of the students that they are responsible for. The minister will, I'm sure, be in a position to comment on this.

I want to briefly and quickly turn to the postsecondary situation. There is a table here that I want to draw the minister's attention to in the business plan, page 302, and the table is related to outcome 2.2, "Learners complete programs." I find that I have some very serious concerns about the numbers that the minister's department quotes there with respect to "Educational Attainment of Albertans aged 25 to 34." This is the only number here that has a comparative basis. Alberta, being the richest province, having an economy which is expanding we are told at the fastest rate, has an educational attainment rate which is lower at the postsecondary level than the national average. We have jurisdictions in this country, other provinces here, who are far poorer, far less endowed with revenues and resources than this province. This national average of 62 percent includes all of those provinces from Saskatchewan to Newfoundland to Manitoba, Nova Scotia, New Brunswick, and P.E.I., and we have an attainment rate which is 4 percent lower than the national average.

Now, this is the province where I hear a great deal of talk about growing shortages and continuing shortages of skilled workers and their availability and the commitment of this ministry and this minister along with the Minister of Human Resources and Employment to create conditions and make commitments and investments on behalf of this government to make sure that these skill shortages don't remain a problem. Now, given these numbers here that I've just quoted, I'd like the minister to perhaps reflect on what the ramifications are of this gap between the national average of people with postsecondary qualifications in Alberta and the national numbers there. What are the ramifications of it, and how do the current budget estimates address this gap between the provincial and the national numbers on the one hand and the well-acknowledged problem of continuing and perhaps growing shortages in certain occupational areas? I think the minister of human resources referred to about 35 different occupational groups where we have shortages.\* Maybe the Minister of Learning has knowledge of those occupations too, so maybe he can refer to some and draw the attention of the House to how this budget is so designed as to at least address the shortages in some of those occupational areas. These are the people with skills whose availability is crucial to the continuing growth in the economy and the ability of our industries and institutions to have available to them the people with those skills that they need.

4:00

A couple of other questions here, Mr. Chairman, to the minister. Here I refer to the document that I'm sure the minister also has received. We have received it from the Council of Alberta University Students, CAUS. It's a February 2002 document, a year-old document. The title of the document is Alberta's Tuition Policy: Ensuring Affordability, Accountability, Accessibility, Predictability and Quality. The students are very concerned about the tuition fee burden. The minister is aware of it as much as I am. He has in his introductory remarks tried to address this issue.

Here are some of the facts before us, and then I'll have a few questions on this. Every student debt, I guess, is \$18,000. This includes students in two-year programs as well as in four-year programs. So that's an average. University students have a much higher debt load, I would think. I'd like you to address that.

The business plan addresses affordability and the accessibility issue. The strategies it lists in my view will not have a direct impact on the growing student debt load. In 2001-2002, at least, we know that in terms of the public's satisfaction only 65 percent of the public were satisfied that the learning system is within the means of most Albertans. The question is of affordability and not just the number

\*See page 1062, left col., para. 3, line 2

of spaces available but for students and families to purchase those spaces, if you want to use that term. Only 65 percent, and that's a very low percentage, in my view. About one-third of Albertans deem the system to be unaffordable. Is there any commitment on the part of the minister to increase this level of satisfaction, and what are the segments of the budget which will help raise this level of satisfaction to a higher one? In my view it should be closer to perhaps 80 percent, not 65 percent.

**The Chair:** Hon. member, your 20 minutes are up.

**Dr. Pannu:** I have one more question, Mr. Chairman. Then I'll sit down.

**The Chair:** You can go unlimited time.

**Dr. Pannu:** Okay. Thank you.

**The Chair:** The hon. minister.

**Dr. Oberg:** Thank you very much, Mr. Chairman. I'll just comment to the hon. member that the chairman was so engrossed with what you were saying that he didn't realize that 20 minutes were up. [interjection] No. That's what I mean. He was.

Mr. Chairman, what I'll attempt to do is answer as many questions as I can here, and again the same offer applies to the opposition in that I will get back to him with any answers that I am unable to answer here today.

First of all – and I'll go from the last question backwards, if I may – the increased level of satisfaction. Obviously, that is something that is extremely important to us, and indeed that's one of our measures in our business plan, as well. The interesting point when you actually look at that document – and I apologize because I don't have that document in front of me, and I haven't seen it for probably three or four months – is 65 percent of the adults and the parents and the people feel that education is affordable; 35 percent believe it's unaffordable. One of the interesting points in that study as well is that they actually feel that tuition fees are in the \$6,000 to \$7,000 range and are considerably higher than what tuition fees are. What my department and I have realized – and I think that this was a very good study from that point of view – is that the information is not out there for the students about what the actual tuition costs are, what the actual costs of the system are, what the actual costs of an education are. This was a very good study that these guys did, and consequently we have embarked upon a campaign to update what high school students know about tuition, to update our web site, to make our web site more user friendly, to make information about student loans more available to students, and again I feel that that's something that's extremely important.

[Mr. Klapstein in the chair]

The hon. member also talked about the affordability of education, and the way I will answer that is that our tuition policies are such that it can go up at most around \$275 per year, Mr. Chairman, and I'll give an anecdote, if I may. I attended the hockey game on Sunday night, which was an excellent hockey game, by the way – and I've been an Edmonton Oilers fan for years – but as I walked in, there were some students who started chanting and making some remarks at me. But the interesting component was that each one of these students had on an Oilers jersey, which is probably around \$100. I'm assuming that their seat to the hockey game was probably around \$120 or \$100, so there's \$200 right there. I would bet money

that they probably had a beer a two, which was about \$5 to \$10 there. So in that one evening these students who were chiding me about the cost of education spent more than their tuition fees would increase for their total year in education. I'm not trying to make assumptions on that, but I think it's an interesting analogy as to the priorities of how people spend money.

