

Province of Alberta

The 27th Legislature Fourth Session

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The Honourable Kenneth R. Kowalski, Speaker

Legislative Assembly of Alberta The 27th Legislature Fourth Session

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Legislative Assembly of Alberta

1:30 p.m.

Tuesday, April 19, 2011

[The Speaker in the chair]

Prayers

The Speaker: Good afternoon. Welcome back.

Let us pray. We give thanks for Your abundant blessings to our province and to ourselves. We ask for Your guidance in our deliberations and the will to follow it. Amen.

Please be seated.

Introduction of Visitors

The Speaker: The hon. Minister of Sustainable Resource Development.

Mr. Knight: Well, thank you very much, Mr. Speaker. It is indeed a pleasure and an honour for me to stand this afternoon and introduce to you and through you to all members of the Assembly a couple of gentlemen that are in your gallery. You would very certainly recall Mr. David Wilkins. Mr. Wilkins served as the United States' ambassador to Canada under the previous administration. Tom Sullivan is a colleague of Ambassador Wilkins, and they're here visiting Alberta. They've been, you know, very familiarized with the province of Alberta over the years. Ambassador Wilkins has been a great, great supporter and advocate of Alberta across Canada and most certainly in his native United States. I would ask them to please rise, and I would ask all of our members to give them the traditional warm welcome of the Assembly.

The Speaker: Mr. Minister, I hope you don't mind if I supplement your introduction of Ambassador Wilkins. He has been a friend of mine for a long period of time. All hon. members should know that Ambassador Wilkins was an elected representative in the state Legislature of South Carolina for 25 years, he served as Speaker in the House in South Carolina for 11 years, and in fact he was the first Republican elected to Speaker in what is known as the American south since the 1880s. So, Ambassador and Speaker, welcome again.

Introduction of Guests

The Speaker: The hon. Minister of Tourism, Parks and Recreation.

Mrs. Ady: Thank you, Mr. Speaker. I'm pleased to be able to stand today to introduce through you to members of the Assembly a group of elementary students from Trinity Christian school. They've come every year. They're the only school that comes out of Calgary-Shaw to visit us in the Legislature. They have with them today their teacher, Mrs. Cheryl Barnard. They have 20 parents with them and 27 students. After they leave the Assembly today, they're going to be going to West Edmonton Mall to the water park and spending the night in Edmonton. I'd ask that they rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for Athabasca-Redwater.

Mr. Johnson: Thank you, Mr. Speaker. It's a pleasure to rise to introduce to you and through you to members of this Assembly a group of 19 grade 6 students from Rochester school, a small community within my constituency about an hour and a half north of here. They travelled in to Edmonton to visit the museum and

the Legislature today. I'm very happy that they've come in to visit us. They're led by their teacher, Mr. Howard Ruttan, and teacher assistants Beryl Cumbleton and Val Breitkreutz. Unfortunately, they're not in the House until 2 o'clock, but just the same I'd ask the Assembly to offer its traditional warm welcome.

The Speaker: The hon. Member for Lacombe-Ponoka.

Mr. Prins: Well, thank you, Mr. Speaker. It gives me a great deal of pleasure to introduce to you and through you to all members two groups of students with us today. The first group I'll introduce is from the Rimbey Christian school. There are 28 students and eight adults, and the adults with us today are Mrs. Kathy Nieuwenhuis and Mr. Paul Payson – he is a teacher in the school as well as a town councillor in the town of Rimbey – and Mrs. Tonya Dempsey. The other adult helpers are Mrs. Diane Weening; Mrs. Melodie Schwieger; Mrs. Jill Murphy; Mr. John Holtkamp, the bus driver and a good friend of mine; and Mr. Jeremy Maser. They're seated in the members' gallery. I would ask them to stand and receive the warm welcome.

Mr. Speaker, the second one is 19 students and three adults from Father Lacombe Catholic school. The adults here include Mrs. Stephanie Dallas, teacher. She is also the daughter-in-law of the hon. Member for Red Deer-South. Mr. Curt Baron and Mrs. Colette Lunn are accompanying these 19 students. Also, one of the students, I would like to add, is Miss Kasandra Calkins. She is the daughter of the federal candidate, Mr. Blaine Calkins, who is our Member of Parliament. She is with them as well. I don't know if they're here now or if they're coming at 2 o'clock, but I would ask all members to give them the warm welcome as well.

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

Dr. Taft: Well, thanks, Mr. Speaker. Edmonton-Riverview has many wonderful schools in it, and one of the most wonderful of all is Lansdowne elementary school. For those of us who know Edmonton, Lansdowne not only serves a small community, but it also serves one of the big international residences for the University of Alberta, Michener Park. There are 29 members of the grade 6 class of that school visiting us today, and they're accompanied by their teacher, Mr. Woolley. I believe they're in the public gallery, and I would ask them to rise and receive the warm welcome from all of us.

Thank you.

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Olson: Thank you, Mr. Speaker. Starting April 30, the top junior A hockey teams in Canada will commence the Royal Bank Cup in Camrose, and it'll be hosted by the Camrose Kodiaks. There may be another Alberta team in the tournament, depending upon the outcome of the Doyle Cup. This represents years of hard work by a lot of community volunteers.

I rise today to introduce to you and through you to all members of the Assembly some of the members of the organizing committee, who have made this event possible. They are Barry Fossen, president of the Camrose Sport Development Society; Kevin Gurr, chair of the 2011 RBC Cup committee and secretary of the Camrose Sport Development Society; Kevin Pratt, treasurer of the Camrose Sport Development Society; and Gary Gibeault, business operations director for the 2011 RBC Cup committee. I'd like to thank this committee for their very hard work, and I'd also like to encourage all members to make a trip out to Camrose and check out some great junior hockey. They're behind me in the public gallery, and I'd ask that they receive the traditional warm welcome of the Assembly. The Speaker: The hon. Member for Calgary-Varsity.

Mr. Chase: Thank you very much. In my introduction to you and through you today I'm going to be introducing a number of individuals from the Alberta Golf Association who share my father's passion for the sport. Mr. Speaker, you or members of this Assembly may not be aware that three years ago my father represented this province in the Canada Senior Games in golf. Three months after triple-bypass surgery he was in Dieppe, New Brunswick, and he brought back the gold medal in golf for over 85.

Mr. Speaker, while you'll find me frequently in the rough both in the Legislature and outside, my father is always on the fairway, and so are these gentlemen and ladies. I have Brent Ellenton, Jim Hope, Dean Ingalls, Brent Hutcheon, Duane Sharpe, Craig Rusnak, Slade King, Karen Rackel, Wayne Ganshirt, Gary Ward, Steven Young, Jim Ross, Glenn Genereux, Al Scoffield, Debbie Amirault, and Duncan Mills. These individuals met with the representatives from Calgary-Buffalo and Lethbridge-East and talked about all that golf does for this province and would like to have a greater say, shall we say, in the determination of the golf process.

Thank you very much, Mr. Speaker.

The Speaker: The hon. Member for Fort McMurray-Wood Buffalo. *1:40*

Mr. Boutilier: Thank you very much, Mr. Speaker. Indeed, it's my pleasure to introduce an Edmontonian who's a very good friend of my leg. assistant. They both met at MacEwan University, where Rose Marie Matwie – she actually is an Edmontonian who has never been in the Legislature – received the outstanding service award for her work with new Canadians in teaching English as a second language. This is her first visit. I'd like to ask her to rise and receive the traditional warm welcome of the Assembly.

Members' Statements

The Speaker: The hon. Member for Edmonton-Calder.

Air Spray Ltd.

Mr. Elniski: Thank you, Mr. Speaker. I'm particularly pleased today to talk about people among us who are consciously putting themselves in harm's way to protect us. While there's no doubt that protecting citizens in urban areas is indeed a challenge, imagine for a moment the challenge of being the first responder at a fire engulfing an area the size of a thousand football fields.

I am proud to report that when an event of this magnitude occurs, my constituents respond. The three key agencies that coordinate, plan, and fight wildfire are all located in Edmonton-Calder because, of course, Mr. Speaker, it's all in Calder. They are Sustainable Resource Development's fire ops, Emergency Management Alberta, and the organization I want to talk about today, Air Spray Ltd.

The company chair, Don Hamilton, got his pilot's licence in 1943. Starting with an 80-horsepower Cessna 120, Don proceeded to build a state-of-the-art fire suppression and control business using the most modern and robust fleet of aircraft of their kind in Canada. Under Don's leadership staff at Air Spray Ltd. go wherever they are needed and have saved the forest industry in Canada and the United States literally billions of dollars in lost revenue by supporting ground firefighters and playing an integral role in saving lives and saving property. Don has enjoyed an exemplary career, and his achievements have changed aviation and forest landscape management in North America. Mr. Speaker, there are many outstanding aviators and entrepreneurs from Edmonton, but only one, our friend Don Hamilton, will take his place in the Canadian Aviation Hall of Fame on May 26 of this year. Don is being inducted into this prestigious hall for being a pioneer and an innovator, but to those whose livelihoods depend upon the wilderness, he is so much more. Don Hamilton is one of those who protects us and who protects what we love.

You should never curse a farmer while you're having dinner, Mr. Speaker, just as you should never complain about someone doing their best to help you because you might need it the most. Thank you.

Patient Advocacy by Physicians

Mr. Anderson: Mr. Speaker, our doctors, nurses, and other health professionals have devoted their lives to caring for the sick and afflicted. Because they care so much, these great Albertans feel duty bound to treat and protect their patients as best they can. It is this very relationship of trust that our doctors and nurses uphold that makes this PC government's treatment of them absolutely reprehensible. The past six months have seen a continuous string of evidence showing physician intimidation and punishment undertaken by this PC government.

What were these doctors' crimes? They voiced dissent against government decisions they felt would hurt the care of their patients. Despite all the evidence of wrongdoing the PC government continues to refuse opposition calls for a full judicial public inquiry to get to the bottom of these allegations and ensure the wrongdoers are dealt with appropriately.

They have continuously stated that there will be an internal review done by the Health Quality Council, which reports directly to the minister of health, and the PCs argue that this should suffice. This is, of course, nonsense. The Health Quality Council is comprised of doctors specializing in issues of patient care. They are not equipped with the subpoena powers or legal training necessary to undertake an investigation into potential ethical or criminal wrongdoing.

Last week Alberta doctors did something unprecedented. Through the AMA they called for an independent public inquiry into the issue of physician intimidation. Doctors are simply fed up with what's been happening, and they want to get to the bottom of it so they can advocate freely for their patients' health.

If elected, a Wildrose government will immediately call for a full public inquiry into the issue of physician intimidation, paid AHS confidentiality agreements, and other questionable practices of this PC government as it pertains to the relationship with Alberta's health professionals. Our health care system is the most important social service we have as a province. We can no longer trust it to a PC government that is clearly far more focused on controlling political damage than it is on repairing the damage they've done to our public health care system.

Thank you, Mr. Speaker.

Alberta School Councils' Association

Ms Woo-Paw: Mr. Speaker, the Alberta School Councils' Association's annual conference took place last weekend. This is an opportunity for delegates from school councils across the province to come together to share their experiences from the past year and to prepare for the next one. School councils are made up of a diverse group of parents, teachers, principals, students, staff, and community representatives who work together in support of student success in their communities.

The ASCA is a wonderful example of the positive impact that volunteers can play in our school system. By bringing together various stakeholders, school councils can offer multiple perspectives, unique skills, and fresh ideas to support our students and schools. School councils play an important role in promoting positive relationships between the school and the community and are a valuable resource in helping schools and students deal with the challenges of today. By providing valuable insight on issues like bullying in and outside of the school, members of school councils can have a direct impact in helping every student in the community to succeed. The parental perspective is invaluable in helping educators understand the unique pressures and challenges that our students are facing today. Students councils provide a forum for discussion and collaboration between all those who have a stake in student success.

As we have been saying for years, transforming education in Alberta requires more than just the involvement of teachers, principals, superintendants, and trustees. One of the key components in our vision for the future of education in Alberta is an increased engagement of the community in their schools. School councils are the embodiment of this engagement.

On behalf of the Legislative Assembly I want to take this opportunity to thank everyone who took the time to participate in a school council this year. Your contributions provide an important voice in the education community, and we value your commitment to our schools, our children, and our communities. I wish all of you the best in the coming year.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Red Deer-South.

Energy Efficiency Rebate Program

Mr. Dallas: Thank you, Mr. Speaker. Improving energy efficiency and increasing conservation are key components of Alberta's climate change strategy. As part of our approach, two years ago this government announced a \$36 million investment in energy efficiency rebates for consumers. The program is on track to reduce emissions by 1 million tonnes, which is the equivalent of taking 200,000 cars off the road for a year.

We are very pleased with the positive decisions Albertans are making to improve energy efficiency in their homes. Since the program's inception in April 2009 Albertans have responded with phenomenal enthusiasm, receiving more than 110,000 rebates worth more than \$26 million. While some of the rebates available to Albertans have changed over time, the overall goal has not: to help people be better environmental stewards and create a culture of conservation in the province. Albertans still have about one year left to participate in this program, with rebates continuing to be available on items such as high-efficiency heating systems, insulation, hot water heaters, and new homes.

Mr. Speaker, I would like to thank Climate Change Central, our partners in this successful program. It has helped Albertans become more energy efficient, save money, and reduce greenhouse gas emissions. I am pleased that Albertans are sharing environmental leadership and doing their part to create a more sustainable future.

Thank you.

Oral Question Period

The Speaker: First Official Opposition main question. The hon. Leader of the Official Opposition.

Patient Advocacy by Physicians

Dr. Swann: Thank you very much, Mr. Speaker. Dr. Michel Sauvé from Fort McMurray is the latest victim of this government's culture of fear and intimidation. Dr. Sauvé was forced to take legal action against the former health region and Alberta Health Services. He stated that, quote, his work environment is intolerably stressful and, as a consequence, he's suffering emotionally. Dr. Sauvé has reason to believe that the health region and others, quote, have undertaken to drive him out of the community. End quote. To the Premier. Dr. Sauvé's lawsuit was filed in 2010. How can the Premier continue to deny that a culture of fear and intimidation continues under this government's leadership?

Mr. Stelmach: Mr. Speaker, the fact that he's filed a lawsuit: obviously, there's a process to deal with his complaints with his employer.

Dr. Swann: Well, given that a judicial inquiry is the only way to get to the bottom of this government's culture of fear and intimidation, will the Premier finally find his backbone and recognize that the Health Quality Council review will not help doctors like Dr. Sauvé?

Mr. Stelmach: In fact, the Health Quality Council is the best way of reviewing all of these allegations that are made by some doctors, some dating back as many as 10 to 15 years ago. The process is under way. If this physician wants to come forward with his allegations, he's free to phone the Health Quality Council immediately and come forward with the evidence, if he has any.

1:50

Dr. Swann: Disingenuous, Mr. Speaker. He knows that the Health Quality Council cannot relieve people of their nondisclosure agreements.

How many more hundreds or thousands of health professionals like Dr. Sauvé does the Premier have to hear from before he concedes that a judicial inquiry is the only way to address a culture of fear and intimidation?

Mr. Stelmach: Mr. Speaker, if this matter is currently before the court, how can there be a nondisclosure agreement? It just doesn't make any sense.

The Speaker: Second Official Opposition main question. The hon. Leader of the Official Opposition.

Dr. Swann: Thank you, Mr. Speaker. Yesterday the Premier said that doctors subject to nondisclosure agreements could go to Alberta Health Services, request that the terms of the nondisclosure agreements be changed and, if Alberta Health Services agreed, discuss the details within. Moments later the health minister contradicted the Premier and said that Alberta Health Services would not change the terms nor would he direct them to do so. They can't both be right.

Mr. Zwozdesky: Point of order, Mr. Speaker.

Dr. Swann: To the Premier: will the Premier set the record straight? Is Alberta Health Services in a position to change the terms of these nondisclosure agreements to permit doctors to disclose without fear of retribution and, if it is, will the Premier direct it to do so?

Mr. Stelmach: Mr. Speaker, the government does not have the power to open up nondisclosure agreements because we're not a

party to the original agreement. Can you imagine if the government had the power to open all kinds of agreements that were entered into by two parties and tear up contracts and say, "Well, this is the way we want it"? There would be tremendous howls from the opposition if we ever did that as the government of Alberta. Pure nonsense.

Dr. Swann: Why does the Premier ignore the Alberta Medical Association and the over 6,500 doctors it represents when they say that a public inquiry is the only course or option to address the issue of physician intimidation? Why do you ignore them, Mr. Premier?

Mr. Stelmach: Mr. Speaker, if you read further down in the letter, the AMA said that if the government does proceed with the Health Quality Council and endorses the Health Quality Council – and the Health Quality Council wrote their own very robust terms of reference to conduct this review. The AMA said: we will co-operate.

Dr. Swann: Well, given that the Premier will neither allow a public inquiry nor the opening up of these nondisclosure agreements, is he tacitly admitting that a public inquiry would find more smoking guns than this government has shovels to bury them?

Mr. Stelmach: Talk about – well, no, I'll stay away from that. I'll just focus on the Health Quality Council. Mr. Speaker, this is the best way to proceed. In fact, the process has begun. The terms of reference have been agreed on by the Health Quality Council. They have some excellent legal advice to advise them as they proceed, and any physician, any nurse, any health care provider can come forward under the protection of the Alberta Evidence Act and deliver their evidence.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Centre.

Mental Health Services

Ms Blakeman: Thank you, Mr. Speaker. According to the Canadian Mental Health Association 1 in 5 Albertans will suffer from a mental disorder in his or her lifetime, yet for three years this government has ignored recommendations by the Auditor General that would advance implementation of an integrated provincial mental health plan. To the minister of health: how much longer are Albertans to suffer without the standards, targets, and initiatives of a provincial plan for addiction and mental illness?

Mr. Zwozdesky: Mr. Speaker, as I've indicated on previous occasions – and I'm happy to reiterate it – we spend between \$500 million and \$600 million on such initiatives. We've just committed another \$19 million for a school initiative to hire more counsellors and provide more assistance. Finally, we do have a mental health provincial strategy that is being worked on. It will be available very soon, and it will result in vast improvements to mental health delivery in this province.

The Speaker: The hon. member.

Ms Blakeman: Thank you very much. Back to the same minister: given that Alberta's suicide rate is the second highest in Canada, why hasn't the minister acted on another 2008 recommendation from the Auditor General and increased the priority of suicide in the provincial mental health plan?

Mr. Zwozdesky: Mr. Speaker, I believe we have. I should also comment that of the 53 recommendations that were made by the

office of the Auditor General, the vast majority of those recommendations were acted on. They've already been implemented. Again, we are waiting for the office of the Auditor General to complete their audit of what we did in response to the audit he did earlier. So it's a two-way street here. It's being worked on.

The Speaker: The hon. member.

Ms Blakeman: Thanks very much. Back to the same minister. Well, there's been no improvement on monitoring or reporting, so what is the reason that this government has made it so difficult to track their process on implementing the provincial mental health plan? Why?

Mr. Zwozdesky: Mr. Speaker, I don't think there is a delay. I think there is very robust and very aggressive action being taken, partly because of the five-year health action plan, mostly because of the five-year commitment to funding, unprecedented anywhere in Canada. I've indicated it before and I'll indicate it again: as far as I'm concerned, mental health is one of those top priority issues, and that's why we've put so much more emphasis on it. More resources, more people. We've just opened more residential treatment beds in Medicine Hat and in Fort McMurray, and there's more good news coming.