I'll correct the hon. member on one thing; that's debt. The university undergraduate debt level is \$18,871, for colleges it's \$10,679, and for technical institutes it's \$10,118. That's the average net indebtedness in '01-02 by institution and program. For graduate or professional degrees the average is \$28,800, and I believe that puts us at about the second or third lowest in the country when it comes to net indebtedness of students that go forward. Again, a lot of this has to do with our tuition fee policy, which is included in here, and our student loan policy, which allows for students who qualify for the full amount of student loan to have no more than \$5,000 debt per dual semester, per year.

Again, quite astutely the hon. member picked up a very interesting issue with Alberta society, and I'll use Alberta society as the starting point in this discussion. On page 302 of the business plan what it shows is that the educational attainment of Albertans aged 25 to 34 is at 58 percent for postsecondary and 89 percent for high school. I'll preface this by saying that the number of people in Alberta who have a postgraduate degree is the highest in Canada, at about 54 or 55 percent. So what is the difference? What has happened here?

Well, there are a lot of theories on this. My personal theory is that because we have so many jobs in construction, because we have so many jobs in the apprentice industry, because our economy is going so full tilt, a lot of students instead of postsecondary education have opted for the trades, have opted to go into jobs directly. Mr. Chairman, as the hon. member knows full well, when a student, for example, says that they're going to take one year or two years off to go and work for a little while, often they continue to work and do not come back. So that may be the cause of that.

Is that something that I'm happy with? No. Quite frankly, I'm not, and it's something that we need to increase. We need to increase the number of postsecondary education students that we have in this province – and that is certainly a goal – and that's why our goal is continuing to increase the number of Albertans 25 to 34 with postsecondary education. It's very important.

4:10

Mr. Chair, as you can see, on measure D it says that the universities were up to 66 percent of a completion rate, 59 percent for colleges and technical schools. So there are a lot of different issues that are at work here. Again, though, I feel that it's my job as Learning minister to attempt to get as many qualified students as possible into the postsecondary system and ensure that they do in fact finish postsecondary education to go on and get jobs in Alberta.

I just will add one plug, if I may, and please take it as such, and that is something that's very important. As everyone here knows, one of the largest issues in governments around the country is the cost of health care. Indeed, in this budget we see approximately a 7.2 percent increase in health care. I will put in a plug and say that the number one health determinant is level of education.

So take with that what you may, but again it is this department's goal to increase the number of students in our postsecondary system and indeed to increase the number of students who have access to postsecondary institutions, whether it be through on-line learning, whether it be through campuses around Alberta. The ones I talked about earlier were NAIT and Fairview College, and I will add that there are at least two other jurisdictions that are looking at some very considerable changes that will help students in rural Alberta.

Another interesting point – and if I can hit over to the basic side – the hon. member raised some issues about class size, and first of all I don't know what information the hon. member has about class size, but I would caution him on comparing actual class size to student/teacher ratio. I believe the numbers that the hon. member read out were class size, which was done on a polling of the various schools around the province. Indeed, in this year we received something like a 95 percent success rate in getting that information back. I would caution the hon. member in comparing it to pupil/teacher ratio because for our own benefit as well I could stand up here and say that our pupil/teacher ratio was 17 or 16 or 18. It doesn't really mean anything because a lot of the teachers employed in administration are not employed in the classroom. So what we chose to do was get an accurate assessment, an accurate picture of what is happening in the classroom when it came to classroom size and actually poll the students, find out what the numbers were.

The other point that I will add is that we're in the process of tabulating our data now, but the class size for this year, for '02-03, is very similar and, indeed, just a bit lower than last year. So from a statistical point of view it has remained unchanged.

Another interesting dilemma when it comes to class size – and I apologize for going on to this, but the hon. member has raised this. One of the great things about Stats Canada is that they analyze data that we have, and they bring back a lot of issues that are very statistically significant but issues that we don't have the capacity to analyze. The last one that came back from Stats Canada showed a huge difference between rural and urban education and rural and urban educational achievement right across Canada.

Mr. Chair, the interesting point on this is that the rural students did worse than the urban students. As we know, for those of us who are in rural Alberta, as a general rule – there are some exceptions – class size is significantly smaller in rural Alberta than it is in urban Alberta. I think the answer is very obvious, but the question is: what role does class size play in this? The answer is: probably a very limited role because the class size in urban centres tends to be larger than the class size in rural. If it were a strict 1 to 1 or 1 to 2 ratio, we would see that in these results, but we're not.

Therefore, there are other factors at play here, some other very important factors which lead to the decision-making that we have done. That is that the school boards need the flexibility and the grassroot teachers, the grassroot principals need the flexibility to design their classrooms with the needs of the students in mind, and indeed numbers of students play into that also. It's a very interesting dilemma on the urban versus rural, but it is something that we are attempting to get to the bottom of. The difference is statistically significant, so we have to find out. The onus is on us as the Department of Learning to find out why.

Another thing that the hon. member raised was the inflation rate, and he will be pleased to know that the cost of living is actually a component of the new funding formula, and what it is based on is 20 percent versus 80 percent. The 80 percent is salaries, which the cost of living does not play into, but for the 20 percent of supplies, of other needs cost of living does play into that, and that is what is reflected in the new funding formula. To put it in perspective, Mr. Chairman, for those of us who are in southeastern Alberta, Medicine Hat for example, on a scale of 100 Medicine Hat would be at roughly 98 and Calgary would be at 110. So there's probably a 10 to 12 percent difference in cost of living, cost of supplies between Medicine Hat and Calgary, and that level becomes exaggerated even more when we move to communities like Fort McMurray or Grande Prairie. So for that reason it is included in the new funding formula as a variable that will be instituted.

Another issue that the hon. member raised was the actual grants,

and he is right that there is 2 percent, or \$77 million, for the per student grant, but there's also an 8 percent increase for the special-needs students. There's also a 3 percent increase for transportation.

Probably one of the most significant numbers, though, is something that is not in this budget that is seen for school boards around the province, and that is their enrollment. Obviously, we fund on a per student basis. A very, very significant issue to the school system in Alberta is declining enrollment. We have some jurisdictions that are seeing a decline of 3 to 4 percent per year, and that is very, very serious when you have to have staffing. You have to adjust the staffing to reflect that decrease in enrollment. Indeed, even in places like Calgary, where we're seeing a huge number of people, a huge expansion in Calgary, the actual predicted enrollment at Calgary public is down .79 percent. To put that in perspective, that's probably about 600 or 700 fewer students next year than what they have this year. That is significant, Mr. Chairman. It's very significant. So it is an issue that they have to deal with. It's an issue that they have to look at: 600 fewer students. I will say that 600 fewer students is good news for them because they were actually increasing their amount of students back to levels that they were five to 10 years ago. Calgary Catholic is also showing a decrease of .22 percent, which is not nearly as bad, but it is significant.

So I believe I've answered most of the questions, and any that I have missed we will get to you in writing if I can. Thank you.

**The Acting Chair:** The hon. Member for Edmonton-Strathcona.

4:20

**Dr. Pannu:** Thank you, Mr. Chairman. Obviously, we have lots of questions. We have limited time. So I'll focus on a few.

The minister's comments on there being no one-to-one relationship between class size and educational achievement of students is an interesting one. Class size is a critical factor but not the only factor in student achievement, and I'm sure the minister recognizes this.

I'm comparing rural/urban areas. I think one major set of differences between urban and rural areas is that because, as he says, of the sparsity of population in rural areas, schools normally don't have as good a specialized staff. I taught in them many years ago – that was 40 years ago – and taught seven subjects, you know, from high school to grade 8, so I know the challenges there. It's not just the class size. My classes were smaller. My burden of teaching was much higher and challenges were much higher because I had a huge number of different subjects to attend to, and students don't get as good a quality of instruction under those conditions.

Small class size does not in itself determine the educational outcome. There are a number of other factors that play into it. There is the question of psychological services, library services, and other things that vary between urban and rural areas. Concentration of the population allows schools to offer those services that may not be available to every student who goes to a rural school. Those factors have to be taken into account, so he's not off the hook easily simply by drawing attention to the fact that out in the rural areas class sizes are small. The student achievement may be not as good as in the urban areas. I just wanted to draw his attention to it.

His own class size study that his department commissioned here in Edmonton demonstrated beyond a doubt that smaller class size, particularly in early grades, makes a huge difference. Then to ignore this, you know, in making decisions in the budget, I think is something – and I have a kind of worry that the minister doesn't seem to be fully seized of the importance of class size and educational outcomes and student achievement, particularly in the lower grades, especially in those neighbourhoods in urban areas with a

great deal of diversity. There are students with special needs, including English not being their first language. So class size is hugely important, and it's something that I think is not adequately addressed.

My other question to the minister has to do with a question that we've been dealing with in the House since the presentation of the budget: the school property tax issue. Since last week we have been debating whether or not the government has in fact decided to collect more revenues from this particular source of revenue than it had made a commitment to do two years ago in the budget, in writing. That is indeed the case, and that's never been acknowledged. However, the Minister of Finance, in answering my questions here in the House and questions of other members, has implied that the extra school property taxes will flow into the education budget, into schools. [interjection] No. There are two items there, two lines there. In the 2003-04 Government and Lottery Fund Estimates, page 279, there are two items there. There's the opted-out item, but that's not what I'm talking about. I'm talking about the other one, Alberta school foundation fund. More than \$1 billion is taken out of the operating support to public and separate schools. It's not added to. I want the minister to comment on it. I think the Minister of Finance was incorrect in saying that the money goes into. You can see your own numbers here. The government's own budget estimates give a very different picture. They challenge the explanation that the Minister of Finance gave. That's the one that I'd like the minister to comment on in particular.

I want to correct myself, Mr. Chairman. I think I mentioned 32 or 35 occupations where there would be shortages.\* I think there are 22 rather than 32. The minister, if he chooses to, can certainly comment on those numbers and say which occupational groups are the ones where we have shortages and then address the question of how those shortages are being addressed in his budget and in the budget of some other sister departments, I think, with whom he may have been discussing this matter.

So I will stop here so that some other hon. members can have a chance, and then if there's time I'll ask more questions.

**The Acting Chair:** The hon. Minister of Learning.

**Dr. Oberg:** Thank you very much, Mr. Chairman, and again I'll move from back to front. The shortages in specific areas again are something that we address through our apprenticeship program. When it comes to the construction trades, the trades where the general overall shortage seems to be, included in this budget is I believe 12 and a half million dollars extra to ensure that the student spots are there. In the apprenticeship program we're up around 40,000 apprentices right now. Our apprenticeship program tends to grow – and it varies throughout the year – by a net of approximately 100 per week. So we do address it that way. We address it with our institutions to determine where the needs are, and then we act accordingly.

The other point that I will make as well is about the access fund, where we determine what seats are needed because of trends that are occurring in business, trends that are occurring in the availability of jobs, trends that are occurring in our society. We do not determine, for example, the number of bachelor of arts students or the number of bachelor of science students.

The school property tax. What the hon. member has is on page 279 of the budget material. We have the operating support to public and separate schools at \$3,144,731,000, \$3.144 billion. Whew, it's hard to bring it out, Mr. Chair. It says "less property tax support." The only reason we have put "less property tax support" there is so that we can highlight the amount that is general revenue fund

support. The actual \$1.161 billion and \$162 million from the opted-out boards equals roughly \$1.132 billion. Those dollars have to go by law to the school jurisdictions. You have to add \$1.161 billion, \$162 million, plus \$1.821 billion, and you receive the final amount of \$3,144,731,000. Do you understand that? [interjection] You add the bottom three numbers of that column, and they equal the top number. All we're attempting to show here is that the property tax support is X number of dollars, that the support from general revenue is X number of dollars, and that's what was attempted to be shown there.