The Speaker: The hon. Member for Fort McMurray-Wood Buffalo.

Patient Advocacy by Physicians (continued)

Mr. Boutilier: Thank you very much, Mr. Speaker. It's been often said that where there's smoke, there's fire. This Premier and the minister of health continue to say that they just want the issue to die. One by one they have told doctors and Albertans no to a public inquiry. Now he has just lined up 6,500 Alberta doctors and told them no to a public inquiry. To the health minister: what are you so afraid of, considering you were the junior minister during the time in question?

Mr. Zwozdesky: Mr. Speaker, we're not afraid of anything over here. If there is evidence, if there is proof, there's a process by which they can bring that forward. If they feel they have some real smoking guns, they have the police they can go to, they have the office of the Auditor General they can go to. If it's a malpractice issue, they can go to the College of Physicians & Surgeons.

Let's keep this in perspective, Mr. Speaker. Over the last five years the College of Physicians & Surgeons found it necessary to suspend an average of maybe two or three per year. That's it. It's not a very large number. I don't take away from the gravity of it. I'm just saying: let's keep this in perspective.

The Speaker: The hon. member.

Mr. Boutilier: Thank you, Mr. Speaker. Given that the minister is clearly afraid of something, based on that answer, and given that he was the junior minister and is potentially in a conflict of interest, will you, sir, call for a public inquiry or step down as the minister responsible for Alberta Health and Wellness because of the cloud that is over your head?

Mr. Zwozdesky: Mr. Speaker, I'm very proud of what I did as the associate minister for health in 1999, 2000, and 2001. That's where we started the programs more aggressively to do with electronic health records. That's where we talked about multicultural health brokers in the hospitals so that people could have . . . [interjections] Did you want to recognize the yappers, Mr. Speaker?

The Speaker: I've recognized the hon. Minister of Health and Wellness.

Mr. Zwozdesky: Okay. Thanks. I'm sorry. It's just that they're chattering so much, you can't hear very well. At least I couldn't.

I was just saying that I was very proud of what I did in that respect, and I'm even more proud of the fact that I'm able to continue it with the first-ever Alberta wellness forum last December and an international symposium that we're planning for October of this year. Wellness is very important, and I stand by my record of helping to advocate for it.

The Speaker: The hon. member.

Mr. Boutilier: Thank you very much, Mr. Speaker. Given that some of the new superboard appointees were in senior positions at the time in question and were made by this minister when he was the junior minister, will this minister rescind those appointments to the superboard because of the potential conflict of interest until a public inquiry is called?

Mr. Zwozdesky: Mr. Speaker, I can remember being in cabinet with that member when he was supporting these people. These are very credible, very knowledgeable people: Orders of Canada, people who ran the most successful health system in Canada for three, four, or five years, people who are doctors. Why are you attacking these innocent people? It's just no sense.

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

Cancer Surgery Wait Times

Mr. Mason: Thank you very much, Mr. Speaker. Documents released yesterday show that the PC caucus was told as early as 1999 by Dr. McNamee and others that they were not putting enough resources into lung cancer surgery. They did nothing. Yesterday the whole Tory caucus shamefully voted to keep information about the impact of their negligence secret. My question is to the Premier. Will the Premier explain why his government refuses to release information about cancer surgery wait times between 2000 and 2007?

Mr. Stelmach: Mr. Speaker, that's what is going before the Health Quality Council. They'll review all of the documents. In fact, they're open to looking at all of the unsubstantiated allegations that have been made in this House for the last six months. You know, in this House of immunity, right here, the best immunity in the province of Alberta, not one single fact came forward, only allegations.

2:00

Mr. Mason: Mr. Speaker, given that it is the government that has the facts and is withholding them and given that it is increasingly clear that the Health Quality Council review is actually just the rug which the government is using to sweep its dirt under, will the Premier finally admit that he has no intention of letting the public learn the truth about cancer wait times and patient deaths because he and his entire caucus are implicated?

Mr. Stelmach: Mr. Speaker, not only did this coalition over here a few months ago – and this word "coalition" is gaining more prominence across the country of Canada. Not only did they stand up together and blame the University of Alberta, blame the University of Calgary, blame the Alberta Medical Association, blame the College of Physicians & Surgeons, but now today they are including

even other health care professionals in this alleged cover-up. When will this ever stop?

Mr. Mason: Given, Mr. Speaker, that the only people that we are blaming are this Premier and his Tory caucus and given that the Tory caucus was told that there was a problem with wait times for cancer surgery years ago and given that the same caucus refuses to release information that could convict them of political negligence, why won't the Premier just put the interests of Albertans ahead of saving the skins of his Tory caucus and do the right thing?

Mr. Stelmach: Mr. Speaker, we are putting the needs of Albertans first and foremost. That's why we're proceeding with the Health Quality Council review. Most importantly, we are the only jurisdiction in Canada that has come forward with a five-year commitment for funding and very, very aggressive performance measures, much more aggressive than most other jurisdictions in Canada. We also are looking at how to grow the economy so that we can afford good-quality health care well into the future so that our children and grandchildren will enjoy a very good publicly funded system.

Oil Sands Royalties

Mr. Hehr: Mr. Speaker, Alberta's Auditor General has said that this government has failed to develop performance targets and measures for the oil sands royalty regime. My question is for the Minister of Energy. When will the government set measurable performance targets for oil sands royalties so we know where we are going?

Mr. Liepert: Well, I think, Mr. Speaker, it should be put in context because my guess is that this member did his research again in the local newspapers. What the Auditor General actually said is that of all the recommendations that were made, the Department of Energy has fully implemented those recommendations, and in the one relative to oil sands, he says there is satisfactory progress. Now, I would suggest that if that were a high school report card, it would be passing with flying grades.

Mr. Hehr: Given that I didn't read it in the paper but read it in the Auditor General's report, there's something amiss in the minister's answer. Nevertheless, can you explain why the royalty percentage received by this government for oil sands is capped when oil prices reach above \$120 a barrel?

Mr. Liepert: Mr. Speaker, one of the reasons why this particular recommendation hasn't yet been implemented -I can tell you it will be; the performance measures will be part of the 2012-2013 business plan - is that we have to recognize that when it comes to the oil sands, there is no other comparative, so we're trying to devise a mechanism whereby we have a performance measure that is actually meaningful. We want to make sure that it's meaningful and not done quickly and has little or no meaning.

Mr. Hehr: Given that the minister just tried to answer question 1 instead of question 2, I'll try question 2 again. Can the minister explain why the royalty percentage received by this government for oil sands is capped when oil prices reach above \$120?

Mr. Liepert: Mr. Speaker, there are parties in this House – and I'm not sure if that member sits in one of those parties – that believe that we should be getting more royalties to the extent that we make ourselves uncompetitive. One of the things we want to ensure is that our royalty structure is competitive. We now know it's

competitive on the conventional side of the system, and we need to devise a performance measure around the oil sands.

The Speaker: The hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Lethbridge-East.

Community Spirit Program

Mr. Bhardwaj: Thank you very much, Mr. Speaker. Our nonprofits and charitable organizations are struggling with the lingering effects of the economic downturn and with ever-rising costs to deliver programs and services. The Minister of Culture and Community Spirit announced the recipients of the 2010 community spirit program donation grants last week. Eighteen hundred organizations received funding compared to 20,000 nonprofits in the province, a relative drop in the bucket. My questions are to the Minister of Culture and Community Spirit. Is the community spirit program having any impact, Mr. Minister?

Mr. Blackett: Well, Mr. Speaker, it definitely is having an impact. Hearing from the recipients themselves, they tell us that it is. These dollars help for additional programming operations.

We have given as a Progressive Conservative government \$52.9 million over the last three years. Those are new dollars. Those are dollars they didn't have before. It's part of the commitment we have made in addition to the enhanced tax credit. It's something this government believes in. Unlike the far right Alliance over there, we will continue to fund the . . .

The Speaker: The hon. member.

Mr. Bhardwaj: Thank you very much, Mr. Speaker. My next question to the same minister: who got to pick and choose which applicants would receive the funding?

Mr. Blackett: Well, Mr. Speaker, it's as it should be. Albertans got to decide. Albertans decided to donate to those individual organizations. We matched proportionately up to \$25,000 per organization, and we're glad to say that 1,792 organizations were able to be recipients of that funding.

The Speaker: The hon. member

Mr. Bhardwaj: Thank you very much, Mr. Speaker. My final question to the same minister: does the community spirit program replace the support that was available to voluntary organizations, the former Wild Rose Foundation?

Mr. Blackett: No, Mr. Speaker, it doesn't. This is new money, as I said, that was announced by the Premier back in 2008, and we continue our commitment through this particular year. The Wild Rose Foundation money was rolled into the community initiatives program. We still continue to fund the level of programming that we do on an unmatched basis. We still continue international development. We still continue to support Vitalize. We still continue the support for development. This is new money. [interjections]

The Speaker: It's okay. You can go and have a coffee if you wish. You don't have to stay.

The hon. Member for Lethbridge East, followed by the hon. Member for Grande Prairie-Wapiti.

Abandoned Wells

Ms Pastoor: Thank you, Mr. Speaker. The Minister of Municipal Affairs has failed to introduce promised legislation this spring

session. First, it was the legislation to protect homeowners from shoddy construction practices that never materialized, and now it's abandoned wells legislation. To the Minister of Municipal Affairs. The minister has suggested that regulatory amendments, usually made behind closed doors, may now be forthcoming instead of legislation. Why is that, when legislation was promised?

Mr. Goudreau: Mr. Speaker, I'm not really sure which piece she's talking about, whether it's the Calmar one or the building one. On both, nonetheless, we do work with stakeholders. We work with our counterparts. If it's concerning buildings, we'll work with the building industry, we'll work with our inspectors, and we'll bring the necessary changes forward. The same thing when working with our various municipalities when it comes to dealing with abandoned wells.

The Speaker: The hon. member.

Ms Pastoor: Thank you. Given that the minister's response to questioning is that he's working closely with municipalities, why is it that his message to check for abandoned wells before issuing development permits has sometimes fallen on deaf ears?

Mr. Goudreau: Mr. Speaker, I think that over the last number of years we've issued three different directives to municipalities to make sure that they work with their developers to assure themselves that development is not occurring on or close to abandoned wells. Those directives are already in place. We certainly encourage municipalities to follow that to be able to minimize the effects or the results that happened in another municipality here in the province.

The Speaker: The hon. member.

Ms Pastoor: Thank you. I think that's a partial answer to my third question.

Can the minister tell the House if a survey of municipalities has been done to determine how many currently have the real, proper information that they need to check for those orphan wells?

Mr. Goudreau: Mr. Speaker, the municipalities have fairly easy access to those particular records. They know who to get in touch with. When it comes to development permits, we're involved with that, but the ERCB is the one that has the locations. Those locations are all identified. They're all there. It's a matter of the municipalities contacting the proper agencies to make sure that they know if there are wells there.

Postsecondary Enrolments

Mr. Drysdale: Mr. Speaker, over the past year postsecondary institutions in Alberta have seen significant increases in applications. At the same time, Alberta's postsecondary institutions have been told not to expect any increases in their base operating this year or next. My questions are to the Minister of Advanced Education and Technology. Can the minister tell us how postsecondary institutions are supposed to balance the increase in students with less funding?

2:10

The Speaker: The hon. minister.

Mr. Weadick: Well, thank you, Mr. Speaker. Indeed, it is true that we have had an increase in the number of Albertans wanting to attend postsecondaries in the province, and that's the good news. However, the challenges are that last year we had a zero

budget increase. This year we have a zero-based budget increase again. In travelling and talking to our institutions – yesterday I travelled to Red Deer and Medicine Hat and met with the college boards – it is a challenge. They are struggling to meet the requirements of increasing enrolments, the requirements for programming, and frozen budgets.

The Speaker: The hon. member.

Mr. Drysdale: Thank you, Mr. Speaker. My second question to the same minister: can the minister explain why so many students were turned away from postsecondary studies this past fall?

The Speaker: The hon. minister.

Mr. Weadick: Thank you, Mr. Speaker. The reality is that we had over 3,500 more applications this year than last, so there is demand for our postsecondaries. The good news is that over 90 per cent of those that applied did receive letters of support for their positions, so we are meeting many of the needs.

There are some challenges around trying to make sure that we can create the spaces and make sure that they're available when we need them in the locations that we need them. What we found last year was that 70 per cent of the turnaways were people that applied in one location or for one program. It shows me that those are fairly specific turnaways.

The Speaker: The hon. member.

Mr. Drysdale: Thank you, Mr. Speaker. My third question to the same minister: does the increase in student applications mean that the government of Alberta will commit even more funding to capital infrastructure spending for postsecondary institutions?

The Speaker: The hon. minister.

Mr. Weadick: Thank you. As we travel, we do see that there is some need for capital, but we have invested \$3 billion over the last 10 years in capital. Over the last few years we've created 14,000 new spaces.

Mr. Speaker, capital isn't the only answer. With online access through eCampus Alberta 20,000 people were able to register for programs. So we're looking at all sorts of alternatives to ensure that Albertans can access the training and skills that they need.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Calgary-Bow.

Financial Security for Land Disturbances

Ms Blakeman: Thank you, Mr. Speaker. In 1999 the Auditor General found the Ministry of Environment's approach to obtaining financial security for land disturbances was both inconsistent and inadequate. In 2001, '05, '09, and 2011 it was again recommended by the AG that the department deal with the risk of inadequate security being collected to cover the cost of reclamation. To the Minister of Environment: what justification does the minister have for ignoring the Auditor General's recommendation since 1999, especially since the risk is passed on to the taxpayer?

Mr. Renner: Well, Mr. Speaker, far be it for me to question the observation skills of this hon. member, but it seems to me that we just had a discussion about a month ago about the new mine security program that the government has announced and implemented, that does exactly what this member refers to: address the issues raised by the Auditor General.

Ms Blakeman: Back to the same minister: how can the minister suggest that this government is doing everything possible to protect Albertans from a massive liability as a result of development when the Auditor General has said the opposite for 12 years?

Mr. Renner: Mr. Speaker, the mine financial security program, that we announced some time ago, was discussed in conjunction with the Auditor General. It was discussed in conjunction with industry. Frankly, I think that it does address the issue of protection for taxpayers. That's what it's all about.

Ms Blakeman: Back to the same minister. Given that two things are important here, that reclamation takes place and that the taxpayers don't have to foot the bill, when will this recommendation be fulfilled by the ministry in order to make those two things a reality: protect the environment and Albertans from lengthy and expensive reclamation costs?

Mr. Renner: Well, Mr. Speaker, I think that my response to the first two questions very clearly indicates what my response is to the third question. We have addressed the issue, and I look forward to next year's Auditor General's report, where I anticipate that he will recognize it as well.

The Speaker: The hon. Member for Calgary-Bow, followed by the hon. Member for Edmonton-Strathcona.

Provincial Labour Supply

Ms DeLong: Thank you very much, Mr. Speaker. We've been hearing about labour shortages and calls from employers asking for help. To the Minister of Employment and Immigration: do you have a plan to address this expected shortage?

Mr. Lukaszuk: Well, Mr. Speaker, we've had our eye on the ball for a few years already. Not only are we adopting our provincial strategies, but we're actually sounding alarm bells on a national scale. Indeed, we will be facing severe labour shortages in this country and this province. We're obviously focusing on Albertans and Canadians first, making sure that they have first dibs on jobs available, but at the end of the day we are also encouraging immigration policies that are conducive to this problem. I'm glad to report that last year we attracted 32,000 newcomers to this province.

The Speaker: The hon. member.

Ms DeLong: Thank you very much, Mr. Speaker. Can the minister please explain how new immigrants coming here have the skills that we need? Are they trained and ready to work?

Mr. Lukaszuk: Well, Mr. Speaker, again, it is imperative that our immigration policies reflect the needs of our country and of our province and that the streams open up for immigrants who do have the skills, but we're also working very hard on a provincial level with foreign credential recognition. We have allocated budgets to it. We're working with self-governing colleges and employers to make sure that credentials from foreign countries are recognized and with our minister of advanced education to make sure that programs are available for immigrants to upgrade their skills to our Canadian and provincial standards.

The Speaker: The hon. member.

Ms DeLong: Thank you very much, Mr. Speaker. With the United States suffering from high unemployment, can our labour shortages provide opportunities for our southern neighbors?

Mr. Lukaszuk: Well, Mr. Speaker, often when we think about foreign workers, we tend to drift away across oceans. I strongly suggest to Alberta employers to give our neighbors to the south first opportunity at any jobs in Alberta. These workers from the United States are not only our partners, our friends, and our allies, but they also have similar occupational health and safety employment standards. There are no language barriers. At the end of the day that's what neighbours do for neighbours. If we have a surplus of jobs – and they obviously have an economy that will take a long time to recover – we should welcome them with open arms.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Calgary-McCall.

Abandoned Wells (continued)

Ms Notley: Thank you, Mr. Speaker. There are currently 100,000 inactive wells in Alberta, and Environment certifies a mere 1,400 a year as reclaimed. Worse yet, though, 85 per cent of those certificates are issued by data entry clerks, who merely rubber-stamp a one-page form filled out by industry. Will the Minister of Environment admit that at this rate even this pathetic rubber stamp process will take a hundred years and that he is completely failing to protect Albertans by simply taking industry's word that their wells pose no public health and safety risk?

Mr. Renner: First of all, Mr. Speaker, the rate at which wells are reclaimed is directly associated with the productivity of those wells. I should point out to this member that with the advent of new technologies such as enhanced oil recovery and the abundance of CO_2 through carbon capture and storage it would be ill advised to abandon many of these wells because we fully anticipate that they will be re-energized one more time.

Ms Notley: Well, given that Environment audits only 5 per cent of the rubber-stamped reclamation certificates for actual contamination and given that of the sites that were audited, only 74 per cent of those certificates are being upheld, meaning that 26 per cent are inconclusive at best and, at worst, failing, why won't the minister admit that his rubber-stamp reclamation process is a sham intended to protect interests of industry rather than the health and land rights of Albertans?

Mr. Renner: Mr. Speaker, the process for dealing with the appropriate abandonment of a well relies upon the expertise of recognized professionals in the field. It's very similar to tax auditors recognizing that financial statements filed on behalf of a client by a chartered accountant are done so by an appropriate professional. We then conduct audits at various times, and we hold those professionals accountable for the work that they present to us.

Ms Notley: Well, Mr. Speaker, given that the minister doesn't quite seem to understand what I'm talking about but, moreover, given that the results of even these measly audits conducted between 2003 and 2009 sat on a desk unexamined for over six years, why won't the minister admit that this inconclusive, unfinished, and eight-years-late process is further evidence that his government simply doesn't care about the health, environment, and land rights of Albertans?

Mr. Renner: Because it's not true, Mr. Speaker.

The Speaker: The hon. Member for Calgary-McCall, followed by the hon. Member for Strathcona.

2:20 Natural Gas Vehicles for the Government Fleet

Mr. Kang: Thank you, Mr. Speaker. In 1989 the Alberta government partnered with the federal government to encourage the use of natural gas cars, trucks, and buses in Alberta. By 2005 only .2 per cent of vehicles in Alberta were powered by natural gas. To the Minister of Service Alberta: with numerous environmental benefits does the minister agree that it is time for the government of Alberta to show leadership and commit to converting half of the government fleet to run on natural gas within five years?