The key component, Mr. Chair, on the education property tax is that the mill rate did not go up. So as the hon. Minister of Finance and the hon. Minister of Municipal Affairs have more than adequately shown in question period, if your house value goes up, if it goes up from \$150,000 to \$160,000, you'll pay more.

**Mrs. Nelson:** And you have higher equity.

**Dr. Oberg:** And you have higher equity.

If there are more houses in a particular jurisdiction, Mr. Chairman, that particular jurisdiction will have to put in more money because there are more people. There are more houses.

Mr. Chair, we have used this year exactly the same rules – exactly the same rules – as we used last year on the capping rate, which was 8 percent on both business and residential taxes. We have frozen the mill rate. Last year we decreased the mill rate slightly. This year we froze it. So that's what the school property tax is.

[Mr. Tannas in the chair]

The other point – and I'll just comment on this very briefly – is the issue about class size. Hon. member, I believe that we're saying the same thing when it comes to the rural/urban issue, and that is that there are a lot of other factors that are involved in the education of students than just class size. The hon. member is absolutely right. There are split grades. There are specialty teachers. There are resources that are available. There are a lot of different issues that are at play here. It is not just an issue of class size. You cannot say: well, my class in rural Alberta has 15 students; therefore, I am going to do better than the same class in urban Alberta that has 25 or 30 students. You cannot say that. You cannot make that qualification. You cannot make that assessment because there are a lot of different issues that are at work.

4:30

Mr. Chairman, on the class size study. What it showed on the study that we did is that indeed numerous students did better, probably a quarter of the students did about the same, and about a quarter of the students did worse. This study has been utilized by the school boards when they address issues such as class size, when they address what they want, which is a flexibility by the grassroots teachers, the grassroots principals to determine what is the best class arrangement. Again the hon. member has raised an excellent point when he says that there are on average two to three to four kids with special needs in each individual class. Well, the hon. member is fully aware that a class with 10 special-needs students is significantly different than an IB program of 30 students.

So again it goes back to my original argument, which is that a class is not a class is not a class. Every class is different, every individual student is different, and the best people to determine what goes into that class are actually the grassroots teacher, the principal, and the superintendent. That's why we have not legislated class size. That's why we have not gotten into that issue of class size: because

\*See page 1059, right col., para. 3, line 16

we feel strongly that it is up to the school boards and the administration to make the best decisions possible within their range of funds.

Mr. Chair, I believe that anything else, again, we will give to them, and I'll now allow the other opposition to continue.

**The Chair:** The hon. Member for Edmonton-Riverview.

**Dr. Taft:** Thank you, Mr. Chairman. I appreciate the approach that the minister is taking here in responding in person and then following up with written responses. He can't possibly know everything we're going to throw at him.

I've ended up dividing my questions into a number of categories. The first ones have to do with postsecondary education. The University of Alberta is in my constituency and, as a result, so are many, many students and many faculty and other employees. I hear often from student groups and student organizations and individual students about their concerns over funding trends at the postsecondary level, and I hear the same from parents, and having kids who I think someday will go to university, I can be sensitive to those as well.

One of the documents I've got is from the Council of Alberta University Students, and it makes a couple of statements. I suspect the minister might have this document. It says:

The per-student operating grant to the U of A has dropped by 29% [since '92-93]. At the U of C, the per-student operating grant has dropped by 21% [since 1992-93]. Universities are educating more students with fewer resources.

I will be honest; I don't have the figures right now to confirm or refute those claims. But I would be interested – and I don't expect the minister to have that right now; maybe he will – what the government's story is on the longer term trends, the trends, say, over the last 10 years, which is what this group is referring to. Certainly, I have an impression that the universities are under more funding stress now than they were a decade ago. I'm not sure if that's right or wrong. I can find out, but I'd be interested, so my question is a very general one. In light of this budget we're debating today, what's the government's story on the 10-year trends on per student operating grants to the two major universities in Alberta?

Staying with postsecondary education, I know there are debates within the universities about the role and costs of learning versus the role and costs of research. Researchers will say: well, we bring in huge grants. Of course, professors who tend to emphasize teaching will say: well, we bring in money through tuition fees. There's a struggle between those two priorities that I think causes some strain at the heart of the universities' very function and identity.

I'm also aware that there are concerns that actually research grants can lead to deficits, can cost the university more than they bring in, because the research grant actually doesn't cover nearly all the costs that they lead to. It's like they leverage costs instead of leveraging revenues. I'm not sure again, first of all, if the minister or his department would like to comment on that and if there are any considerations of those factors in the business plans and budgets that we're discussing here. Is there any time when tuition fees actually end up subsidizing research so that students who are paying primarily to be taught are actually seeing some of their tuition fees going to research? I know that it's a complicated debate – believe me – but there is a sense that tuition fees should go to teaching.

Moving on in the postsecondary arena, the whole Campus Alberta initiative is, I guess, unfolding. I haven't been able to stay on top of it, but I'm wondering how the business plans here and the budget relate to that. Also, I would be interested in any comments from the minister on the impact of the proposed universities act, which we will see in a few weeks I think, on the business plans in the future.

I don't expect that act to have a lot of impact on this year's budget, but the business plans do go over the next three years.