The Speaker: The hon. minister.

Mrs. Klimchuk: Thank you, Mr. Speaker. We know that in Alberta some individuals choose to power their vehicles by natural gas, and that's certainly up to each individual. There are also many other choices out there, whether it's the hybrid vehicle or whether it's the fuel-efficient vehicles. I think it's up to Albertans to choose those vehicles, make the best choice for their circumstances.

The Speaker: The hon. member.

Mr. Kang: Thank you, Mr. Speaker. We are talking about the government fleet.

Given that the government documents say that utilizing natural gas as a vehicle fuel can generate significant operating cost savings on a per-vehicle basis and at an aggregate level, can the minister tell us why in times of fiscal restraint the government is not exploring this money-saving option?

The Speaker: The hon. minister.

Mrs. Klimchuk: Thank you, Mr. Speaker. Again with respect to the price of natural gas, we know the price of natural gas is at an all-time low right now. We know that in the future it's probably going to start to go up again. At the same time, with the other options that are available in the fleet with respect to the hybrids and the fuel-efficient vehicles, that's a direction the government is moving into as well as no longer having leased vehicles but all purchased vehicles.

The Speaker: The hon. member.

Mr. Kang: Thank you, Mr. Speaker. Given the leadership in adopting natural gas vehicles in the state of Utah and by corporate leaders such as EnCana, will the minister commit to lowering the province's impact on the environment and our deficit by implementing a natural gas vehicle fleet?

The Speaker: The hon. minister.

Mrs. Klimchuk: Thank you, Mr. Speaker. Again, with respect to the natural gas we know that there's quite a cost with respect to converting the vehicles to natural gas. That's something we'd have to take into account if we ever go in that direction. At the end of the day I think the hybrid vehicles, the fuel-efficient vehicles, and all those areas that we have are the best direction at this time.

The Speaker: The hon. Member for Strathcona, followed by the hon. Member for Airdrie-Chestermere.

Highway 21 Noise Levels

Mr. Quest: Thank you, Mr. Speaker. Highway 21 has recently been twinned, and my constituents are very pleased with this new-ly completed project. But noise coming from vehicles on the stretch from Wye Road to highway 16 is a concern to many

Strathcona constituents. My first question to the Minister of Transportation: are noise measurements currently being taken to ensure that the level of noise from highway 21 is satisfactory for those living nearby?

Mr. Ouellette: Well, Mr. Speaker, I'd like to start out by saying to this hon. member that we invested \$115 million to twin this highway, and it's of great benefit to all motorists, including those in this hon. member's riding. We regularly do sound testing on urban highways, on our ring roads, and we're going to be doing it on that section. We did it once when it was opened. My department will undertake a noise monitoring study later this summer. If the noise levels are above the provincial guidelines of an average of 65 decibels over a 24-hour . . .

The Speaker: Okay. The hon. member will be recognized.

Mr. Quest: Thank you, Mr. Speaker. To the same minister: given that there is also a concern that the speed limit on highway 21 from highway 628 to Wye Road, the south stretch, is too low, does the minister feel that the speed limit for this busy stretch of highway is appropriate?

Mr. Ouellette: Well, Mr. Speaker, the speed limit on this highway is set at 80 kilometres per hour right now. That is for safety reasons. It's a very appropriate speed given the number of signals along this highway. Traffic needs to be able to stop safely at these lights, and we know that high speeds and lights don't mix.

Mr. Quest: My second supplemental is to the Solicitor General and Minister of Public Security. You can hear the Harleys taking off from the lights there all summer. What measures are in place to limit the use of aftermarket pipes that are common on motorcycles, which cause plenty of noise along this stretch of highway?

Mr. Oberle: Well, Mr. Speaker, the hon. member will know either through municipal bylaw or in large part through the Traffic Safety Act that infractions on our highways are defined, and it's up to my department, through police or peace officers, to enforce those infractions. We do that whether it's speeding or improper use of seat belts or loud mufflers or whatever the offence may be. We do that with respect to safety first. But we're always open to consultations with concerned citizens or municipalities to set priorities.

Lower Athabasca Regional Plan

Mr. Anderson: Mr. Speaker, the minister of sustainable resources is an expert on unintended consequences. This is the man who oversaw the original new royalty framework, which cost Albertans thousands of jobs and shattered investor confidence. Yesterday this same minister, when asked how much his proposed lower Athabasca regional plan will cost taxpayers and industry, said, "There is no way that anybody on God's green Earth could tell you what [the plan] might cost." To the minister: do you really not have any clue what your proposed plan will cost taxpayers or industry?

Mr. Knight: Mr. Speaker, yes, I do. But I can tell you that there are some members in this House that don't have any clue. Nevertheless, with respect to what we're doing with land-use planning, I will inform the member opposite that there are probably somewhere around 2,000 companies that operate in the energy industry, just the energy industry, in Alberta. We've had conversations with about 20 of them relative to this particular issue. As a matter of

fact, yesterday stakeholders, I think 24 of them, came to talk about it. We're doing a pretty good job of that.

Mr. Anderson: Minister, given that your proposed plan extinguishes a portion of leases belonging to Sunshine Oilsands equating to conservatively 76 billion dollars' worth of recoverable bitumen and given that would equate conservatively to roughly \$7.6 billion in lost profits for this company, who is going to pay for these broken leases, the taxpayer or the company? Or, if both, how will it be split up? Any idea at all? Just a ballpark.

Mr. Knight: What we have here, Mr. Speaker, is an individual who absolutely does not understand what the heck he is talking about. What we've got here are seven wells – you can count them anyway you like – that somebody has gone and drilled in the ground in a piece of real estate about five times the size of the city of Calgary and extrapolated some numbers about what might be under the ground. There is no way that you're going to tell how much bitumen could or not be in that area without a lot more work being done.

Mr. Anderson: I thought he was the guy who said that he had no clue.

Given that in 1985 the Supreme Court of Canada ruled that the B.C. government had to compensate mineral leaseholders for the full value of their resources when it expropriated their land to create a provincial park, is the minister planning to respect the court's decision on this matter that's burdening taxpayers for billions, or will it override that decision, simply steal these companies' licences, pay them a fraction of their worth, and hang a big fat banana republic of Alberta sign out in front of the international investment community?

Mr. Liepert: I would like to put some perspective around these kinds of questions, Mr. Speaker. I'm going to table a document. It's actually a document that was issued by the Wildrose Party right after the draft plan was released. They did some calculations, and they came up with something that said that 3.4 trillion dollars' worth of recoverable oil resources are locked in the ground. Now, we haven't heard about those numbers since that very first release, so I'm going to make sure we table this to show you how absurd these guys are in their calculations.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Calgary-Varsity.

Relief for Emergency Wait Times

Mr. Benito: Thank you very much, Mr. Speaker. The Grey Nuns community hospital is a wonderful health facility in my constituency of Edmonton-Mill Woods. It provides a full range of services, including a 24-hour emergency department. It is world renowned for its delivery of care and teaching practices and is home base for a regional palliative program. My questions are for the Minister of Health and Wellness. What does your ministry have in place to ensure that wait times for those seeking emergency room care improves?

Mr. Zwozdesky: Well, Mr. Speaker, there are a number of things that are happening specific to the Grey Nuns. I can tell you that whereas last October people waiting for discharge might have been waiting up to 20 hours, that number was reduced down to about six or seven hours. That's a huge improvement there. Similarly, with respect to the admitted patients, those people who were waiting for an overnight bed, that number was also cut in half.

They went from about 15 hours of wait time down to about seven. So there are some immediate good news issues there for Grey Nuns. Thank you for raising a real health care question.

2:30

Mr. Benito: To the same minister. Mr. Speaker, I want the minister to answer this coming from his heart. Are these emergency department improvements just a quick fix, or are they real and sustainable moving forward?

Mr. Zwozdesky: Mr. Speaker, they are definitely real, and they are very sustainable because we've taken great effort to put in place the proper physical infrastructure, the proper human and staff infrastructure as well as the equipment and all other kinds of other things to help improve the emergency room flow through: patient navigators, home-care co-ordinators. We've added more money for continuing care beds. In fact, we've opened well over 1,200 beds now, and several of them are impacting the residents and patients that the hon. member is asking about.

Mr. Benito: To the same minister: are all these new continuing care beds really having a positive impact, or are they just statistics?

Mr. Zwozdesky: Well, Mr. Speaker, they're a lot more than statistics because I can tell you that the improvements are significant. As soon as you take people out of acute-care beds and have them live in continuing care beds in the community, you are freeing up valuable hospital beds for those people who truly need acute-care services. In fact, for the people in that category the numbers were reduced from about 760 down to about 560 in the last six months alone. Tremendous improvements.

The Speaker: The hon. Member for Calgary-Varsity, followed by the hon. Member for St. Albert.

High School Completion

Mr. Chase: Thank you, Mr. Speaker. The high school completion rate for youth in Alberta is 72 per cent, among the worst in the country. About 9,000 students drop out of high school in Alberta each year. To the Minister of Education. Calgary United Way's new study on vulnerable youth recommends raising the age cap for publicly funded high school from 19 to 24. Can the minister explain why the opportunity for a high school education has been cut off at 19?

The Speaker: The hon. minister.

Mr. Hancock: Well, thank you, Mr. Speaker. That's one of the topics that's been under discussion as we go through the Inspiring Education process. There's been a considerable amount of discussion about what the appropriate age would be. As we bring forward a new education act, I think people will see – and we'll bring it forward for discussion – that we're talking about moving the age limit up because we do want to give young Albertans every opportunity and every inspiration to finish their high school education.

The Speaker: The hon. member.

Mr. Chase: Thank you, Mr. Speaker. By the time that act is enacted, we'll have had about 18,000 more dropouts.

The Speaker: Just get to the question, please.

Mr. Chase: The study recommends raising the minimum age for dropping out of school from 16 to 17. Can the minister tell us

what employment opportunities there are for 16- or 17-year-old dropouts?

Mr. Hancock: Mr. Speaker, no, I can't tell the hon. member what employment opportunities there are for high school dropouts. What I can tell you is that I got into a bit of trouble in the media a year or two ago when I was in Calgary speaking to the Chamber of Commerce and I suggested that employers probably shouldn't hire high school dropouts. Now, what I really was saying to them is that we need to work co-operatively to find ways to encourage our high school students to complete high school and to move on to postsecondary of some form. That's a role that everybody in society has an interest in, including our employers. In our high school system and our education system we need to have a system which encourages every child to complete school.

The Speaker: The hon. member.

Mr. Chase: Thank you, Mr. Speaker. Increasing class sizes surely isn't the way to go.

The Speaker: Let's get to the question.

Mr. Chase: Given that many of our dropouts will move into a cycle of poverty and that the situation of these disadvantaged youth in our big cities is particularly troubling, will the minister review the United Way report and respond publicly to its recommendations?

Mr. Hancock: Mr. Speaker, we take input from all sorts of places. I've been very happy to receive the United Way report and to look at the things that they've been talking about. This is exactly the type of thing we need to have: community organizations, people in the community, business, everybody working together to understand that education is foundational to the future of this province. All of us have a stake in ensuring that each and every one of our children has the opportunity to maximize their potential, to be the best that they can be so that they can participate in the economy and they can contribute as full citizens to our community.

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

Financial Literacy

Mr. Allred: Thank you, Mr. Speaker. A few months ago the national Task Force on Financial Literacy released its final report. While our provincial financial situation is in good shape as a result of sound financial planning, household debt in Alberta is a growing concern. Does the minister of finance have any plans on how his department might assist in stemming this growing crisis of household debt?

Mr. Snelgrove: Well, Mr. Speaker, it's interesting because it's not simply a black-and-white answer. Household debt is probably best handled if you have a job, and Alberta has done a very good job of having jobs for people. We have to talk about whether it's planned or unplanned debt. We also have to know: are people using equity in their homes to start up a small business, or are they buying a vehicle they need for work? If it's a credit card debt and others like that, then we need to have people actually learn the financial literacy that we've talked about. We are working with the federal government on some of the programs. There's no question that people need to be aware of the cost to them of debt.

The Speaker: The hon. member.

Mr. Allred: Thank you. My second question is to the Minister of Education. Given that the learning of financial literacy must begin at a very young age, what is the minister doing to make the teaching of financial education a priority in the elementary school system?

Mr. Hancock: Well, actually, Mr. Speaker, Alberta is one of the few jurisdictions where we actually do address financial outcomes within our programs of study. Financial outcomes and financial management are part of the social studies curriculum, they're part of the math curriculum, they're part of the CTS courses, and, of course, they're a major portion of career and life management studies, which is precisely a course that every student needs to have to graduate from high school. It's about career and life management, which includes financial literacy issues.

Now, is there more that can be done? Absolutely. As we review our curriculums, as we do more work in that area, financial literacy will be one of the areas that we want to address.

The Speaker: The hon. member.

Mr. Allred: Thank you, Mr. Speaker. My final question is to the Minister of Service Alberta. Is there any way your department can limit the alluring marketing of credit cards and other debt instruments to young people?

The Speaker: The hon. minister.

Mrs. Klimchuk: Thank you, Mr. Speaker. It's so important for young people to understand the costs of borrowing money and how to manage their finances. To this end Service Alberta provides tips to young people through social media and on our website. As well, the not-for-profit group Money Mentors also teaches Albertans how to make smart financial decisions. Recently they had an excellent session at NorQuest College just on this topic.

High-speed Rail Station

Dr. Taft: Well, Mr. Speaker, ad hoc spending, secret lists of projects, buying two different sites for the same purpose, not doing financial or engineering or technical studies before announcing projects: sadly, that's what we've come to expect from this government. To the President of the Treasury Board. Last Thursday the Minister of Transportation informed this House that having now bought a second downtown site for a high-speed rail station in Edmonton, they would study whether or not it is viable. Is it standard procedure for this government to buy things first and then see if they're viable after the fact?

Mr. Snelgrove: You know, I guess that maybe growing up in business, you take for granted sometimes that common sense would work. You've got to have choices, and you need options. We are working with all the stakeholders for the cities, with people who may be interested in high-speed rail: how it can connect to a vibrant new downtown development, how it can get through the city, in and out of the city. It's about putting options on the table, Mr. Speaker, so that you can make good choices.

The Speaker: The hon. member.

Dr. Taft: Well, thanks, Mr. Speaker. Given that common sense would say that a capital plan can only reasonably be called a capital plan if one is to follow it, let me ask: was Treasury Board advised of the project and the required amendments to the capital plan to relocate and secure land for the Edmonton high-speed rail terminal before it was announced?

Mr. Snelgrove: Yes.

Dr. Taft: Then the President of the Treasury Board should be able to answer this question. How much money has Treasury Board approved to acquire land for high-speed rail in Edmonton and throughout other parts of Alberta?

Mr. Snelgrove: He would want to direct that to the Minister of Transportation. He asked if we were apprised of the intent to join the high-speed rail with the museum downtown, and the answer was yes.

The Speaker: Hon. members, that concludes the Oral Question Period for today. Nineteen members were recognized. There were 114 questions and responses.

In two seconds from now we will continue with the Routine. In the interim might we revert to Introduction of Guests?

[Unanimous consent granted]

Introduction of Guests

(continued)

The Speaker: The hon. Solicitor General and Minister of Public Security.

Mr. Oberle: Well, thank you so much, Mr. Speaker. It's an honour today to recognize that we've been joined in the gallery by some constituents from Peace River. Charlie Bouchard, his wife, Andrea, son Joel, and daughter Jillian have joined us to I suspect come and see the estimates of the Department of Education. Charlie is an educator. In fact, he was involved with my own children in Peace River. I welcome them. I hope they had safe travels and enjoy their visit to the Legislature. I would ask them to rise and receive the traditional welcome of the House.

2:40 Members' Statements (continued)

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

Alberta Land Stewardship Legislation

Mrs. McQueen: Thank you, Mr. Speaker. Bill 10, the Alberta Land Stewardship Amendment Act, 2011, includes changes to respond to concerns Albertans have raised with us to ensure that landowner rights are protected. First, the definition of a statutory consent specifically excludes land titles or freehold mineral rights. New provisions in Bill 10 strengthen respect for the rights of a statutory consent holder. If a consent is amended as the result of a regional plan, we must notify and advise of any rights to compensation and how compensation is determined.

Bill 10 also specifically states that nothing in the act should be interpreted as limiting existing rights to compensation under any other Alberta law, and that also applies to landowners. Landowners would of course still have the right to access the Land Compensation Board or bring their case to court if the amount of compensation was in dispute.

Here's what two prominent southern Alberta lawyers, Mr. Stan Church and Mr. Dan Smith, had to say, and I quote: the Alberta Land Stewardship Act plus the Bill 10 amendments put Alberta ahead of any other province or U.S. state when it comes to protecting landowners' property rights. Unquote.

The amended act makes public consultation a requirement in drafting a regional plan. A draft regional plan must be laid before

the Legislative Assembly before going to cabinet for approval. Also, any title holder who feels unduly affected by a regional plan may apply to the minister for a variance. A regional plan cannot amend or rescind municipal development permits and approvals if work is finished or under way, and we will give municipalities ample time to align their development plans with a regional plan.

Regional planning is about balancing economic growth with environmental sustainability and responsibility. Mr. Speaker, I believe that the amendments in Bill 10 will protect landowners and will enable our province to continue to plan in a responsible and co-ordinated way.

Thank you, Mr. Speaker.

Provincial Fiscal Policies

Mr. Hehr: Mr. Speaker, back in the 1990s this government panicked when it was faced with an economic downturn. Instead of investing in the future, they slashed the public service, eliminated thousands of jobs, took away opportunities for postsecondary learning, and drove nurses and teachers out of the province, many of whom have never returned. Alberta is still suffering from this Tory short-sightedness, particularly in our hospitals and clinics, where health professionals remain in short supply. But why learn from the mistakes of the past when you can repeat them?

Funding shortfalls in education have left Alberta school boards scrambling to make ends meet. The Calgary board of education alone may be forced to cut 500 teachers and support staff, leaving our kids in the lurch. To make matters worse, it looks like there might be another oil and gas boom right around the corner, meaning that government is going to have to hire teachers back at a premium, just like they're trying to do now with the nurses. Meanwhile, Alberta students will pay the price, particularly those with special needs, possibly for years to come as school boards struggle to work around the chaos created by a provincial government. But, then, most Tories have never been keen on helping the most vulnerable Albertans, have they?

Mr. Speaker, had this government followed the advice of the Official Opposition – we'd cut wasteful spending in order to support core people programs – this whole fiasco could have been avoided. Once again this government has proven that it values slick ad campaigns, horse racing, private golf courses, and generous handouts to Tory elites more than the vital job of making sure that our kids get a good education. It's sad, it's wrong, and it just doesn't make any sense at all.

To that end, Mr. Speaker, I would ask the Minister of Education to sit down with the minister of Treasury, end this insanity, and properly fund our education system. It's the right decision for today. It's the right decision for tomorrow. Let's invest in our greatest resource, our children.

The Speaker: Okay?

Mr. Hehr: That's it.

The Speaker: Okay.

Tabling Returns and Reports

The Speaker: The hon. Minister of Culture and Community Spirit.

Mr. Blackett: Thank you, Mr. Speaker. I would rise today to table the appropriate number of copies of my responses to questions raised by the Member for Edmonton-Centre during Culture and Community Spirit's main estimates on March 23, 2011.

Thank you very much.

The Speaker: The hon. Member for Cypress-Medicine Hat.

Mr. Mitzel: Thank you, Mr. Speaker. I'd like to table the appropriate number of copies of a petition and a letter received in my office regarding multiple sclerosis. The petition states:

We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the government of Alberta to expedite the approval of the Liberation Treatment (angioplasty) developed by Dr. Paolo Zamboni so that all patients including those with MS, suffering from chronic cerebro-spinal venous insufficiency (CCSVI) can receive the treatment.

The letter also reflects this opinion.

Thank you.

The Speaker: The hon. Member for Calgary-Varsity.

Mr. Chase: Thank you, Mr. Speaker. As I pointed out, I have four tablings today. The first comes from the following individuals who are concerned about the clear-cutting of the Castle-Crown: Johannes Klein, Adrienne Hodges, Monica Jackson, Suann Hosie, Paul Davis, Jordan Lewans, Bill Sorochan, Cathleen Hjalmarson, Morna Halparin, Kendall White, Ellen Glover, Colin Bray, Ian Bellinger, Avalon Crossby, Lois Banks, Karen King, Peter Barker, Cara Reeve-Newson, John Gibson, Antonia Chianis, Michael Varichak, Christine Pylypowycz, Melodie Paulsen, Carl Veaux, and Gloria Morotti.

Mr. Speaker, on behalf of the Leader of the Official Opposition I'm also tabling legal action documents from Dr. Michel Sauvé and the Northern Lights health region due to intimidation.

Mr. Speaker, my second tabling on behalf of the hon. Leader of the Opposition is correspondence received from Dr. I. Chohan with Capital health region regarding intimidation.

My next set of information comes from an article written this past Friday by Don Braid in the *Calgary Herald* entitled Alberta Health Has Growing Track Record of Ignoring Auditor General.

Thank you, Mr. Speaker.

The Speaker: The hon. Minister of Energy.

Mr. Liepert: Thank you, Mr. Speaker. I'd like to table five copies of the Wildrose news release which stated that the lower Athabasca regional plan would cost upwards of 3 and a half trillion dollars.

I'd also like to table a copy of a blog by a *Calgary Herald* business columnist, Dan Healing, which calculated how they came up with the \$3.4 trillion. It's by taking 170 billion barrels of oil, dividing it by 20 per cent, and multiplying it by a hundred dollars a barrel. That's how they got \$3.4 trillion. I think it should be put on the record.

The Speaker: Hon. members, the chair is tabling five copies of a March 24, 2011, letter from Mr. Ken Hughes, chair of the Alberta Health Services Board, to the Speaker expressing concern about comments made by the hon. Member for Airdrie-Chestermere and the hon. Leader of the Official Opposition in the Assembly about Alberta Health Services' staff members. Mr. Hughes subsequently asked that his letter be tabled.

Tablings to the Clerk

The Clerk: I wish to advise the House that the following documents were deposited with the Clerk. On behalf of Dr. Sherman, the hon. Member for Edmonton-Meadowlark, an Association of American Physicians and Surgeons website article dated March 24, 2011, entitled Sham Peer Review: A National Epidemic.

On behalf of the hon. Mrs. Klimchuk, Minister of Service Alberta, a letter dated March 30, 2011, from the hon. Mrs. Klimchuk, On behalf of the hon. Mr. Knight, Minister of Sustainable Resource Development, response to Written Question 11, requested by Ms Blakeman on March 21, 2011.

The Speaker: The hon. Minister of Health and Wellness on a point of order application.

Point of Order

Factual Accuracy

Mr. Zwozdesky: Thank you very much, Mr. Speaker. I'll be brief. I rise under 23(h) and (i). I believe the Leader of the Opposition during a question earlier this afternoon imputed some false motives. Some false allegations were uttered by him as well. The substance of it was that I believe he said – and, I'm sorry, I don't have the Blues in front of me – that I as minister of health had contradicted the Premier yesterday. That, in fact, is not the case. I would hope you would find a point of order in that respect. I'll leave that up to your judgment.

2:50

However, what I would like to do is comment on some of the exchanges that did occur yesterday wherein the Member for Edmonton-Riverview, in particular, tried to make it sound as if I was somehow disagreeing with the Premier, which I was not. For example, in one of his questions the Member for Edmonton-Riverview asked me, "Is the minister of health confirming, then, that he does not support the Premier's invitation," and it goes on. Of course, I never indicated anything to that effect at all. What I did say in response to his final question in that series – "Is he actually disagreeing with his own Premier?" – was, "Not at all, Mr. Speaker." Then I explained what it was that I was trying to do to clear up some of his own misunderstandings.

Earlier in question period with respect to a question from the Leader of the Opposition about disclosure agreements here's what the Premier said:

Those disclosure documents can only be opened by the cooperation between the two parties that entered into the disclosure document, which would be the employer and the employee. In fact, later in the same question period I said:

Mr. Speaker, my understanding is that any nondisclosure agreement that's signed is between two parties, and if they both agree, then so be it. I can't comment on exactly what they may or may not want to do. The Premier made a clear statement as to what they might want to do, and that'll be up to them to decide.

Then the Premier went on to answer another question, and he answered it with some questions, in fact. If you read *Hansard* carefully, you'll probably see that. This was in response to a question from the Leader of the Opposition, in which case the Premier stated:

Mr. Speaker, it's a very simple matter. The doctor can approach the Health Quality Council and say: look; I'm willing to open up the disclosure document if my former employer agrees. Why doesn't he ask Alberta Health Services? What if . . .

And the key words here are "what if."

... Alberta Health Services says, "Yeah, let's open up the document and then have all Albertans see what's inside"?

The key thing there is "what if."

Now, there are other issues here where I was perfectly aligned with the Premier, so I would hope that the Speaker would please ask the hon. Leader of the Opposition to note that I did not disagree with the Premier in spite of the allegations in the questions posed by the Member for Edmonton-Riverview, which the Leader of the Opposition was quick to try and pick up on today. Thank you.

The Speaker: Hon. Member for Edmonton-Centre, just a second. The hon. Minister of Health and Wellness rose on a point of order. I've read the text. I've seen enough to already suggest that this is not a point of order. If you want to argue that, you go ahead and argue it, but that's the conclusion I will reach.

Ms Blakeman: No. Thank you. I will take your wise decision on this one. It's getting near the end. We're almost at a constituency break, and, boy, can you tell. Thank you.

The Speaker: Hon. member, I've read the text in here. The Leader of the Official Opposition did begin a question with, "Yesterday the Premier said," and then he went on to basically say that moments later the health minister contradicted the Premier. We've heard the health minister provide clarification with respect to this. I view this not as a point of order; it's a point of clarification. We also have *Beauchesne's* 494. The House will have to sometimes accept two versions as the same thing.

We've now dealt with this matter.

Orders of the Day

Committee of Supply

[Mr. Cao in the chair]

The Chair: The chair would like to call the Committee of Supply to order.

Main Estimates 2011-12

Education

The Chair: Before I recognize the hon. Minister of Education, I would like to run through the process here. The minister will have 10 minutes maximum, and then an hour following that would be for the Official Opposition and the minister. Then the next 20 minutes is for the third party, the next 20 minutes after that is for the fourth party, and then we have 20 minutes after that for members of other parties or independent members. From there on it will be for any other member. The speaking time is 10 minutes for each, for a total of 20 minutes. You can combine it with the minister as you like.

Hon. minister, you have the floor for 10 minutes.

Mr. Hancock: Thank you, Mr. Chairman. It is a privilege to be in front of the Committee of Supply to defend the estimates for the Department of Education for the 2011-12 year. I'd like to start by introducing and acknowledging the staff that are with me: first of all, Deputy Minister Keray Henke; our assistant deputy minister of strategic services, Michael Walter; director of finance, Gene Williams; and director of budget and fiscal analysis, George Lee. I want to start by saying thank you to these staff members and, through them, to all of the people who work in the Department of Education.

Over the course of the three years now that I've had the opportunity and privilege to work, I can tell you that we have dedicated professionals who are committed to the children of this province and who are committed to making sure, particularly with respect to the people who are with me today, that the financial resources that are allocated to the Department of Education are used efficiently, effectively, and in the interests of ensuring that each and The financial side is never easy. It wasn't easy this year. It's not been an easy time, and I have with me people who have worked very, very long and hard to put together this budget but also to work with our stakeholders and people in the system, right throughout the system, to make sure that with the resources we have, we can make the most effective use so that every child can get a good education.

Mr. Chairman, our business is driven by our three-year business plan, focused on the goals, priority initiatives, and measures of the ministry. Goal 1 is success for every student, goal 2 is transformed education through collaboration, and goal 3 is success for First Nation, Métis, and Inuit students. Anyone interested in more information on the business plan I would encourage to go to the department's website, where you can see the business plan, which is very streamlined this year in accordance with the process that has been used across government, but also our Action On agenda, which is a companion action document that works with the business plan to show where we're going as a department and where we see the system going as part of our Inspiring Education process and as part of the results that we've achieved in terms of the consultations and the direction that we're setting.

We're here today to debate the estimates for Education and the commitments made to sustainable funding for education programs and services that our children and students need and which we need to maintain our quality of life. Our decisions were all made within the context of addressing fiscal challenges and responsible decisions for the future that in the long term contribute to the rich quality of life that we enjoy in Alberta. We've never shied away from the fact that this budget does pose challenges for education. Our number one priority is to remain focused on our efforts at ensuring that we're truly enhancing student success through supports in the classroom, curriculum development, special programs, and capital planning. We will continue to rely on local school board leadership to make the best decisions for students and communities.

3:00

Decisions need to be based not on our old ways, not on continuing what we've always done but on what our research tells us is best for our children. Education is an investment, but like with all investments we only have finite dollars. I'm determined to put those dollars where research says it will have the greatest return for our students.

For the fiscal year 2011-12 Education's total support for the ECS to 12 education system reaches nearly \$6.4 billion under Budget 2011, an increase of \$258 million in operational support to boards, or 4.4 per cent. The \$258 million increase will fulfill the government's commitment by funding teachers' salary increases and associated pension increases, finish off the commitments made in the 2010-11 school year, and address expected student enrolment increases and other changes to student demographics.

There are six programs that will be referenced in this year's budget. Our voted estimates begin on page 102 of the estimates book. We had two primary funding streams that are important to note: the voted government and lottery fund estimates, totalling about \$4.2 billion, or about 68 per cent of the ministry budget, which we'll be voting on later in the session, and education property taxes, which total about \$1.8 billion. About \$1.6 billion of

this amount resides in the Alberta school foundation fund, which is governed by statute, and the remaining \$202 million goes to local separate school boards that choose to collect their education property taxes directly from their municipalities. In addition, \$44.6 million is allocated to statutory expense for the work in progress with the Alberta schools alternative procurement, or ASAP schools, and \$299 million is the statutory expense for government contributions made to the teachers' pension plan.

The breakdown of the ministry's six programs begins on page 102. The first program in our budget, ministry support services, represents the corporate functions of the department.

The second program is the operating support for public and separate schools. The voted portion of this program increases to \$3.59 billion. When the nonvoted amount from education property tax and the statutory obligation for teachers' pensions are included, operating support to public and separate schools increases by \$258 million to \$5.7 billion. This increase will provide support to school boards to complete the 2010-11 school year, provide the necessary supports for the '11-12 school year to address expected student enrolment increases and other changes to student demographics and programming.

On budget day we announced that the student-based instruction grant will increase by 4.4 per cent, as would the rate for a revised class size grant for the 2011-12 year. This increase reflected the preliminary average weekly earnings index, as it was known at that time, and the index's basis for teachers' salary increases to be effective September 1, 2011. Since then, Statistics Canada has confirmed that the official Alberta average weekly earnings index is 4.54 per cent.

In the process of making that confirmation, they've actually again changed the way they calculate the numbers slightly. In any event, I believe that the 4.54 per cent is the agreed-upon number. We have informed school boards that the rate on these two grants will be adjusted accordingly. This government is honouring its commitment to the teachers as per the five-year agreement between the government of Alberta and the Alberta Teachers' Association.

The government has not only sustained but grown its investment on the class size initiative over the past three years. To date the government has invested nearly \$1.4 billion since this initiative began in 2004. In Budget 2011 funding for the class size initiative continues with an investment of \$228 million. While funding for the class size initiative continues to grow in this budget, effective September 1, 2011, class size funding for grades 4 to 6 will be eliminated. We are addressing student needs by adjusting the class size initiative funding to a per-pupil grant for kindergarten to grade 3, recognizing that small class sizes are most beneficial to students in their early years.

Mr. Chairman, we're not reducing the class size initiative funding at all. In fact, it's increasing slightly, but we are reprofiling it because the research would show that class size, while it's important in many areas, does not affect student outcome in the higher grades, but it could have an impact on K to 3, and that's the area where we're not meeting the class size guidelines yet in the province. We've reprofiled the class size initiative funding albeit school boards can still use their funding however they want when they get it. We've profiled it to fund class size and class size growth at the K to 3 level as well as tiering the grants as we did last year to CTS funding in high schools, where smaller class sizes are necessary, particularly if there's a safety issue. This was particularly important as we expect the number of kindergarten to grade 3 students to increase significantly over the next five years.

While considering class size average guidelines, we need to recognize that there is no one-size-fits-all solution. Class composition, grade level, and teacher experience should be considered by school administrators in setting class size. The revised class size formula continues to allocate enhanced funding levels for specific career and technology studies, as I mentioned.

The budget also provides funding to school boards for the first seven months of the 2011-12 year, a projected provincial student enrolment growth of approximately 6,100 students, or 1.1 per cent, and supports any changes to student demographics in areas such as English as a second language, FNMI, and mild and moderate student populations.

Transportation funding increases by \$1 million, totalling \$260 million for the 2011-12 year, which will be targeted to address the challenges of transporting students in sparsely populated rural areas.

We're increasing funding to support students with severe disabilities by \$12 million, or 4.4 per cent, in this fiscal year. School jurisdictions will receive the same level of funding to support the severe disability profiles this year as they did last. The additional allocation will be used to build an inclusive education system to help ensure success for all students. At a later date we will provide additional detail about the leadership and guidance that will be available to support school authorities in their work on building an inclusive education system and an allocation of the \$12 million.

I stated earlier that this is not an easy budget and that hard decisions had to be made. Two grants, the relative cost of purchasing goods and services adjustment and the stabilization grant, are being phased out. Both grants will be reduced by 50 per cent starting September 1 and then eliminated beginning September 1, 2012.

For our CPA . . . [A timer sounded] Is that . . .

The Chair: Yes, that's the beep for 10 minutes, hon. minister.

Mr. Hancock: I was just getting into the bad news part.

The Chair: Okay. For the next hour, three 20-minute chunks, I would like to ask if the hon. member wants to combine the 20 minutes.

Mr. Hehr: I think it'd be best, if it's okay with the hon. minister, if we combine our time and try to answer my questions sort of as they come up and help me with my understanding of the Education budget. I think that would be best. Does that sound reasonable?

The Chair: All right. I see agreement on the 20-minute combination of questions and answers.

The hon. Member for Calgary-Buffalo for the Official Opposition, please.

Mr. Hehr: Thank you very much, Mr. Chair, and thank you very much, hon. minister and your staff, for coming here to present the budget. In my brief time on the job as Education critic, I can see that you guys are very busy and very active, and I've been extremely impressed with the operations of the minister as he goes out and faces the public with some bad news. It's nice to see that the minister goes and actually takes the questions from the public, doesn't run from it. It is somewhat refreshing to see that happening.

I will also say that I had the pleasure of being at a workshop this weekend where the minister's staff, Mr. Williams, presented in an open and transparent fashion as to what is happening in the Education budget this year. Again I can say that I was nothing but impressed with the way the information was presented and the way that it was not sugar-coated. It was in plain English, and people were given the good, the bad, and the ugly of this year's budget. With that being the case, we can now get into some of the merits of what is happening. As the minister said, this is a difficult budget. I think he has admitted as much. We see today in the paper that the Calgary school board could be laying off approximately 500 teachers and staff. I don't know what the ratio is. Needless to say, there are reports in other communities that other cuts and layoffs will happen, no doubt because of what looks like a bit of a budget shortfall.

If I look at the numbers, there is a top line increase of, I think you said, 4.7 per cent to the overall operating budget but decreased funding to various grant programs. You're covering, obviously, the teachers' salary increases, but in order to do that, in order to keep the system whole, which I think is the term that Mr. Williams used on the weekend, I guess my question is: how much more money would it have been to this budget to keep the system whole? I believe that was the term that we used on the weekend.

3:10

Mr. Hancock: The number, Mr. Chairman, is approximately \$107 million. With respect to the grants that were sacrificed in terms of stabilization, the relative cost of purchasing the extra growth or decline, the enhanced ESL, and then 50 per cent of AISI, that adds up to approximately \$107 million.

Mr. Hehr: So \$107 million. If this \$107 million had been provided, do you think you would have seen the wailing and the gnashing of the teeth you see out there? Would the CBE still be running a deficit, in your view? Would other jurisdictions be cutting? Or is it because of this \$107 million shortfall, ceiling, to use a term, that we're seeing some of this out there, in your view, Mr. Minister?

Mr. Hancock: Well, to put it into context, seeing as the hon. member has raised the Calgary board of education, in rough numbers or earlier numbers in the Calgary board of education's budget last year operational funding was in the tune of \$882 million. They would receive a base instructional increase of about \$26.3 million, based on 4.4 per cent. Now that it's up to 4.54 per cent, it will be slightly higher than that. The 4.4 per cent increase on class size would be \$1.6 million, so they'd get a total grant increase under that of \$27.9 million. So if you rounded it up a little bit, what it would be, now, is about \$28 million, \$29 million. That's what they would have achieved without any of the other reductions.

Mr. Hehr: Okay. So it would have been an extra . . .

Mr. Hancock: Twenty-eight million.

Mr. Hehr: Okay.

Mr. Hancock: They're saying that their deficit is \$61.7 million, so you can do the math as to how much more they would have needed even if none of those budget reductions had happened.

Mr. Hehr: Yeah, it had to be if it was as best we could, as planned, as it looked like from their perspective what things were going to be. Okay. That's fair enough. That's fine.

You know, we look sort of at the way budgets have been presented. When I first saw the budget, I saw the increase of 4.7 per cent. It's just a matter of perspective, I guess, on how you present these budgets. When you guys announce the budget, why can't the minister's department provide financial information of the budget document that represents the impact of the provincial funding decision on actual school boards and school districts? Do you know what I'm saying? When it came out that first day, it appeared to me that it was just a 4.7 increase. Then you had to sort of go through it more and ferret through. Is there an easier or better way of reporting that information right on day 1 of the budget? Or was I just not looking in the correct places?

Mr. Hancock: No. It's actually quite difficult because we budget on an April 1 to March 31 year, and the school boards budget on a September 1 to August 31 year. So in the budget there are always a number of explanations which deal with how much of the budget was needed to complete last year; in other words, to sustain the grants at the level that they were raised to last year for the first seven months and then how much we need to budget for the increase to next year's funding in order to fund the five months of next year. So that's one piece of it.

The next piece of it is: how much money do we need to put into the budget to sustain the commitment to teachers' pensions? I'm not talking about the pre-1992 pension – that's taken care of in the Finance budget – but in terms of our commitment to paying the pension liability going forward. Then you have to look at the increase in teachers' salaries for this year. We've done a global. In the budget it was 4.4 per cent. We've moved it to 4.54 per cent. We do that on the operating grants. If 70 per cent of the budget goes to teachers' salaries, that's a little bit more than you'd need. All of that goes into the funding profile.