I want to give a bouquet, a compliment, to the department and to the minister. I've been going back through the business plans that were presented a year ago, which made projections for where we would be today, and then I've looked at actually where we are today, and my impression is that this department is doing better than many others in terms of actually being reasonably close today to where they said they would be when they said that a year ago. Well done. In most lines we're on the plan, and that's good, because it doesn't always hold true across the government. So my compliments to the minister on that, although I might disagree with the plan from time to time.

The next series of questions has to do with basic learning, K to 12. I think this has already been raised maybe by some members here today. I know that the minister hears it, and it's been really driven home to me in the last few months as I've focused my work so much on the school system: the high school completion rates are not what they should be. I will be blunt. I didn't realize until just a couple of months ago that they were as low as they are, and I know that it's not limited to any one school board.

I'm thinking back to when I was a junior high school student in the Edmonton public school system. So this is going back a few decades; let's say about 35 years maybe. At that time it was driven home to us how important it was to complete grade 12. I remember posters up in the guidance counselor's office and everywhere emphasizing: finish grade 12. There were figures on the impact that finishing grade 12 would have on your income and job opportunities. That was hammered home to us.

**An Hon. Member:** See what happened?

**Dr. Taft:** Yeah. See where it got me? That's right. I listened maybe too carefully.

I don't know what the completion rates were, say, 35 years ago, but the fact that they're only about 70 percent today makes me think that we haven't moved that high enough, and I suspect the minister agrees. My question then is: how does the budget that we're debating today specifically relate to improving the high school completion rate? We have a resource; we have an objective. How do the two relate?

4:40

Moving on from there to an issue that I've been mulling over for a long time, and this afternoon I've been struggling with how to approach the issue because we've frankly hammered away at each other in this Assembly on these issues, locked horns, and gone nowhere on them, yet I know that these are real issues from talking to the parents in the schools in Riverview and talking to teachers and parents from many, many other communities. Those are issues that the minister has heard so often, and I'm struggling with how to bring fresh perspective to these issues, issues around fund-raising and issues around staffing levels and the very real concern over layoffs as a result of this budget.

In Edmonton-Riverview I am told now through a group of parents that over \$500,000 a year is raised by parents to put towards education, and they don't believe for a minute that that is just going to extras. They believe that they are fund-raising and having to fund-raise for things that contribute to the basic necessities of their children's education like computers and supplies and textbooks. So I know that the parents in my constituency will feel that the budget that we are debating today is inadequate for covering some of the basic requirements of supplies and equipment, for meeting the needs

of the curriculum. Beyond that, I know they will also believe that the budget we're debating today is inadequate for providing adequate staff at schools. That's teachers, of course; it's also support and clerical staff. There's a school I know of in my constituency – it's a large school, about 800 students – and they are down, as I understand it, to one secretary. For example, they're looking at probably losing teachers in the fall.

Of course I understand the debate: well, the budget figures aren't final and this and that and the other thing. Frankly, the parents are going to be demanding from me to demand of this government enough money at least to cover the arbitrated settlement. That's not in this budget. I don't know if the minister has anything more to add to that debate. We've banged away on this one, but I'll tell you, I have a sense of a storm gathering, and I wish we could prevent that from happening. So I'm struggling there to bridge the gap between us, and I'm not sure how to do it.

My last set of comments have to do with something that I know is near and dear to the minister's heart but has an odd twist to it, and that's AISI funding. I repeat the concerns that I'm sure the minister is aware of. Some of these programs have been wonderfully, remarkably successful – reading recovery and many early intervention programs – but there's a tragic sense that they're cut short because of the three-year limit on the funding. So if there is anything in the budget here that will help some of the most successful of those programs to become permanent features of the school system, I would be thrilled. So the minister has a chance to thrill me, and I ask him to please do so.

Thank you, Mr. Chairman.

**The Chair:** The hon. Minister of Learning.

**Dr. Oberg:** Well, thank you, Mr. Chairman. I'm not entirely sure I'm going to thrill the hon. member, but I will attempt to explain some of the issues that he's brought forward. Just in saying that, I'll make one comment about the questions that have been asked today as potentially this could be the last kick at the cat that I have. I would just like to thank the hon. members for the tenor of their questions today. They've been excellent questions, and I do like the way that they were approached.

**Some Hon. Members:** Aah.

**Dr. Oberg:** Sorry, guys. Well, they were.

The issue on the AISI funding is quite simple. There is included in this budget \$68 million for AISI projects. When AISI was initiated three years ago, it was initiated as a three-year plan, and we have now continued that for another three years at \$68 million per year. Very important to the AISI projects, though, is that we continue to get new ideas. What we have said is that places where the projects have finished, where they have run three years, if they're doing well, then we feel it's important for the school board to keep those types of projects going, but we also feel that equally as important is that there are new projects brought in.

I believe that if I just put this \$68 million in and keep running the same projects, then I might as well just put the \$68 million into the general fund. We have to keep moving forward on our research projects. We have to keep moving forward on finding new projects. I have given the school boards the permission that if there is a particular program that is doing well, if they want to move it to a different school population, a different age group, a different geographic population, they certainly can. So we do have a fair amount of leniency with them.

In Edmonton public I understand that what happened is that they

did not allocate out the AISI dollars until just recently. It's a very interesting point for myself on communication on AISI. Mr. Chairman, as you may know, at the breakfast back in November I announced that AISI was going to be continued for another three years. I then went to an AISI conference, and the main question I got was: well, AISI is finished; what are you going to do? In actual fact, I had announced it three months before, yet that message did not filter down. So I'm not sure if I've thrilled the hon. member in what I've said, but the \$68 million is still there. There will continue to be projects.