What we do on budget day – and I was very clear on budget day, when asked, that this was a difficult budget. That 4.7 per cent increase is great, and it looks wonderful, but it's a difficult budget. We briefed all the boards on budget day with respect to what was happening, what was going in and what was coming out, and then, that afternoon, provided each board individually with our projection of their numbers.

While I have a roll-up of all the board's numbers, we don't share each board's numbers with the other boards, but we do share with each board what their numbers are. Those numbers: subject to their doing some analysis and a little bit of juggling, they have an idea of the impact on their budget on day 1.

Mr. Hehr: Maybe I could come to that briefing next year before the budget. That would help me out. Anyway, I leave it at that.

If we could just talk about the Auditor General's 2006 report, it contained a recommendation that Alberta Education improve its budgeting process by providing school boards with critical information such as operating grants, increases in grant funding in a more timely fashion. In your view, have you guys been following this sensible recommendation to us? It doesn't look like it has been followed in the five years after it was issued.

Mr. Hancock: That's a difficult one in terms of being able to know exactly where you're at until the final numbers are done in the overall government budgeting process. It's no secret that this was a difficult budget to put together. There was a lot of advocacy that happened right up to the last minute because, you know, there are different priorities across government, and there's a balance to be achieved. We wouldn't have had the numbers until the final decisions were made in late January because even in January we were working on a tripartite process which could have had a considerable shift in how we used the numbers.

Last year and again this year we provided an opportunity for school boards to take a little bit more time with their budgets. Their budgets are normally due May 30. We've extended that time to June 30. There's no question that if we could find an appropriate process to peg a number earlier, it would be useful to school boards to be able to budget on that basis.

Even in the call for long-term, predictable, stable funding one of the downside risks there is that you peg yourself at a number that's too low. Over the last 10 years the Education budget has increased 63 per cent. The number of students has increased 3 per cent. I don't think anybody would suggest that if you pegged longterm, predictable, stable funding, it would be pegged at 6.3 per cent per year. It would likely be less than that.

There's balance on both sides, and there's certainly a value to having the early numbers so you can do planning. There's also a value to being able to advocate long and strong so you get the numbers that you need.

Mr. Hehr: Yeah. I think that's fair enough. You know, I applaud, actually, the way we're going through a lot of issues here in health care, and that's fair enough. This government has done a wise thing, I think, in funding a five-year cycle on the health care front. Do you find that you'll be able to do that in Education? Are you moving towards that direction? Are you guys looking at that as a department, or can we do that in a system set up like we have in Alberta?

Mr. Hancock: I'm certainly not adverse to looking at it, but it's a different situation. With health you have one board. I don't think anybody would advocate that we go to one board in Education because the local involvement and the local connection are so important.

The other piece, I think, is that in health you can take a demographic analysis of your population. The five-year funding agreement with health can take a clear look at growth, at inflation, the projected numbers for both, so it could be off, and then a small amount for system improvement and that sort of thing. You can actually pile that number, and that's where they got to the 6 per cent number for the first three years of that agreement and then, with the efficiencies that they expected to get from the single health authority, were able to project that you could ramp that back to 4 per cent in the last two years.

In Education we're dealing with 63 public boards, 13 charter boards, a number of separate school boards, and a different variety of input pieces, so it's a little bit more difficult to come to that stable funding formula. You could do it arbitrarily, but you'd likely miss the mark.

3:20

Mr. Hehr: There are two sources generally for Education revenue. One is obviously from the general revenue stream you guys bring into the coffers from income tax and the like, and the other is the property education portion of the property tax, correct? Those two sources. Now, if you looked at the Calgary situation, the \$42 million that was collected from the property tax portion of the budget essentially went back to the cities this year.

Mr. Hancock: Not totally accurate.

Mr. Hehr: No? Okay. Well, then, if I can finish, whether it went back to the cities or whatever, it looked to me like it came from that education portion of the property tax, or some of it did, whereas that could have gone to funding of education. Essentially, for better or for worse, the CBE would be in a much better position if that had gone back. If you would explain to me how that decision was made and where I'm missing the mark and how I'm confusing things because I've had that question asked to me from time to time in Calgary.

Mr. Hancock: Property tax at a provincial level is a funnylooking beast, but what essentially we do on a provincial level is look to capture the real growth in assessment. In other words, there are more houses being built, there are more businesses being opened, and that expands the assessment roll. When we figure out the number and apply it to that assessment roll to drive out a mill rate on a provincial basis, that is where we get to that number.

We try not to increase the education property tax to catch inflation. The value that your property went up is not something we want to add additional education property tax to, but the fact that somebody built a house on your neighbouring property and added to the assessment roll: we do want to capture the tax on that. So we do that on a provincial level, apply a number on the provincial level, and then apply that to last year's assessment value for each municipality. That drives out a number that we send to the municipality, saying: this is how much you need to collect.

We've set a mill rate, and we've actually reduced our mill rate each year over the last 10 years at a provincial level because there has been inflationary growth in the property values, generally speaking, over that period of time, and we haven't wanted to capture that whole inflationary growth; we've just wanted to capture the real growth. We've reduced the mill rate to a number which captures the real growth. So there's an increase in the education property assessment, the amount we collect across the province, but a lowering of the nominal mill rate at the provincial level.

When it gets to the municipality, they take our number. They apply our number, which was derived from last year's assessment roll, to this year's assessment roll, and that drives out a different mill rate that's applied to your property tax level.

Now, in doing that over the years, in some years people in Calgary have complained that they're paying more tax, and they're paying more than their share because the real growth has derived that. This year they ended up with a \$42 million, I think it was, reduction from the amount that we told them we needed to collect over last year. That's simply because growth has happened in different parts of the province. The assessment has changed. But that's not giving them \$42 million back. We didn't collect \$42 million more, or we didn't assess based on the inflationary growth of the process. So the city of Calgary has turned around and said, "Oh, gee, you're collecting that much less. There's room for us to move into." That's been one of the things that's happened.

Over the years there's been the suggestion that we should get out of the education property tax business. For constitutional reasons we can't. But you may recall that a number of years ago we moved into a municipal sustainability initiative provincially, and the number, I think, was pegged at \$1.4 billion, which was the amount of the education property assessment in that year. So we're actually returning virtually all of the education property assessment to municipalities through the MSI fund.

It's a complex area, but it's not fair to say that we didn't collect \$42 million that we should have and gave that to the city of Calgary.

Mr. Hehr: Thanks for that explanation. I'm going to have to go through that again and clarify for myself, but thanks for working with me on that.

If you looked in here – let's look – in 1993, I believe, it was switched from local municipalities having the ability to tax for new school initiatives. Okay? That effectively had gone to the province, rightly or wrongly.

Everyone knows, whether your government or any government around that it's difficult to raise revenue at the best of times. It just is difficult. However, the local schools or local communities may in fact have an easier time to do it. Your electorate, your voter, your taxpayer can actually see: "Jeepers, we need a neighbourhood school. Yes, you can see it. It's being built in our backyard. Yes, I don't mind paying for that." Has that rationale ever crossed this ministry's mind? Would it be easier for them to return the taxation power to them to possibly do some of this stuff to make it easier for citizens to actually see they're getting money for what they spend it on?

Mr. Hancock: A number of years ago in the early '90s there was a move from local-based taxation to provincial pooling. The rationale for that was that industry, which pays a good chunk of this, is not evenly distributed across the province, so there were some school boards that were excessively well-to-do without a huge residential property tax base and others that didn't have much of an industrial base, so the residential property tax base had to bear it. In some cases school boards had a lot more money to do things with, so there wasn't equity across the province. So the idea originally started as corporate pooling and moved into a total pooling of the residential property assessment but for the opted-out boards, which are essentially the separate school boards, which maintained that they had a constitutional right to taxing authority and moved that into a corporate pooling basis.

Now, there's all sorts of discussion that happens on an ongoing basis in the education system as to whether or not it could have been just limited to corporate pooling and left the residential property tax base with the school boards. There's also a question as to whether property tax is an anachronism, and there should be some other form of funding. One thing that is left with the school boards is the ability to raise up to 3 per cent of their operating budget by a local assessment, but they have to go to a referendum first.

Those are all things that will be carried forward in the new education act, and as we go through the discussion, I think we could welcome a discussion about what level of connection to the community could be recreated. But I can assure you that the AUMA and the AAMD and C on behalf of municipalities across the province are very adamant in their perspective that we should be getting out of the education property tax basis because that's the only base form of taxation that they have to operate the municipalities.

So it's not an easy issue. Yes, there could be a connection, but it's a broader discussion.

Mr. Hehr: I hear you.

The Chair: It's the second 20 minutes now. Continue on.

Mr. Hehr: I thank the minister for that answer. You probably agree, and I think I've heard you state publicly that this may be one of those times when it's penny-wise and pound-foolish for us to be making these cuts right now to some of the teaching positions that are out there.

In my view, it looks like we're headed for another round of a boom or just more robust economic activity coming here. Predictions are that the population will continue to grow as we have 25 per cent of the world's petroleum resources here. Here's where the jobs are, here's where the people with kids are, and all that sort of stuff. At this point in time, given that we're going to cut not your ministry in particular but as a result of, say, this \$107 million shortfall – let's just call it that. School boards are going to have to drastically reduce the teaching staff and programs when, just essentially, in a year and a half, two years from now we're going to be caught in that cycle of catching up.

Mr. Hancock: I would certainly agree that our workforce planning process suggests that we will need more teachers over the course of the next 10 years. The school-age population is predicted to grow by 100,000 students over that period of time. Unless we can deal with issues like retirement age and bringing more people in through the system, we will end up with a shortage. The question, I suppose, that comes up is: should you actually

retain the people you have now into that process and just over a period of time grow into it, if you will? That's a fair question. Left to my own devices with no shortage of resources, would I lay off staff? Well, no, I wouldn't.

3:30

However, in a tight fiscal period you sometimes have to readjust your bases. I think it's always appropriate to go back to school boards and say: "Analyze your spending. Work with us on this." You know, we did this at a departmental level. We cut I think it was \$17 million out of an \$80 million budget, something like that, over the last year. We have to look at what we're doing and say: you know, we can't sustain it at this level. The reality is that we're using a lot of our nonrenewable resource revenue to fund operating programs. Over the course of the next few years we can't just continue to grow that spending. We have to look at resetting the base or increasing the taxes or both.

Given that piece, today we look at the budget and say: do we just pour money into what we're doing now, or is this the time when we ask the school boards to take a look at readjusting their base? Does that mean that we have to lose some staff? Well, 70 per cent of the money goes to paying for staff at some level. You can't say that we should be fiscally prudent on our spending side and not recognize that that means jobs.

Mr. Hehr: I'm perfectly hearing you, Minister, and I'm glad that we actually have the recognition of this. If the last 40 years have proved nothing, we can spend all of our fossil fuel resources and lower taxes to their minimum. It's just in times when we have shortages here, where the oil wells don't pump in, when we're caught in a shortfall. I think that's where we find ourselves.

Nevertheless, I would leave you with a suggestion. You've got - what? - \$6 billion or \$7 billion left in your sustainability fund. It would be wise for you to dig into the coffers and fund this at this time. Heaven forbid that you pass that booze tax that you were going to put through a couple of years ago. That's \$180 million. If we're really being honest here, we've got to look at other revenue streams or whether we're going to do this. In my view, I just think that there are other options to this than letting teachers go at this time. Even our capital. Let's switch gears a little bit. What do you think about that idea? Why wouldn't now be the time to go to the sustainability fund to find \$170 million to not let teachers go at this time?

Mr. Hancock: Well, overall on our budget I think the number is \$4.7 billion that's going to be tapped into the sustainability fund. What we tried to do on an overall government basis is to keep the increase in spending to an amount that is just slightly less than 2 per cent. You know, you sort of look at prudent budget planning and say that growth plus inflation is sort of a guideline. If you're going to limit your spending and grow your economy past your spending to get yourself out of a deficit piece, you have to look at every budget on a prudent basis. You can't just say: let's do it in your budget, but don't do it in mine.

We strongly advocated for the resources we needed in Education, but on an overall basis the Premier has said – and I certainly support him on this – that you don't tax your way out of a recession. It's not the time to go back to the public and ask for more money. There's a certain line that you have to work with.

At the same time you can see over the course of the last number of years that the annual operating surpluses of our school boards have actually been fairly substantial. We have accumulated about \$330 million, I think it is, across the province in annual operating surpluses. I appreciate that school boards have been saving for a purpose. That's just the operating surplus; that's not the capital reserves. I think it gets up to about \$577 million if we include the capital reserves. So this is a well-financed system. If we're in a fiscal period of time when we need to dip into our sustainability fund, I don't think it's inappropriate to ask school boards to dip into their sustainability funds.

Mr. Hehr: I'm not suggesting that you're wrong to make them do that if those reserves and resources are there. But, you know, there are other things. There are depreciating assets. There's a backlog on deferred maintenance, all this sort of stuff that is coming home to roost in the system as well on some of that stuff that these reserves were meant to pay for. It's a little bit of both ways.

I'm going to come back to some of these more detailed questions, but we're in sort of a general discussion on where we're going, and essentially I'd like to sort of keep going on it. Is there a discussion happening right now in your government? Obviously, we're coming out of a recession. The Premier says that you don't tax your way out of a recession. Given what we've gone through in the last 40 years, is your government looking at, I guess, more sustainable ways of running a province in the long run?

Mr. Hancock: Well, that's a broader budget consideration than the Education budget.

Mr. Hehr: I know.

Mr. Hancock: I can say quite candidly that I'm not running for the leadership, so it wouldn't be appropriate for me to talk in broad, general terms. That's a perfect question to ask the President of the Treasury Board.

I can say that we have very clearly focused on how we can improve our savings, to take the nonrenewable resource revenue and build that into a long-term either savings account or a building of capital assets. When we talk about the deficit that we have this year and had last year, if you look at the resources that are going in to build the infrastructure, including school infrastructure, you can actually say that we're using the nonrenewable resources to build that capital infrastructure, which is multigenerational, and we are paying the operating costs out of current dollars. We still have to understand that at some point in time the sustainability fund will be depleted, and then the question is: do we continue to use our capital dollars in that way?

So, yes, we need to be saving but not saving just for saving purposes but saving and investing capital dollars coming from nonrenewable resource revenue into sustainable, long-term investments, whether that's in human capital or in the infrastructure that we need for roads, schools, and hospitals.

Mr. Hehr: Or a savings fund or a long-term heritage savings fund, whatever you might want to call it.

If we can talk about: there's no money in this year's budget, at least from what I've seen, for additional school building. Is that correct?

Mr. Hancock: That's right because if we announced a new school building project, you wouldn't spend the money this year anyway. What we have in this year's capital budget is the amount that we're committed to spending with respect to the ASAP projects and the continuation of the completion of the projects that are already under way. We are working on a 10-year capital plan. I'm working with Treasury Board and Infrastructure on how we might announce and finance the capital that we need over the longer term, but that wouldn't impact this year's spending unless we

needed to ask for a million or two in dollars for the department or for Infrastructure to manage the projects.

Mr. Hehr: In your department's view, how many new schools are needed in this province for the numbers of kids that are coming and with the communities that are growing?

Mr. Hancock: You'd have to give me a time frame.

Mr. Hehr: How about the next five years? An example is that I go to Airdrie. They tell me they could use three or four more schools there. There are new communities in Calgary that need schools. In the old days, hon. minister, a new community would go up, and a school would go up. Okay?

Mr. Hancock: That must be in the old, old days. It hasn't happened in my 40 years.

Mr. Hehr: It would happen. When I went to school, you know, it seemed to be more like that than it is today. Maybe it's because of growth pressures, the zeitgeist of what it is, that different contributions by levels of government and the taxpayer in general are not quite the same as they were 40 years ago, but that's sort of how it was. It seems to me that it isn't happening. Maybe I'm remembering the good old days, and maybe the good old days weren't that good after all, but I don't know.

I'm suffering from that, that we have many new communities that deserve and need a school. In my view, it's the neighbourhood hub and how an egalitarian society should be run and directed. It should have a public school. Okay?

Mr. Hancock: We do agree on that. The ASAP 1 and ASAP 2 projects that were brought forward were to try and get schools where kids are. I think that was the phrase that the previous Education minister used when he announced that first ASAP 1 project. So we built 18 schools in Edmonton and Calgary, nine in each, and then with ASAP 2 another 14 schools, most of which were in Edmonton and Calgary. That was intended to deal with some of that urban growth. Now we're working on dealing with the growth in other communities like Airdrie and Medicine Hat and Grande Prairie that deal with those growth pieces.

3:40

Your initial question was: how many schools do we need? Probably over the 10 years it wouldn't be untoward to say that we'd need 160 schools, most of them new, in order to deal with growth. Probably a third of them would be replacements for schools. Fifty per cent of our current schools are over 40 years of age, so there's a renewal that's definitely needed and definitely under way. We've done an awful lot of work both in the demographic modelling and the financial planning to see how that could be accomplished over that 10-year time frame.

Mr. Hehr: Okay.

Can I ask about transportation budgets for this year that you were sending out? Were they frozen for various school jurisdictions?

Mr. Hancock: Sorry?

Mr. Hehr: Do you supply transportation funding for a line item to different boards?

Mr. Hancock: Yes.

Mr. Hehr: Was that frozen this year?

Mr. Hancock: There's a \$1 million increase to the transportation budget this year. To be fair, last year or the year before we eliminated a transportation grant, which was a top-up of diesel fuel over 60 cents a litre. It did go down if you added that supplemental grant in, but this year over last year it's a \$1 million increase.

Mr. Hehr: Okay.

Mr. Hancock: I should say that there's also - and, Gene, you can correct me if I'm wrong - a reprofiling because when we open 18 new schools in urban areas, there's a certain amount of transportation funding that can then be shifted to other areas.

Mr. Hehr: My understanding is that 98 per cent of the funding you give to local school boards can be spent in any way and fashion they would like. Despite whether you call it an operating, an AISI grant, or an ESL grant, they just get money for whatever they qualify for.

Mr. Hancock: If you leave the capital funding out and you leave the AISI funding out, essentially the rest is a formula in which we pile up the dollars in one way or another to a school board. And, yes, we don't audit, for example, to see if, say, you used your \$1,155 ESL grant per ESL student, and it all went to ESL students, or that all of the money you were funded for severe specialneeds students went into that. It's basically a formula to get resources to school boards, and the school boards allocate those resources the way they need to.

AISI is slightly different in that they have to justify what they do with their AISI funding, and for the class size initiative funding they have to show that they actually put that towards hiring more teachers. There's another area, the student health initiative, which is a particular area. But for the most part you're right. The student grants and all the other grants are sort of funded out into a pot, and then the school board takes the bottom line and allocates it.

Mr. Hehr: Obviously – and maybe this is just a redundant question – you're doing those line items like ESL students, specialneeds students to sort of recognize there are differences in the way school boards operate and differences primarily in city jurisdictions and probably more rural jurisdictions. The city jurisdictions attract more students – tell me if I'm wrong here – with disabilities and ESL troubles. They're going to cities. They're tending to look for jobs and opportunities in cities. As well, the services are there. Has funding from your department kept track, going to city boards in that type of fashion that recognizes what, in my view, I would say would be the heightened costs of doing business in the city, or am I wrong?