The other question that was raised – and it was very politely raised – was the issue about fund-raising, staffing levels, and curriculum projects. I will say that since we have done the operational review on Edmonton public, I have a much better sense as to what has been happening in Edmonton public. Quite frankly, from a distance, at a macro level – and I must say that we only looked specifically at eight schools – they put the wrong dollar amount in on a teacher basis. It's \$62,000, which is the amount that they've put forward to fund their teachers. The principals went out and spent money and hired using the \$62,000 figure. Obviously, if they were wanting to run 85 percent of their budget on staffing, at \$62,000 it probably would be okay. But then in September of 2002 the school board came to them and told them: well, the actual cost is \$70,000. So what happened is that they had all these teachers hired over the summer when the actual costs were \$70,000 instead of \$62,000, and the school board basically said to them: suck it up; take it out of your school funds. When I take a look at some of these schools, some of these schools have as high as 92, 93 percent in staffing costs, and what I believe happened is they hired using the wrong numbers. They were supplied with the wrong numbers for teachers' salaries. They subsequently went out and hired.

We had the unusual circumstance of having 300 new students in the Edmonton public system yet 82 new teachers, and again I will reiterate that I believe it was due to the fact of the dollars that they were using to base their budgets on. This directly affected fund-raising in that in many places when you're at 92, 93 percent of your budget for staffing, it does affect fund-raising, and that is what I believe is the evolution as to what happened. Again, it's a very cursory look at Edmonton public. We only looked at eight schools. To give an example, one of these schools read in the newspaper about the teacher increase and saw that it was going to be about 11 percent. He set his money aside, and consequently that particular school had a \$500,000 surplus. So a lot of it had to do with the numbers that were being used, and I'm not faulting the principals or the schools on what they used, because they were only using the figures that they were provided with.

**4:50**

High school completion rates. I'm glad you asked that. That is a huge push in my department now. We have done studies on how to increase high school completion rates. I'm going to say this because it is an actual fact, and I make apologies to anyone I say it to, but the aboriginal population in this province is not finishing high school. We have a significant issue here, and consequently what is included in this budget is aboriginal initiatives. Its sole attempt is to increase the number of aboriginal students that are graduating. I am not happy at 73 percent when you take a look at some of the figures in our business plan. I want it to be 100 percent, and that's the goal that we are aiming for: 100 percent of students to be graduating from high school.

When you look across the country, what you find is that essentially all the jurisdictions are very similar. It may vary from 67, 68 percent in one jurisdiction to 74, 75 percent, but they're very similar right across the country, excluding places like P.E.I. that really don't

have the population to make them statistically significant. This is a very important issue for every minister of learning, minister of education across the country, and it's something that we are concentrating on very much.

The proposed university act. Again, I will not talk about the specifics of it apart from what I've already said in that part of this act will enable institutions to grant degrees when the quality is there. This will have an effect on our upcoming budgets, and it will be built into our upcoming budgets because as more and more students get more and more degrees, there is more of a cost, but that is a cost that this government will more than willingly bear because we are aiming to have more students graduate with postsecondary degrees/diplomas. I see this legislation as being incredibly important because now, for those of us in rural Alberta, they will be able to get their degree in rural Alberta. They will be able to get a degree in Grande Prairie, in Medicine Hat.

The other very important issue that must be stated any time we talk about degree-granting is that the quality has to be there. We cannot just allow these institutions to provide degrees if the quality is not there, and included in the legislation that is coming forward is a mechanism to ensure that the degrees are peer-reviewed, that the quality is there. I know the hon. member is as concerned about quality as I am, and that is the direction that we're going.

The tuition fees subsidizing research. That's a good question. To be a hundred percent honest, I cannot give you the exact answer, as I'm sure the hon. member knows after being involved in the postsecondary system. What I will say, though, is that in reviewing our tuition fee policy, we exclude all research components as expenses. So to the best of our ability we take anything to do with research and take it out of the expense column when it comes to the tuition fee policy, and the tuition fees are judged according to that. It cannot at this moment in time go beyond the 30 percent cap, or roughly \$275 per year.

The hon. member also gave me a good opening on the research side of things when he talked about research grants not keeping up with the actual costs. Again, the hon. member is absolutely right, and I will point my finger at where the blame really lies, which is the federal government. I know everyone here would be shocked to hear this, but when the federal government gives a grant, they do not give the indirect costs. For the edification of the people in the Assembly . . .

**Dr. Massey:** Didn't that change?

**Dr. Oberg:** No. I was just going to comment on that.

For the information of the people in the Assembly, the average indirect cost is 40 percent. The federal government has made some movement in the indirect costs of education, but it is still not complete where they fund all of it, and it is my understanding that it is a time-limited commitment and that it is not a full commitment on their research grants. From my point of view and from Alberta's point of view it is absolutely essential that we get research grants that are fully funded. If you're going to give us a research grant, which is extremely important, make sure they have the money. We do our budgeting process, and if we have to expect our universities to suck up another 40 percent for these research dollars, it does lead to significant issues and significant problems. We want to get the research grants, we want to get the research chairs, but there has to be a recognition of the actual costs of these research grants and research chairs.

The last question that the hon. member raised was about the University of Alberta and the University of Calgary, and I will give you my figures. From '99-2000 to 2002-2003 at the University of Alberta the general grant went from \$239,035,808 to \$296,091,384,

for an increase of slightly over \$57 million, or 23 percent. Those are not in static dollars. They're in year-to-year dollars. At the University of Calgary the grant went from \$157,593,000 to \$201,929,000, an increase of roughly \$44 million, or 28.1 percent. In that time frame the University of Alberta increased their student enrollment by 12 percent and the University of Calgary increased their student enrollment by 11.4 percent. Just for your information, as well, the University of Alberta enrollment in '02-03 was 29,115; at the University of Calgary it was 23,492.

I would welcome any other questions from the Legislative Assembly.

**Mr. Maskell:** Minister, I have a couple of issues, concerns, interests, passions that I would like to ask you about today. One of the things that you talked about a lot is that all students should be able to read by grade 3, and you have a renewed vision for the K to 12 learning system. I wonder if you could update us on how this is proceeding and how that is supported within this budget.

**The Chair:** The hon. minister.

**Dr. Oberg:** Thank you, Mr. Chairman, for that excellent question. One of the areas that I'm a firm believer in is that although we are the best system in Canada – we probably are the best system in the world – there is a danger of becoming number two, and that danger is accepting the status quo and not improving. We have to continue to improve, and I feel that the revision of our curriculum is a direction that we have to move in in order to improve. This started off as actually a fairly simple exercise, but it's something that blossomed quite large. We sat down and took a look at some of the issues that were involved in education and some of the outcomes that we wanted, and it soon became readily apparent that the earlier you get involved with kids, the earlier you work with kids, the earlier you teach kids, the earlier kids learn, the better they do. That is becoming very evident, and I don't think anyone in this Assembly can argue with that fact.

Another fact is that when you take a look at those students that have attention deficits, those students that have learning disorders, it may be that many of these go back to the idea that they can't read and that they never did learn to read properly. So you put all of that together and you come up with a new direction, and that direction quite simply and quite succinctly is that in the K to 3 age group what we are attempting to do, first of all and foremost, is literacy and numeracy. On the literacy side we want to ensure that 100 percent of the students by the time they hit grade 3 know how to read at a grade level. We also want to do that for the numeracy. There are a couple of things that are included and imperative when I say that. First of all, you have to be able to assess if they can't, and second of all, you have to be able to do something about it if they can't. So we're looking at the remedial reading, remedial literacy programs that can condense kids into bringing up their grade levels very quickly, and there are a lot of programs that are out there that have shown that with concentrated learning they can bring up the grade level two, three, four grades in a space of six weeks. We're looking at how that can be done. The same thing occurs with numeracy. We have to identify those kids who do not have numeracy skills at grade level, and then we have to remediate those that do not, and we have to ensure that they catch up to the other students. So that can be done.

5:00

Also, in kindergarten to grade 3 there are some other interesting issues. One of them is physical education. I don't think there's anyone here in this Assembly or anyone in Alberta that can deny that

we need to be fit. We need to be fit when it comes to health care, we need to be fit when it comes to lifestyle, and we have to instill a need for physical fitness in the daily routine of every student starting at a young level. We have to get that instilled into them, and, Mr. Chairman, that will be our third focus on the K to 3 side.

The fourth focus is something a little different, and it's something that I will say that I did not believe in. The hon. member, I know, is completely opposite from me on this fact, but it has to do with fine arts. Fine arts has never been my forte, and I will readily admit that. But it has been shown that the patterning that is involved in music is essential to the development of the brain, that it is essential to how kids learn, and that when there is music involved in studies, involved in their daily routine, kids learn better. I think the evidence is irrefutable, and I think we have to move in that direction.

So those are basically the four issues that we're dealing with on the K to 3 side. As we hit grade 4, we're going to be putting in, starting in 2006-2007, another curriculum revisioning which has met with international acclaim. As a matter of fact, John Ralston Saul in his speech last week, on budget day actually, in London, Ontario, praised Alberta, which is rare for him to do, for initiatives on second languages. He also praised the University of Calgary and the University of Alberta for their pushes in second languages.

We are going to be making second languages mandatory starting in grade 4. The second language does not have to be French. It can be any second language. I'm a firm believer – and I believe that the studies will back me up – that when you learn a second language, the third, fourth, and fifth second languages come that much easier. So we'll start that in grade 4. For those people out there who are listening, of which I'm sure there are multitudes, the point that I will make is that it will start in grade 4 and move through the system with that grade. So for those parents who have students in grade 12, they are not expected to learn a second language in one year. It will move through the system so it will be implemented over a period of eight years.

The last component of the curriculum revisioning has to do with some of our students that are graduating. One of the issues – and I believe that this is reflected in a question the hon. member asked me just a little while ago about high school graduation and issues such as that – is that a lot of students when they come out are disillusioned. They don't know what to do; they don't know what to do for a career. I believe that one of the issues is that we do not do a good enough job on basic guidance counseling, basic career counseling for these students. I have daughters and a son that are going through that time frame right now. And, Mr. Chairman, for your information I will not my call my son a goofball today. Even though he is one, I will not call him that.

What has happened is that these kids are being expected to make decisions in grade 9 which are probably beyond what they are capable of doing. They're expected to determine what career path they want to take, whether they take the old so-called matriculation component, whether they want to go to university, whether they want to take the easier grades, the easier classes, and if they make that decision, it is very difficult for them to undo that decision. So, in essence, what you have is that at the end of grade 9 a child – and I will say: a child – has to make a very important decision that will affect him for the rest of his life. I believe that that should be changed. I think we need to move until the end of grade 10 to do that. I think we need to put in elements of career counseling.

I also feel that we need to have tracks in grades 11 and 12 that the students can go on so that they know what it leads to. For example – and this is just in theory; we're working on this – there would be a university track; there would be a college track; there'd be a technical school track; there would be an apprenticeship track. The idea behind that is that these students would then focus on what

they're going to be doing, the direction that they're going to be taking when they're in grades 11 and 12, and I hope that it will allow the students to become more focused.

Imperative in this plan is that there are crossovers. It's very evident that very few students who are in the apprenticeship programs are at the bottom of the class. It just does not occur. Thirty of the 50 apprenticeship scholarships that were given out last year actually went to Rutherford scholarship winners. So there needs to be that crossover. If you want to be an apprentice and then two years later you want to change to go into university, that ability has to occur. That crossover bridging has to occur. It does not have to occur in high school. It could occur in colleges, it could occur in universities, but it has to occur, and it has to be there.