Mr. Hancock: Well, you're right from the perspective that piling the grants together recognizes the demographic differences between boards. So you have your base per-student grant, you have the class size initiative grant, which is separate and apart from that, but then you have a self-identified First Nations or Métis student aboriginal grant, you have an ESL grant, and you have severe special needs. You take all of those together, and by piling those together, you're recognizing the complexity difference in the makeup of the student population for a board.

For example, the Calgary board of education has – what is it? – approximately 25 per cent of the ESL students. That would be 63 boards, and one board has a significant population of ESL students. That ESL grant, the \$1,155 that they get per student, is actually increasing by about 15 per cent this year to recognize the growth in the number of those students. So the amount, the \$1,155, stays the same, but we're funding the increased number of

Mr. Hehr: You were just getting to it at the start of the introduction of your speech when you indicated that the class size initiative is going to be sacrificed in grades 4 through 6 this year, but you're keeping that funding in K through 3 because research indicates that's where it does the most good. I agree with that research. I think, you know, that in a perfect world we'd keep that grades 4 to 6 class size initiative going. When the economic picture gets better, are you planning at this time on restoring the class size initiative in grades 4 through 6?

Mr. Hancock: Well, let's be really clear on the class size initiative. We haven't actually reduced the class size initiative funding. In fact, I think it's fair to say that we're about a million dollars up. What we've done is reprofiled it. Okay? In the past the class size initiative grants were, essentially, one-time grants. There was a class size grant put in place. It originally was set up based on the differential between where school boards were compared to the class size guidelines. Essentially, you were funding the school boards that hadn't made a good initiative to put the resources into the class.

That happened also the second time that there was a tranche put in to increase class size funding. There was no long-term, sustainable piece to that. You know, one lump was put in one year, and then a couple of years later another lump was put in. It was targeted to those school boards that hadn't met the guidelines, in essence targeting those school boards that had put less of a priority on their other resources to the classroom.

We changed that last year and said, "We want to understand that the data says that student outcomes are not really affected by class size," which is not to say that class size isn't important for other reasons, but if you're talking about student outcomes, where it makes a difference is in the K to 3. So let's reprofile the grants. Even though school boards can decide what they do with the money, we're saying that we want to reprofile the grants. It's the same amount of money, but now it's putting more money based not on how far away you were from the class size guidelines but based on how many K to 3 students you actually have and need to service.

The method in the madness is that if that's on a per capita grant basis for K to 3 students, it should grow as the student population grows. We know there's been a baby boom in the province, and we're going to have a growing student population in that area. Instead of it being withered down over the years because it was just a one-time tranche and then a second-time tranche, it's actually now pegged to the class size at the K to 3 level and will grow with the K to 3 growth.

We haven't reduced it at all. We've reprofiled it. We've sent a message to school boards that we think they ought to be trying to do a better job of meeting the class size initiative where it matters, in K to 3. We did the same thing at the high school level with respect to CTS courses, where class size made a difference for safety reasons like with welding, for example, or those areas or where there were higher costs.

That's what we did with it. We haven't decreased the amount that went into it. In fact, the way it's positioned now, it should grow with the student population. **The Chair:** Hon. member, I'd just inform you that we've started the third 20 minutes.

Mr. Hehr: Perfect. Thank you.

Just on that note, it's clear. I agree with the minister 100 per cent. The more help you can give a kid at the beginning of life the better. The money is better spent at the front end than at the back end.

On that note, where are we going in junior kindergarten for three-year-olds? Are we moving into that? If we're really looking at using scarce resources, why aren't we getting rid of grade 12 and putting in junior kindergarten? I realize that that's a simple solution.

Mr. Hancock: I guess the short answer to that is that we are doing a lot of focus work on early childhood. We're working with Children's Services and with Health on how we can work more on early childhood initiatives, catch issues earlier, support children who need it earlier. Not every child is built the same and needs the same kinds of support. Junior kindergarten is a very good program for some children. It's not necessary for all children.

3:50

The question that it really comes down to is that school boards have the ability to use their resources in the way that they think is best for their children. There's no reason why they cannot – and some, in fact, do – fund, for example, full-day kindergarten because they think that that will get the children a better start and will improve their utilization of resources later on. So that is there.

Now, the short answer to your question is that we don't have additional resources to start a new program this year, so even if I wanted to fund junior kindergarten, I couldn't do it in light of the fact that we're asking school boards to meet the fiscal challenges we're asking them to meet. That's not to say that we don't put a priority on early childhood and the work that we're doing on mapping, on wraparound services, on working with communities and with other players in this area to actually focus on it.

One of the things that's valuable is that it gives us some time to look beyond the easy answer, and quite frankly kindergarten and junior kindergarten are easy answers. They're what people come out for. There's lots to suggest that if you have resources to apply, parenting programs would be perhaps a better investment to assist parents to understand that what they do between zero and 18 months is going to have a much bigger impact on their children learning over time.

Mr. Hehr: Let's talk about that. You indicate that school boards make the decision themselves whether they're going to have a kindergarten program or not. Are there school boards right now in Alberta who are not running a kindergarten program?

Mr. Hancock: Yes. There are some school boards that are running full-day kindergarten, there are some school boards that are running junior kindergarten, and we actually fund some of those students. If they're ECS students who are at risk, some of them are funded. For example, if you go into my constituency of Edmonton-Whitemud, at St. Monica School there's a junior kindergarten, and some of the students are funded. For other students their parents want them to take junior kindergarten, so they're prepared to pay the cost of their children going to that junior kindergarten. By piling the two together, they get a robust program.

Mr. Hehr: Who are the kids that are funded? At-risk children?

Mr. Hancock: Yes.

Mr. Hehr: See, this is where it breaks down for me. In my view, we should be doing some more of that, and you're the boss. I would almost mandate school boards that they are going to be running junior kindergartens. Can you do it? Would it be wise to do it? Would this government look at ways to fund that if we believe that that's where the initiative is? If what I've heard is correct, that Education's current thinking is that that's where the money is best spent, why aren't you as the minister saying: "Thou shalt have junior kindergarten in your programs. That's where you're going to spend your money, and we're going to prioritize that"?

Mr. Hancock: Because one size doesn't fit all. When you hire school boards, as we do as locally elected boards, to determine what's in the best interest of their community relative to the educational programming, one of the things that they get to do is decide what's in the best interests of their students with respect to the local programming. We could encourage them to do it by funding it, but what we do fund is students with severe special needs from age two and a half, mild and moderate special needs from three and a half, and regular students from four and a half. We provide resources for those students that we can absolutely be certain are going to benefit strongly if they have that early intervention.

Again, if we had another few million dollars and weren't dealing with the stresses we have right now, I still would want to take a look to say: what's the best investment you can make at the provincial level? What's the best investment we can make? Quite frankly, we're working very closely with Children's Services and Health on that issue relative to the early development mapping program to find out what resources are available in the community because there is good research to suggest that.

If you read a book – and this isn't the research – called *Disrupting Class*, there's a chapter in there that's really quite interesting. It talks about the fact that perhaps we're wasting money investing in kindergarten and junior kindergarten, that we would have more bang for the buck if we invested it in early childhood. A child who's talked to not in gibberish but just regular talking between age zero and 18 months develops synapses which improve their communication ability. There's research to show that there are a lot of things you could do in the early childhood area with students, so we need to do more work on how we assist parents to understand that they make a huge difference. You know, fetal alcohol spectrum disorder is another area. If we're talking about how we make sure that every child can get a good start, it might be too late to wait for junior kindergarten.

Mr. Hehr: Too late. I hear you.

If we're looking at, specifically, the cuts to AISI grants – we're just talking here – how was the 50 per cent figure arrived at? Why was that number chosen? Did you guys need a certain amount of money to balance the books, and that was just the easiest place to take it from?

Mr. Hancock: With your indulgence, I would like to take a moment before I answer that to just indicate that we've been joined in the gallery by Kathy Telfer, who's the head of our communications department in Education, by Monica Futerski, who's with budget and fiscal analysis, and by Leona Badke with strategic services. I don't think they were here when I made the comments about the great work that is done by the staff in Education, how professional they are. I just wanted to say that while they could hear it and acknowledge their presence. I thank them for the work that they do and that the staff that work with them do.

On your question – I'm sorry – would you just remind me? It was about AISI.

Mr. Hehr: On AISI funding, is that going to be returned? Is that program going to be eliminated eventually?

Mr. Hancock: Not if I can help it. That is a very good program, and we've just had it reviewed internationally. We know that other jurisdictions are looking at Alberta. Alberta is unique. In fact, a school principal was just telling me about a conference they were at in New Orleans, and the speakers there were talking not about Finland but about Alberta and specifically about the AISI program we have here. As applied research on an overall basis it's an excellent program, and it does fantastic work. It was very, very painful to have to deal with cutting that budget.

That being said, what we did was we kept it whole until September 1 and cut it by 50 per cent after that, and yes, that's a balancing number. We also can use this as an opportunity to look at AISI to say: where are we doing it most effectively, what goes into that, and where is it not being so effective? I can tell you that I had people call me – teachers and other people, colleagues – and say: if you need to save money in the Education budget, why don't you cut AISI? The reason they're saying that, obviously, is because in their particular part of the world they're not being included in the planning process. They don't see the value of the project.

Now, across the province I think you'd find that virtually every school board and teachers are saying that this is a very valuable project and that it's one of the best things that we've done. We can take a look at it, figure out where the corners are that aren't working so well, make sure we're using the resources as well as we can, but we've got to certainly invest even more in research and applied research in this province to know that we're leading edge for our students.

Mr. Hehr: Mr. Chair, can I ask how much time is left?

The Chair: You have about nine minutes.

Before you continue, it's my mistake that I didn't ask the minister to stand up to speak to his Committee of Supply estimates. The camera cannot see you well.

Hon. member, continue.

Mr. Hehr: Okay. Well, thank you very much.

I'll try and tie this into the budget here. Where are we going on charter schools? You know, when they were originally brought in, they were brought in for a mandate of five years, and some charters now have been going for 12 years. Some people are reasonably happy with their work. Some other people are suggesting that they may be redundant and that this stuff can be done in the public school system, all those things. I was of the understanding that this was going to be dealt with in the new education act. Does your new education act deal with it? Are there any things like that that you can touch on from this budget that I can tie into a discussion on charter schools?

Mr. Hancock: Mr. Chairman, thank you for letting me know that I don't look as good sitting down as I do standing up, so I will stand up for everyone to have that presence.

Charter schools have been in the province now for – what? – about 12 years, 15 years. In any event, they came in originally so that there could be both choice and innovation in the education system, innovation, obviously, in the perspective of the innovator. Some people said, "Well, that's not innovation; that's regression," whatever. It doesn't matter. Parents and educators said, "We believe in this methodology of education or this style of education or that having all girls together will improve education," and the province said: "Yes. We want to give them an opportunity to try that." They first have to go to the school board, and if the school board won't do that kind of a program, then they can apply to be a charter school.

4:00

That has been successful. We have 13, I think, charter schools across the province. Most of them have had some degree of success from the perspective that the parents and the children that are going seem to like them and seem to think that they're doing a good job. The results would suggest that they're fine.

Some have said: well, now that the public school boards have embraced those programs, the charter schools should be closed. Well, no. We're not going to do that. We're going to continue those charter schools because they will continue to ensure that there's choice in education. When we bring the new education act forward, perhaps even before that, we will work on how we can move from a five-year renewable charter to a permanent charter, but based on a way that we can ensure that they continue to fulfill their mandate. A charter school by definition is something different than the local public school, so that difference has to be maintained or else they shouldn't maintain their charter. Subject to that, permanence is in order. That helps them plan longer term, helps them look at their facilities, and those sorts of things.

We're moving in that direction. We're facilitating that piece. As part of that discussion we will have to then talk about the caps, you know, what size of enrolment? Do you allow a charter school to grow to an unlimited level? There are some challenges with that. Some charter schools are getting to be just as large as some school boards. Then what's the governance structure that makes sure that there's public accountability given that they're not elected boards?

How do we make sure that they fulfill – one of the mandates that was always there for charter schools but that has never really been followed up on, and not at the fault of the charter schools but at the fault of the system, is to say that if you're doing a particular style of pedagogy or you're operating in a particular way because you believe that that works well for a certain type of student, we want to learn from that. How do we do the innovation piece? How do we do the applied research piece around that? How do we test it to say: can we learn something for the broader education system? That, after all, is what charter schools are supposed to do, to challenge the system to be better.

Mr. Hehr: Given that these charter schools are drawing students from all over the city, are there differences in transportation budgets allotted to those institutions or anything of that nature?

Mr. Hancock: We set up a per-student rate for them to fund their transportation. I will look, and I'll get back to you in terms of how that's calculated.

Normally in the public system for schools we fund transportation to your neighbourhood school. If you go past your neighbourhood school to a school of choice, that's not funded. With respect to how the transportation funding for charter schools is, I'll get back to you.

Mr. Hehr: It's probably similar to that, but if you find it, that would be great, too.

I'm going to get back on the list so that I can ask you some questions after my colleagues here, but I'd like to thank the minister of the department for a fairly candid discussion. In my view if there's an opportunity, if money comes into the Treasury Board, if Alberta's prospects for the future look a little bit better, if we find \$107 million on a \$45 billion budget to go into education to fund some of these initiatives, I would say that that would be money well spent. I think that given the economic times we're about to head into, the growth in our student base and the needs of our system would suggest that I'm right on that.

I'll leave it there. I'll get back on the list, and I'll listen intently to some of my colleagues asking questions. Thank you very much, Mr. Chair.

The Chair: Thank you.

The next 20 minutes is for the third party. Hon. Member for Airdrie-Chestermere, you have 20 minutes, 10 minutes and 10 minutes which you can combine with the minister.

Mr. Anderson: Back and forth.

The Chair: Back-and-forth dialogue with the minister. The hon. Member for Airdrie-Chestermere.

Mr. Anderson: Thank you, Mr. Chair, and thank you to the Minister of Education for being here today. I really enjoy our discussions in these types of forums. I don't want to be guilty of heaping too much praise, of course, but he really is doing a very good job in education. There are several things that I think need to be fixed or changed or adapted and so forth, but I do believe that this minister is moving in the right direction on several different fronts. I do appreciate his efforts in this regard.

One of the first things – and you'll never guess what the first thing is that I'm going to talk about – is schools for high-growth areas, and of course one of those high-growth areas is my home constituency of Airdrie-Chestermere. There are also, I know, several other high-growth areas. I know Beaumont is having an issue as well with a lack of schools for their growing community. I just want to kind of get an update, frankly, from the minister on where we're at with that process. It really is starting to get quite serious for the communities involved, specifically in Airdrie. I know that you're well aware of the situation, Minister, but if you could give me an update on where we're at with schools in those areas, that would be very appreciated.

Mr. Hancock: Sure. Mr. Chairman, I think the Premier has made it very clear that we understand the need in the Airdrie area. There are other parts of the province that also have need. As I indicated earlier on today, I think perhaps in my opening remarks, we're working on a 10-year capital plan, but we also know that there's an urgency to get started on that and that we need to do something within the next couple of months.

Once we get through budget, I'll be talking with the President of the Treasury Board and the Minister of Infrastructure. In fact, we have been talking about how we might finance the necessary capital build to satisfy not only the dire need in Airdrie – I mean, we've got a francophone school in Airdrie that's a starter school, and it's got growth issues. Rocky View, of course, has some significant pressures. The recently opened Catholic school, I think, has dealt with some of the pressures for the separate school board in that area. In Airdrie and Chestermere there's certainly high growth, also in Beaumont, also in Grande Prairie, also in Medicine Hat, and to no one's surprise, in Fort McMurray. It's not as simple as saying that, you know, we need to build three or four schools in Airdrie right now; it's a question of how we can do this in those growth areas in the province where there aren't places for students to sit.

Having said that, I think that we should also challenge ourselves to say: are we using our infrastructure to its capacity? We should be looking at areas where we can actually change our school days to a longer day, not that every child should go for a longer day. When a school essentially shuts down at 3 o'clock in the afternoon and you've got two hours till 5 o'clock that you could actually use – it's fairly expense capital – we should be looking at that. We should be looking at year-round schooling because our kids are already voting with their feet and signing up for summer school. The old idea that kids needed a summer break because they were needed on the farm doesn't really fit in most of our growth areas. There are other things that we should look at.

The short answer is that good news will be coming soon, I think, to parents in Airdrie and other growth areas across the province.

Mr. Anderson: Thank you very much, Mr. Minister, for that.

Now, obviously, we've grown very quickly in these highgrowth areas and across the province, and schools are obviously desperately needed when we have high-growth areas. I think one of the things that has caused the problem we currently have is that I do not feel that there is yet in place an objective capital formula with regard to schools. I understand that, you know, each individual school board sets its priorities, says that these are our number one through 10 priorities, or whatever it is. I understand that they're the ones that set the priorities within their school board. Then the provincial government says that you will get funding for your top three priorities and then this school board's top four or this school board's top one, et cetera.

4:10

It seems to me that in the past, if you just look at some of the numbers with how the last tranche of schools was handed out, particularly in Edmonton and Calgary, not that they didn't need schools, it just seemed to me that it was very arbitrary. It was 10 for Edmonton. It was 10 for Calgary. It was seven for Edmonton public, seven for Calgary public, three or four for Calgary Catholic, three or four for Edmonton Catholic. That seems arbitrary to me. If you look at the numbers, you know, the Edmonton public system was going down, Edmonton Catholic was going up, Calgary public was going up, Calgary Catholic was going down. There are all these different factors involved, and it just didn't make sense that it would just be so equal. It seemed brazenly political.

Is there a formula in place that is being used by you at the Department of Education now going forward here so that when we put money aside for five schools or 10 schools, we're making sure that those are the absolute priority 10 schools for the whole province for the coming period of time?

Mr. Hancock: I guess my first answer is that formulas are fraught with danger. You can't actually replace good judgment with a formula. What we do is we have a very strong, good capacity in our capital side. They're going into areas, for example Medicine Hat or Red Deer, doing value review discussions so that the question is: what capital do we have on the ground in that area? How is it best used? What are the needs? How do we do the sector utilization, if you will? They do an analysis of it. We do get the capital plans from school boards, but you don't just take that capital plan and say: "Okay. Well, everybody gets their top choice." You have to actually look at where the growth pieces are.

We have a very dynamic and much-improved forecasting tool that forecasts where the population growth is, not quite as specific as to get down into the quadrants of a city. But in terms of growth, as I've said, we've had the regional discussions, and we build that plan. In the traditional capital process in government we take our plan, decide what the top priorities are having done that analysis, and then send that off to a deputy minister's capital committee, which looks at them in the context of all the other capital and does a points analysis based on health and safety, available space, condition of facilities, those sorts of things, assigns a points system and comes up with what's the highest priority capital need in the province. Then you start allocating the money to it. So it's not a political process at all.

Now, overlaid on that was the recognition that we were behind in school capital funding, and we needed to do a big tranche. A previous minister was able to go ahead with the Alberta schools alternative process with ASAP 1, which was nine schools in Calgary and nine schools in Edmonton. That skewed the formula a little bit because in designing that – it hadn't been done before – the thinking of the time was that there needed to be relative proximity of the buildings in order to build and test the case.