Mr. Chairman, I've used kind of a fair amount of time to talk about something that I feel is extremely important and is going to set the future for education in this province, is going to move Alberta in a direction that other provinces have not gone, where other provinces will certainly want to follow us. The concepts that I talked about I will say are concepts. We're reviewing each one. Each component of what I've talked about today is going to have to be field-tested. It's going to have to be studied extensively, and then we are going to move in and make those changes. It will be co-ordinated between the schools. It'll be co-ordinated with the Department of Learning, and we'll ensure that it will occur. The key goals, though, I believe, are very good goals, very laudable goals and something that I think is going to lead to even better performance of our students as they come out of the high school system.

I would ask the indulgence of the Assembly to watch this, to give input on this because it is important. It's all of our kids. It is not just government kids; it's actually opposition kids as well that are going through the school system.

**Dr. Pannu:** Alberta's children.

**Dr. Oberg:** Alberta's children. Absolutely. It is important that we look at this objectively, and it's important that we get a better system. Not that we have a bad system, but we have to continue to change. We have to keep adapting to the time frame.

Mr. Chairman, I'm almost out of breath and out of speech, so I'll sit down.

**The Chair:** The hon. Member for Edmonton-Mill Woods.

**Dr. Massey:** Thank you, Mr. Chairman. I would like to ask the minister about page 301 of the business plans, where the government says that they are going to support the recommendations from Alberta's Commission on Learning, and then they are also developing a renewed vision for the K to 12 curriculum, and then down at the bottom of that section: "continue the work of the Review Committee on Outcomes." Now, I've seen some of the work of the committee on outcomes, and it seems to me that they are proceeding on exactly the kinds of items that we expected the commission to be dealing with. So my question to the minister then is: how seriously are the commission results going to be taken by the department, or are they going to magically coincide with the work of the committee on outcomes?

**The Chair:** The hon. minister.

**Dr. Oberg:** I'll answer that very quickly if I can, Mr. Chair. Very quickly, a lot of these jobs that we have been undertaking – the committee on outcomes, for example, has been in process for three years. Just because the Commission on Learning is there, we did not stop. We feel that we are going in the right direction. If the



Commission on Learning tells us something significantly different, then certainly we will move in that direction, but we could not stop. We could not hold the Department of Learning back for a full year while the Commission on Learning did its job. We have to continue moving. If we lost a year in the progression of education in this province, it would be detrimental to us.

We hope, we anticipate that there will be some synergy between the Commission on Learning's recommendations and what we're doing, and if there isn't, then we'll have to change.

5:10

**The Chair:** In the one minute or so that remains, the hon. Member for Edmonton-Strathcona.

**Dr. Pannu:** Thank you, Mr. Chairman. I know that we have perhaps a little less than five minutes there. I have three questions for the minister. He doesn't have to answer them today, but I want to put them on the record.

I drew the minister's attention in my first round of questions to this lag between the educational attainment at the postsecondary level between Alberta's average and the national average, about 4 percentage points difference: 58 here, 62 nationwide. The minister speculated as to why that might be the case, and I'm asking him: will he go beyond speculation and try to find answers? I urge him to do some studies on it and come back to us with some information on this. I could speculate one way, he could speculate the other way, and we could go on doing that without reaching any firm conclusions.

My second question is whether of not this gap has grown, developed in fact, between the provincial average and the national average over the time that the government introduced increases in tuition fees. Is there any correlation? I want you to have that question addressed in the research.

My third question arises from the observations that I have heard and read about the Calgary Catholic school board. They are confronted with losing about 140 teachers, they say. This Edmonton public . . .

**The Chair:** Hon. member, I hesitate to interrupt you, but pursuant to Standing Order 58(5), which provides for the Committee of Supply to rise and report no later than 5:15 on Tuesday, Wednesday, or Thursday afternoons, I must put the following questions in order for us to get through and make the report in the time specified. After considering the business plans and proposed estimates for the Department of Learning for the fiscal year ending March 31, on operating and equipment/inventory purchases, \$3,574,859,000, are you agreed?

**Some Hon. Members:** Agreed.

**The Chair:** Opposed?

**Some Hon. Members:** No.

**The Chair:** Carried.

[Several members rose calling for a division. The division bell was rung at 5:13 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Abbott	Hancock	Masyk
Ady	Herard	McClellan
Cao	Horner	McFarland
Coutts	Hutton	Nelson
Dunford	Jablonski	Oberg
Evans	Jonson	Ouellette
Forsyth	Klapstein	Pham
Friedel	Kryczka	Renner
Fritz	Lord	Smith
Gordon	Lukaszuk	Snelgrove
Graham	Mar	Strang
Graydon	Marz	Tarchuk
Haley	Maskell	VanderBurg

Against the motion:

Bonner	Massey	Pannu
MacDonald	Nicol	Taft

Totals:	For – 39	Against – 6
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Agreed to:

Operating Expense and Equipment/Inventory Purchases	\$3,574,859,000
Nonbudgetary Disbursements	\$141,300,000

**The Chair:** Shall the vote be reported? Are you agreed?

**Hon. Members:** Agreed.

**The Chair:** Opposed? Carried.

The hon. Government House Leader.

**Mr. Hancock:** Thank you, Mr. Chairman. I'd move that the committee rise and report and beg leave to sit again.

[Motion carried]

[The Deputy Speaker in the chair]

**Mr. Klapstein:** Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Learning: operating expense and equipment/inventory purchases, \$3,574,859,000; nonbudgetary disbursements, \$141,300,000.

**The Deputy Speaker:** Does the Assembly concur in this report?

**Hon. Members:** Agreed.

**The Deputy Speaker:** Those opposed? The motion is carried.

The hon. Government House Leader.

**Mr. Hancock:** Thank you, Mr. Speaker. I'd move that we adjourn until 8 o'clock tonight, at which time we return in Committee of Supply.

[Motion carried; the Assembly adjourned at 5:28 p.m.]