All of those schools were needed. All of those schools were high on the capital list. In fact, I can tell you that in my constituency because I have the highest growth area in Edmonton we've opened two Catholic and two public schools in that ASAP 1 program, and all of them are crying for modulars now. So it's not that any of those schools were not needed, but it did take them out of the overall formula because they were all in Edmonton and Calgary in ASAP 1. It was top priority, it was urban growth areas, it was need, but it was skewed because of the desire to design an ASAP program to see if that would work to give us better value for the build.

Having done that, the second ASAP project for 14 schools – 10 under grade 9 and four high schools – went beyond those urban boundaries into the other areas. In fact, in your area I think there was one school in Langdon, and that was their top priority. The determination was that you could get out of that circle and do some of that. We took the high schools out of the ASAP bundle and did a design build on them because they were more complex builds.

So we were learning through those processes. I think as we go forward, if we were able to, say, put together a package of 25 or 30 or 35 schools and say: "Can you do that with one build? Can you do that with four or five builds?" That's what we're exploring now. What's the optimum way of doing that, recognizing that it can't be just an Edmonton and Calgary thing, that it's got to be right across the province? And it can't be just a new build. There are also major modernizations that are needed on some of our existing capital that has a need and a long-term life and needs to be refurbished. We're working very hard on that, our 10-year plan. We've put a lot of time and effort into it, but there's no political choice in it at all.

Mr. Anderson: Well, I'm glad to hear that's your view, and I'll take it at face value with regard to yourself and as you've been Education minister that you're not being political about it. I haven't seen anything to suggest the contrary, frankly, but I do still think that previously there were some decisions made that seemed pretty highly political, you know.

I'm glad to hear, too, that there is some sort of points analysis there, that you have some sort of formula base, because judgment is important, but if you don't have those kind of cold, hard facts, those cold, hard statistics, I don't know how you could possibly come up with the best decisions with regard to where the schools are most needed. I obviously encourage your ministry to continue to keep the politics out of it in that regard.

Mr. Chair, how much time do I have left?

The Chair: You have nine minutes.

Mr. Anderson: Nine minutes. I want to move on quickly to assessing students. We talked a little bit about that, but specifically regarding parental achievement testing. Sorry. Provincial, not parental. I'm pretty sure we could maybe use some parental

achievement testing as well, for sure in my case. I might have to go back for some more schooling.

The provincial achievement testing that we do in grades 3, 6, and 9 as well as the diploma exams. I've always felt that I'm not in favour of the provincial achievement tests, and I'll tell you why. It's not because I don't like objective criteria. It's not because I don't like parents to have some ability to see how their schools are doing. The reason I have a problem with it is just because it really does not, in my view, evaluate whether a child is really learning the material. I just know that point of fact from my own experience, that some of us are very good at regurgitating information really quickly on a multiple-choice test, and others, who know the material better than, say - I was quite good at the multiple-choice tests. I was very good at them, but I had friends that, frankly, understood some of the material far better than I did, and they did a lot poorer than me on their testing because they didn't do that type of testing very well. They just didn't respond to that type of pressure and so forth. So I don't see how it really helps evaluate our kids

You talked about Disrupting Class earlier, a great book. One of the things that it talks about is competency-based learning. I really think that I would like to see some pilot projects, and the Wildrose would like to see some pilot projects, and I know parents would definitely like to see that, where we switch to more of a modular or a competency-based learning process, where children, rather than being, you know, in the same exact grade level with regard to their age, are essentially put into a grade with, say, three or four different levels in it. Then within that level they work competency by competency. So they work through their addition up to a hundred or something like that, and then once they've mastered that, they move on to the next core competency in math and the next. Then students who are really excelling in certain areas are going to be given the ability to do that and excel and maybe even get college credit eventually down the road. Then those that need extra help: we can identify them immediately and give them that extra support that they need to get them back to where they should be for their age.

Is there anything in your department? Are you looking at any of that, a potential pilot project? I know that as I talk with teachers, they are very interested in the idea, too, but it obviously would be quite an undertaking. Is your department looking at that at all?

Mr. Hancock: Well, the whole area of assessment is very interesting, and there are, really, a number of different levels we have to look at. One of the levels that you're looking at, of course, is assessment for learning. How do we use assessment as a tool to help students understand where they are and where they can be and all those sort of pieces? That should be happening on a daily basis in our classrooms across the province, our schools across the province. That is the purview of the teacher by and large.

The assessment as learning, where students learn how to assess themselves and learn from that, is perhaps a newer concept but is something that good teachers have done as well over time so that you constantly are able to evaluate your own learning potential.

4:20

There also needs to be assessment of learning. We need to know whether the system as a whole is working and whether our boards as a whole are meeting certain standards. That's where the provincial achievement tests come in. They're not really about the individual achievement of the student although they can be used in that way. They're not, certainly, about testing the efficacy of a teacher or of a school. The Fraser Institute's report is actually a bastardized use of those results. But if you take the longitudinal analysis of provincial achievement tests for a school, for example, there's a lot of learning that can be done. If you look at one school, as I have, and it shows that consistently year over year on a particular portion of the provincial achievement test there's a low result, well, that says something about what's not being done or is being done. So a school and teachers can learn from that in terms of their teaching methodology and what they do with their particular students.

We also know that the grade 3 PATs are entirely predictive. They're valid, reliable exams. They're not just a regurgitation of memorization. They're well-designed, well-crafted exams which test at a multitude of levels, and we know that they're valid and reliable. If you take a look at the analysis, students who do poorly on the grade 3 PATs are the students who drop out of high school. It tells us two things: one, that they're reliable tests; and two, that we're not making as good a use of the information as we could because we should be intervening and making a change to that particular portion.

Yes, we should be encouraging better assessment practices. If you go to the diploma exam, for example, which is essentially an exit test – it's a standards test, and it is, again, valid and reliable – you could replace it with standards of assessment equitably applied across the province if you were comfortable that you had that kind of capacity in the system. But, again, the data show that we don't. The data show that there's a wide variety of assessment practices across the system. So there's a lot of work to be done.

To be frank, we should not be engaged heavily in that work right now – what we've got is actually pretty good in terms of the information and data it gives us – until we've redesigned our curriculum through our Action on Curriculum program because we're looking at 21st century skills, and that's a whole new question of how you assess efficacy in 21st century skills. Numeracy and literacy will always be important, and we should always be looking to say: are we achieving both as a system and for the individual student in numeracy and literacy skills? But as we move forward with new curriculum, we're going to have to look at how you test 21st century skills. That will be a whole new discussion on assessment, and that's when we really should invest the time and effort in doing it.

Mr. Anderson: Okay. Well, I guess I would argue, though – and I'll use the grade 3 example – that it's a good predictor. I don't know. You know, correlation is not causation, right? It seems to me that we're not measuring the improvement of the students; we're measuring where they are at one point in time. What we should be doing – and if you had competency-based unit-by-unit learning, you'd be able to assess where the student is at the start of the year and where they ended up, and that is far better.

I mean, if you have some heroic teacher that starts with a kid who's just, you know, a grade level, essentially, behind, and he gets him caught up or almost caught up, that's the teacher we should be celebrating as opposed to some teacher that gets somebody who is way ahead, and they start way ahead, and they end ahead by the same amount, or maybe they even slow down a little bit. It just seems to me that if we're going to adequately assess both where a child is and, of course, how effective their teachers; or the learning environment is - it's not always the teachers; it's often the learning environment - it should be done in a way that measures where they are at the beginning and where they are at the end.

I don't think that just because a grade 3 student – if a specific school is always performing well on these PATs in grade 3, that could be for many reasons. It could be the education of the parents. It could be where they live. Do they all have full stomachs

when they're learning? I mean, there are all these different factors, and I just don't think there's a proper evaluation process because you're not evaluating where people start and then where people end. You're not evaluating whether they really, really comprehend the material fully, especially when you get outside of things like math. Math is one of those things that's easy to do on a multiplechoice exam. You know, there are four answers, and they're all right or wrong whereas things like English, science, et cetera, are things where sometimes multiple-choice exams are not very effective in addressing or seeing whether a student understands the material or not.

Again, is there any way you could look at a pilot project as you're going forward with the curriculum changes? I know they do this at several schools in Calgary. I know Eastside academy does this, where they have this modular learning. I know they have the Rocketship schools in the States. There are several in Texas that do it. Anyway, some ideas to think about.

The Chair: Hon. member, sorry. I have to interrupt you because your time, 20 minutes, with the hon. minister is completed.

The next 20 minutes will be for the fourth party. The hon. Member for Edmonton-Strathcona.

Ms Notley: Thank you. It's a pleasure to be able to participate.

The Chair: So it's 20 minutes, a dialogue?

Ms Notley: We'll go back and forth, I think, assuming that we're able to do that with some brevity as we go back and forth.

There has been a lot of good conversation already, and there are a lot of issues to discuss. I'm going to perhaps start by focusing on something that I haven't heard a lot of discussion about yet and then maybe broaden the conversation a bit if I get the opportunity.

I wanted to ask a couple of questions just as a beginning about the performance measures the minister mentioned at the very beginning. You know, you referred us to the business plan and the performance measures that are in there, so I took a quick look at it. I think they were described as having been streamlined, but I suppose my more immediate sense of those performance measures was that they were remarkably ineffective and not terribly well connected to the priorities that were identified in the actual priorities of the ministry.

We have the priorities themselves referring to things like implementing, you know, some fairly weighty initiatives that the minister and the ministry have embarked upon in terms of developing the education act and implementing setting the direction and enriching teacher competency and implementing the school leadership framework and, I guess, more improving the educational infrastructure, a number of fairly significant goals. But then after that what we're looking at are these very vague performance measures about, well, that parents feel listened to and students, parents, and teachers think that their input is valued and they think that their education leadership effectively supports learning. I think you know where I'm going with this.

I did actually look at the document that the minister referenced when he talked about the business plan, the action something or other that you mentioned. I can't remember the name, but I did look it up on the web. Although that provided more information, it certainly didn't include any sort of detailed performance measures. So I'm wondering if the minister is a little concerned, perhaps, about this issue of maybe trying to find a better way to measure the actual success of his ministry in relation to the these specific priorities that you're asking us to approve a budget for in order for you to implement. So I'd like you maybe to talk about that generally. Then because I'm going to focus in really quickly on special needs, I note that one of your identified priorities was implementing setting the direction, but there was just nothing in the performance measures that connected to that particular priority at all. I'm wondering if maybe you could provide a bit of a comment on that as well.

Mr. Hancock: Performance measures are always problematic, Mr. Chairman. What we need to be clear on is that what we want to have in our performance measures are measures of outcome, whether we've succeeded, whereas the strategies that are outlined are how we're going to get there or what we're going to do. I for one don't want to have performance measures which just count activity. I want performance measures which measure a result. Sometimes that's difficult to get to, and I've been a champion of trying to find ways of doing performance measures that do both quantitative as well as qualitative analysis, which is also a difficult thing to get to. I think it's very important that we do that.

Now, in doing that, we always have to of course be consistent with past practice because the Auditor General and others want to see a longitudinal analysis process, so that sometimes results in counting what we've always counted instead of looking at what's important.

4:30

I'm always open to ideas and suggestions about how we can better measure performance. I think that's something that we need to do, but I don't want to fall into the trap of counting the things that are easy to count. What we're looking at in goal 2, which are the ones that you were referencing: those are really satisfaction measures. Yes, that's a soft measure. You're basically saying: how well have we achieved our goal of including parents and students in the education process and making them feel valued? That's important because one of the outcomes of success pieces, which I borrowed from Finland, is that I would be happy as a measure of success if students said: I'm doing well in school, and I'm very happy to be there. Those are the two important measures because we know that a student will be more successful if they are engaged when they go, and they're going to be engaged if they're happy, if they're in a safe, caring, and respectful environment, those sorts of pieces.

I'm always interested in looking at better ways to measure, so any suggestions you might have in that area I'd be happy to engage in a discussion on. I would say that while the business plan has slimmed down, the broader selection of performance measures is still available, I believe, on our website. We're always interested in putting out that information and being tested against it ourselves. There's no shortage of information, I don't think, but if there are other things that people want reports on, we're happy to look at that as long as it is a value-add, as long as the cost of getting the information is outweighed by the value of the information. I think that in the general sense I would stop there on that.

What I want to say in answer to the previous question, because it's part and parcel of what you're talking about to a certain extent, is that there are different methods of assessment in the school. While we use in our performance measures the PAT results, that's because PATs are really intended more to measure the system than the individual student. That progress of student learning, which the Member for Airdrie-Chestermere was asking about, is really a classroom assessment, a very important piece but a classroom assessment piece. It's very difficult to do a system-wide assessment that measures a student's progress from where they are to where they can be or where they can get to. That is very important, and it's necessary for the classroom, but I would jump from that to say that that's why you cannot use the PAT results to measure a school or rank schools or measure the effectiveness of a teacher because it doesn't measure that.

Ms Notley: No. I definitely agree. I think we've had conversations in the past that the PAT is not terribly helpful. Of course, we have an outstanding motion, I believe, in this House where the majority of this House recommended that the grade 3 PAT be eliminated. We haven't gotten there yet. Notwithstanding the socalled predictive value of it with respect to the individual child, since we've just talked about how it's not really about the individual child, it seems to be a little bit conflicting.

I wanted to ask in terms of performance measures and, in particular, about setting the direction. I did flip through your annual report and through some of the stuff on the website, and I do understand that you have other ways of measuring performance, but one of the things I was quite concerned about – we've talked in the past about dropout rates, high school completion rates. We know that, generally speaking, that's an issue and that the ministry has dedicated some resources to try and bring up those numbers. That's great, but I was quite concerned to see, of course, that those numbers exclude students who are coded with severe disabilities. They're not part of those numbers.

Then I flipped through to see: well, what are we doing? What is your annual report saying about children with severe disabilities? I see that there's been a recent introduction of some form of completion certificate that has been given to a few students, but I have to tell you that I don't see that as a performance measure. I see that as something that you may be able to give to a few students, but quite frankly I think the expectation should be that many children with severe disabilities should still be graduating from the typical program.

The issue around accommodating special needs is to get them to the same outcomes that everyone else is getting to and to do that successfully. It's not about coming up, moving the goalposts for them, or, you know, taking them out of the game altogether and not including their stats when we look at how the game and the teams are doing. I am concerned, then, that you don't have completion rates for children with severe disabilities or moderate to mild disabilities in there as a performance measure, and I wonder if you can speak to that.

The other thing that I will just get to, then, is that you mentioned the reprofiling for moderately and mildly disabled children, but of course with the severely disabled children, while we're waiting around for setting the directions, where we don't really have any clear performance measures for getting anywhere with that, we do not have their increased numbers recognized, nor do we have the amount of money per child having changed since 2008 for those kids with severe disabilities.

So we have the scenario, say, for instance, where in Edmonton we've had the number of children with severe disabilities increase roughly 10 per cent, but there's been no funding provided to accommodate that, and at the same time the amount per child has not gone up either to keep up with inflation. So in a place like Edmonton we're looking at a real cut to children with severe disabilities over the last three years of roughly 20 per cent. That's just going to grow every year that we have everything on hold while we're waiting for this amorphous setting the direction process to work its way through. I'll get into my concerns about setting the direction, generally, in the future.

I'm wondering if you could talk about the performance measures for successfully assisting children with severe disabilities effectively through the system, where they graduate with the same kind of capacity as typical kids, and then also whether you can talk about how much longer we can expect to see this freeze in place for these kids while we're dealing with this amorphous and moving deadline around setting the direction.

Mr. Hancock: Well, thank you. Mr. Chairman, some very important discussion points in all of that. There are a lot of things to be responded to. First of all, we have increased our budget in that area by \$12 million, and the working group will work on how we allocate that to both implement the process but also to recognize those areas where there's a special need. We've always said to school boards that if they have a growth in their severely disabled student population, they can apply for an adjustment in their grants. We had one last year that applied for that adjustment. Now, of course, the problem with that is that they would have to show that this is an increase over what they were appropriately funded for. That was what got the whole process started. The audit that was done showed that we were funding more students than actually fit the policy profile, which obviously didn't work. That's not to say that there aren't students with special needs. That's why we got into this whole redesign process.

Setting the direction. One of the outstanding issues that they're working on is exactly the accountability framework. How do you do an appropriate assessment and performance measure relative to that? Of course, by the very definition of severe special needs, if it's a physical disability, you can expect that a child might be able to complete a normal program and graduate normally, at normal standards. If it's some other capacity issue, you're not going to achieve that in some circumstances. All students are included in the statistics. We just don't do a subset to pull out and specifically identify special needs because how would you categorize them? Would you categorize them just as severe special needs, or do you start making differences for varieties of special needs? That's one of the realities.

We need to personalize the education program to each child to make sure that every child can maximize their potential. Absolutely. But what we should recognize is that not every child is going to jump over the same bar. It doesn't matter where they are, whether they have special needs or not. It's moving from where they are to where they can be.

There's no question that we need to have some way of having performance measures which suggest what success rates we're having, how we're performing, and what we're doing. That is part of the work in progress.

Ms Notley: Do you see that coming this year?

Mr. Hancock: I see the new funding formula coming this year. I see our wraparound services piece. How do we equitably make sure that there's access to the support resources that are needed? Coming this year we have programs being developed now and some being piloted with respect to learning coaches to build capacity in the systems. We've built some support resources. A lot of this is coming together. I see this year as the year where we actually hit the ground in a more comprehensive way. Whether we'll have the performance measure this year? That one might be another year or so in the making.

Ms Notley: Well, now, those are interesting comments. I mean, I understand, of course, the perspective of the ministry that there were severe special-needs kids who were receiving funding who weren't entitled. But as we discussed way back when that happened, my view is that it wasn't that those kids weren't entitled; it was that the resources that were required in order for the staff in your school system to do the paperwork weren't being adequately provided.

4:40

You weren't not seeing kids; you just weren't seeing enough resources to have those forms filled out. The fact of the matter is that those kids are there – they were there; they still are there – but the resources in the system are simply not adequate to ensure adequate levels if IPPs and all the various forms that have to be on the file in order to meet your standards to say that that child is special needs. I'm all fine with those standards. That's great. That actually results in perhaps more professionalism, more accountability, more research-based mechanisms for supporting those kids with special needs, but the fact of the matter is that we came up with these grand ideas of what we wanted the school system to provide to the ministry to justify the funding, but we never gave them enough training or support to do it.

I can tell you that I have personally observed as an MLA and through various relationships enough scenarios where it's just not possible for that stuff to be done in the classroom by the people that you were expecting to do it. That's why that problem arose, not because those kids weren't there. Just to be very clear, those kids are there, and most of them are not getting the support they need right now. It's just that you never had the resources for that information to be provided.

The other thing that I'm saying – you're talking about including them in this test, but the problem is whether you need to change the bar, as you say, for some kids with special needs or not. Right now what's happening is that severe kids are not part of your stats. They're not part of your stats in terms of your dropout rate. They're not part of your stats in terms of your completion rate. The fact of the matter is that whether a child with, say, not a physical disability but a mental or emotional disability may well need 14 years and extra support, it doesn't mean that that child will not necessarily graduate with, you know, an 85 per cent and a complete ability to transition to university. It just means that they need to do it in a different way. But you're never going to get at that if you don't start measuring it. I suggest that you can't go any further until you start doing that.

You talked about the \$12 million. My understanding is that the \$12 million is not designed to go to any of the actual front-line provision of supports to special-needs kids but that, rather, it's the beginning money to try and transition the setting the directions process. You mentioned in your opening comments that the sort of particulars around how that \$12 million would be spent are just still being rolled out, that we don't have the details around that. So I'm thinking, obviously, because here we are talking about the budget, that we need to have more information about exactly what you think your plans will be with respect to how that \$12 million would be spent.

You talked about capacity building, for example. Now, I think that's a fundamental feature of setting the direction. I think that's where the program is probably going to fail again. I looked at what you're talking about thus far for capacity building. I read the stuff about the learning coaches and the new learning tools and stuff. All that stuff gets you about 20 per cent of the way, and it still leaves you with this big vacuum in terms of the inability of most professionals within the system right now to bring the level of expertise required in order to provide the support that is needed. The minister is shaking his head. You just haven't been in the classrooms that I've been in. Trust me. I have seen it, and I have seen the inability, the genuine attempts but the professional lack of knowledge to address these issues.

So my concern is: how is that \$12 million going to be spent? How are you going to deal with the fact that most teachers right now get about one class on special needs. They don't get any classes on how to differentiate and how to structure a different learning curriculum or lesson plan or regime for particular special needs at this point, and you don't have that capacity in there right now. I'm wondering if you can answer that.

I can tell that I'm going to run out of time, so I'll ask one more question. A constituent of mine brought me a document that had been prepared by the regional psychologist and a speech path, I think, about the learning plan for their child, and they'd made a number of recommendations. They said that it was quite amusing because it was not possible to actually meet many of those recommendations because the resources weren't available. But I found it very interesting because – and she showed it to me – one of them said that for this child to succeed in inclusion, which they could, the class size needed to be smaller, and that child is going into grade 7.

I want to know what you think is the systemic outcome of your deciding that there's no difference in learning outcomes for kids older than grade 3 based on class size when, in fact, there clearly is a difference in learning outcome for special-needs kids who are included. Class size does matter to them. Are you not on the verge of making sort of a systemically inadvertent, adversely impacting discriminatory statement there by saying that there is no impact? Did you test what the impact was on special-needs kids who were being included? The professionals in the system say that it does matter.

The Chair: That 20 minutes has terminated.

The next 20 minutes is for the hon. Member for Calgary-Currie. Do you want to combine the 20 minutes?

Mr. Taylor: Thank you very much, Mr. Chair. We'll combine the 20 minutes, and I'm actually going to give the minister an opportunity to get a word in edgewise.

The Chair: Okay. Let's combine the 20 minutes, then.

Mr. Taylor: Do you prefer to do the 10 and 10?

Mr. Hancock: That's fine. Back and forth is great, just as long as you stop every now and then.

Mr. Taylor: Yeah. I will.

I'm going to pick up with goal 1, success for every student, and I'm going to look at goal 2, transformed education through collaboration. Goal 2.1 is to develop the education act, regulations and policies. I'm going to start out by asking the minister: is there a timeline for the release of the education act? Are we going to see it this session? Does this budget reflect the priorities of the education act? Will the education act shift any budget priorities? I'll start there. Brief answers, please, because I'd like to cover a lot of ground with you if we could.

Mr. Hancock: I'm anticipating that the education act will be introduced in the House before the end of April, that it will be introduced as a continuing part of our generative dialogue – in other words, introduced for discussion – and that we won't be passing it this session. The budget reflects the collaborative approach that we've engaged in with school boards and the approach that we've had with Inspiring Education, so the budget reflects, in my view, the approaches that we're taking in the education act.

Mr. Taylor: Thank you very much for that.

Action on Inclusion. Now, I'm trying to get a handle on how much of a reality that is. We've been told that, you know, the first changes will begin to be put in place this September in a limited number of school communities and will focus on helping people and particularly educators understand what they can do to support student success in inclusive environments. This is often referred to as building capacity. We're told that these changes will be well communicated and will ensure that we have time to learn from these first communities before we move to a province-wide implementation.

I've also been told by others, by constituents, by other sources, that some school boards are implementing this this September on a system-wide basis. I'm given to understand that whether this is part of the new design with Action on Inclusion or whether it's a result of the tight budget this year, it's going to result in a number of cases where three or four different educational specialists may be rolled into one, and the end result will be fewer of those specialists in each school. I'd like the minister's comments on that, please.

Mr. Hancock: Well, first of all, Action on Inclusion is not a onesize-fits-all piece. It's an approach to life. Every child is valued. Every child should be included. Every child should have the opportunity to maximize their potential. When you start with that, some school boards and some schools have been doing an excellent job already on inclusion; others not so much.

Then you build some realities around that. There has to be capacity. We have an agreement with the deans of education, for example, with respect to working on what skills every teacher needs to have when they graduate from university. One of the areas that we need to do more work on is not making every teacher an expert on every aspect of every disability, but every teacher needs to have a fundamental understanding of inclusive education and how to recognize what they need with respect to a particular student. So there's work to happen there.

4:50

We need, then, the backup resources in terms of how you assist a teacher who's faced with a student with a particular ability or disability and how you provide support so that they have a professional community, a professional network that they can share with, that they have resources that they can draw upon. Some of that is also being piloted on the ground with respect to how you work in a school with respect to a learning coach perhaps or a professional who's focused on how a particular group of students can be included in various classrooms in various ways. So there's a lot of work that's done in terms of support. There's no magic button where you just flip a switch, and now we're moving to Action on Inclusion. Action on Inclusion is a philosophy, a direction that values every student, and then you have to support it with the appropriate resources.

When you talk about trying to roll resources together, we do not have enough speech pathologists and psychologists and other people to assist, so it's not about eliminating some of them or combining some of them. What it's really about is taking the fact that we have various pots of money or sources of money, whether it's ESHIP or some other place, and saying that we really need to focus all of this on a regional level to be able to maximize the availability and the utilization of the resources we have and then increase those resources, try and get more of the types of people that we need to have to support students and their teachers in their learning environments. So we're building a longer term approach.

Now, you say that some school boards have moved to inclusion. I hope that all school boards have engaged in an inclusive education process which says that every student that's entrusted to their care is treated fairly and reasonably in a reasonable learning environment. It's not about placement because you need the teachers and the schools and the learning professionals and the health professionals working with the parents to determine what kind of programming is appropriate for a particular student. The fact that they all need to be included and need to have an opportunity to maximize their potential is the overarching piece to it.

Mr. Taylor: Okay. So, you know, if I'm the parent of a learning challenged, disabled kid, whatever the level or scope or type of disability is – put that in plain English for me – what does this mean to my kid? What does this mean to my kid starting this September?

Mr. Hancock: Well, you should show up at the school that you want your child to go to. You should be looking at the various options in terms of your understanding of your child's needs. Speak with the principal and the administration and the teachers at the school and say: how do my child's needs fit into what you're doing, and how are you going to be able to adapt what you're doing to support my child's needs? You need to be talking to them about what the educational programming for your child is and what supports they need to have and how we can amass those supports.

I can take you into schools – and the hon. Member for Edmonton-Strathcona was just depressing me something fierce; you live in a very depressing world. I've been in some really great schools with really great leadership and really great teachers who are actually doing this on a day-to-day basis, and they're doing it with exactly the same resources that every other school gets, so it can be done. It can be done well if you have the right approach and attitude to it.

If I was a parent of a special-needs student, I'd be looking to say: where is my child going to do their best? And if I want my child to go to my local school, depending on what their ability is and what their needs are, I'm going to be looking to say: how are you going to make sure that my child can be included in this school environment and make it possible for them to participate in physical education or in French or in social studies or in those programs? How are we going to do it together?

Mr. Taylor: Okay. You just said that there are some phenomenal schools in this province in terms of getting it around Action on Inclusion and implementing it and putting it into practice on the ground, and then you've told me as the hypothetical parent of a disabled kid that I need to go talk to my local school, my neighbourhood school, my community school and ask the principal, ask the teachers: how are you going to accommodate my kid starting this September? I think that it's a fair assumption, based on what the Member for Edmonton-Strathcona said, that while there may be some very excellent schools in the system – and I don't argue that for a moment – there are going to be some schools, perhaps the majority of schools, where the answer to my questions as the hypothetical parent are: we don't know yet.

So then what am I supposed to do? Am I supposed to schlep all around the region trying to find a school that does? And then I'm supposed to figure out how to get my kid from home to that school on the other side of town because that's the one that best meets his or her needs? I mean, to my way of thinking, that's a pretty big stretch in terms of meeting the principles and the intentions of Action on Inclusion where every student is successful and every student is included. So I'd like you to comment on that, please.

I'd also like you to comment on whether this notion that we have one inclusive education system where each student is successful, where each student is included, whether that also extends to the 25 students out of the 33 in the classroom who are just ordi-

nary, just average, nothing special, quote, unquote – and don't try and riff off my use of the word special – about them. They're neither gifted nor learning challenged nor physically or developmentally disabled. They're the type of student whose brain is precisely wired for a traditional academic education, so it really wouldn't matter what you did to them in school or did for them in school, they'd be jazzed by it.

That describes my daughter. She loved everything about public education from the moment she hit kindergarten until the moment she graduated grade 12. My son, on the other hand, didn't like a thing about education until he got out of the system and went to university. I mean, every kid is different, and you're trying to meet the needs of every child. Are the so-called ordinary, unexceptional, if I can use that word, children included in that mandate, and how are you going to meet that?

Mr. Hancock: Well, of course, if every child is included, those children are included. One of the things we can expect from teachers as professionals is that they will be able to differentiate their instruction based on the students that come to their classroom. In order to do that successfully, first of all, they have to be passionate about what they're doing. Secondly, they have to have a good preservice education program which equips them with the skills to be able to do that. Thirdly, they have to be inducted into the teaching process appropriately, and we don't always do that well. Fourthly, they have to have access to ongoing professional development, the support of fellow professionals, the support of the system to be able to enable them to continue to remain current, passionate, and capable of dealing with whatever children come before them. But we can expect them to differentiate their instruction because they are entrusted with a number of children, and that will be more or less difficult depending on where they are and what the makeup of their class is.

My son got started teaching in a small community in northern Alberta, which happens to be the one that I graduated from, and he had, I suppose, the good fortune to have what I would call a homogeneous classroom. All of the children in that classroom came from the same background and the same community, you know, had the same sort of cultural basis. However, they didn't all have the same abilities, and you still had to be able to adjust your curriculum and adjust your teaching based on the individual needs of the child.

That's what a professional teacher can be expected to do. What we have to try and do is create a climate where they can do that and be successful in doing that and are supported in doing that with time, with resources, and with supports for those exceptional children, whether they are exceptionally bright or whether they have an exceptional problem or whether we have difficulty finding what it is that gets them excited about coming to school every day. That's the trick, and that's the process that we need to go through. All of that has to be done in an atmosphere where you have to allocate scarce resources.

Mr. Taylor: So how far along towards the ultimate goal in Action on Inclusion would you say we are system-wide today? Not in the great schools that already get it and are already doing it, not in the schools that have been tasked with piloting it, but system-wide are we 10 per cent, 20 per cent, 30 per cent along the road to the goal of Action on Inclusion? Give me some sense of that, and give me some sense, please, of how long, how many years you see it taking until Action on Inclusion is real and practical and on the ground for every student in every school, public and Catholic, charter, private, francophone, designated special education private school, home education program in the province. How many years? **Mr. Hancock:** That would be almost impossible to even speculate on, but I can say this: we are a long way from perfect. I know from my own experience in terms of being an MLA advocating for parents that you can walk into a school and have a discussion, and you can define schools where they're doing an excellent job. You can find other schools where you basically say that if you were that parent that you were talking about before, you know, you probably should drive a few more blocks.

5:00

What we need to try and do as a system is create both the philosophy and the atmosphere that value every student and say that it's our job as a system to make sure that every student has a place where they can be included and where they can move from where they are to where they can be and then support that with learning resources, with health resources, with family resources to be able to make that happen, whether it's wraparound services, whether it's mental health capacity building, whether it's support for addictions and mental health, whether it's, you know, instructional equipment. There are a number of different ways to do it. How far are we along on that continuum? I would suggest we've got a long way to go, but I would hesitate to hazard a guess at the level.

Now, having said that, I think I would say that every public school board across the province has engaged, has embraced the concept. We have a great commitment within government between departments, we've spent a lot of time aligning departments to make sure that we're all working to the same direction, we have a great alignment with the professionals across the system, and we're working on models that can be adapted to local situations to provide support resources. There's a lot of really good work, there's a lot of capacity in there, but we're a long way from perfect.

Mr. Taylor: In the meantime you've already said that we're short of speech pathologists, that we're short of psychologists, et cetera, et cetera, et cetera. We're in tight budget times, and depending on the school district, they may be able to more or less hold the line on where they're at with those specialists, or they may be laying some off. I'd like you to comment if you could, please, on this notion.

No matter how many or how few of these specialists we have, unless we have enough that we can designate them to every school in every system – and we're a long, long way from that – you're going to have a system where, if you have to share a psychologist or any kind of educational specialist like that among a number of schools within the region, some schools by virtue of their demographic makeup, by virtue of their socioeconomic makeup, by virtue of just the way the dice fell are going to consume more of that specialist's time than others.

If spread around a dozen schools, let's say, specialists are going to spend the bulk of their time in three or four of those schools and hardly ever darken the door of the schools with the least demand for their services. It's a given, I think, that there's going to be some need for their services in every school in the region, every school in the system.

With scarce resources how are we going to make sure that in a school in an upper-middle-class neighbourhood in Calgary or Edmonton, where the school council is active and the PTA is massively successful at fundraising and there are a lot of extras, financially at least, and where most of the kids are doing at least fair to middling if not very well, the few kids in those schools who have needs of whatever sort aren't falling through the cracks because the resource officers, the specialists, the professionals that they need are tied up on the other side of town in another school,

where socioeconomic conditions are not nearly as good and where there's a higher school population of students with obvious needs? How are the ones with the less obvious needs going to be captured by the system and properly served?

Mr. Hancock: Very difficult concepts, obviously. First of all, these specialists are not normally school based. They're normally region or district based. The key is how you do an appropriate allocation of resources. The critical piece, from my perspective, from a layperson's perspective – and I've seen it in action – is where you get the right special-needs co-ordinator, teacher, whatever you want to call them, in a school. I've seen some exceptional ones, who do a great job of understanding their students, of understanding and working with parents – and sometimes parents can be quite difficult because they've had to advocate so strongly over a period of time – in terms of what the child needs and then being able to work within the district resources in terms of how to access the resources that are necessary.

That's always problematic – there's no question about that – and we need to be able to build a stronger capacity to provide those support resources. But the critical piece is at the core of the learning team at a school with the principal, the special-needs coordinator, whoever is designated to that post, and the teachers involved in terms of how they're going to provide appropriate programming, bring in the support resources, whether it's a need for a particular type of computer or a piece of equipment or whether it's a speech pathologist or whether it's some other professional supports. Quite frankly, that is a comprehensive thing, and in the places that I've seen it most effectively used, it revolves around the teacher and the administration and the school being open and willing to work with parents and being willing to put that together and make that work.

What do we need to do? We need to make sure that there are more teachers equipped to do that. One of the teachers that won an Edwin Parr award last year from the Alberta School Boards Association taught in Calgary 26 students with IPP, and she did a phenomenal job. Why? Because she was equipped with her training, with her passion, and with her direction to be there and do that. If we can do that across the province, we will serve those students extremely well.

The Chair: Thank you, Minister.

Hon. Member for Calgary-Montrose, you have 20 minutes with the minister. Do you want to combine or have 10 minutes each?

Mr. Bhullar: I think we can combine. I trust the minister will be factual with his responses but understand that I need to be generous with my time.

The Chair: All right, so the combined 20 minutes back and forth. Go ahead, hon. member.

Mr. Bhullar: Thank you, Mr. Chair.

Minister, thank you very much. Thank you for everything you do in this province for education. Although we at the present time may face challenges with respect to budgets, let us not forget that we are still a province that, quite frankly, leads the world in public education. Alberta ranks amongst the best in the world in public education, and I think, quite frankly, not enough Albertans know this point.

Minister, I'm going to ask a couple of questions just relating to budgetary issues, specifically around Calgary. From there I would like to diverge into some bigger-picture items around education as a whole. The first question I have. I believe that there is a nearly 50 per cent decline in funding in something that is, I guess, a cost of purchasing adjustment. I believe that that funding was at some point or another provided to deal with inflationary problems in some school jurisdictions. Nearly \$6 million is reduced in this area. My question is: being that we don't currently live in those inflationary times, what's the need for a cost purchasing adjustment anyway?

Mr. Hancock: That's a good question. When we looked at the fact that we needed to find some ways to be more fiscally prudent with respect to our budget, we looked at the various grants and said: "Are the targeted grants performing? Are they doing what they were intended to do?" Relative cost of purchasing was brought in a number of years ago in an attempt to recognize that there were differential costs around the province. Some places were higher cost places to operate than others.

When we looked at this, it became apparent to me that our relative cost of purchase analysis was focusing on what might be called market-basket measures with respect to living. Most school boards spend most of their money on salaries. If there's a differential cost between school boards, most of that is in their salary grid. It's not what's measured by the relative cost of purchasing. So to adjust the budgets based on the relative cost of purchasing adjustment, which measures a market-basket measure of, you know, the price of coffee and other things like that, the price of housing, isn't really an accurate reflection of the differential costs, if there are any, among the school districts.

Now, having said that, there's a northern allowance, which reflects that northern constituencies above I forget which parallel have some extra costs due to their distance, and there's a Fort McMurray living allowance adjustment. With the relative cost of purchase, which actually for Calgary was a \$6 million adjustment, you have to say: well, why would the Calgary board of education get an extra \$6 million on that when the bulk of their costs are really grid related?

5:10

In fact, one of their other cost pressures is the \$10 million in grid movement this year, which means that their cost of teachers has actually gone down because their older teachers have retired, and they've got a lot of new teachers on the front end of the grid. In that theory, their cost of professionals, one might argue – and I don't know the facts on this – that they actually have a lower cost because one of the cost pressures they have is grid movement. If they had higher end teachers, older teachers, they wouldn't have a grid movement cost, but they'd have the higher cost teachers.

So the relative cost of purchasing, to my mind, didn't accomplish what was intended, set out, and actually did differential funding for school boards on an unfair basis.

Mr. Bhullar: Well, in that case, Minister, you reduced it by 50 per cent. Why not eliminate that completely and reinstate the class size initiative for grades 4 to 6? I think the class size initiative is something that we as Albertans shall be very proud of. It's something that shows our commitment to public education and excellence in public education, not just satisfactory public education but absolute excellence in public education. So instead of a cost-purchasing adjustment, put that money into the class size. Let's bump that up.

Mr. Hancock: Well, yes, we're taking that, but because it's such a significant adjustment, we didn't want to get rid of it all in one year, so we're taking it out in two years. That money will disappear next year unless some change happens. My anticipation is that that money will disappear next year.

What we've done on class sizes is maintained the amount of money, just changed the way we distribute the money. Actually, the overall class size initiative budget has gone up because we've put an increased amount in for growth. Then we just realigned the funds to deal with the areas where we anticipate there'll be year-over-year growth pressures at the K to 3 levels for now and where the data shows it does the most good.

One could argue: well, put more money into the class size initiative. One could argue: put more money into the per-student per capita grant. The relative cost of purchasing grant: when we looked at the targeted grants, the six that we dealt with, other than AISI there's a strong rationale for saying that they're not accomplishing what they were set out to do.

If we're saying to school boards, "As you analyze your budget, look for value gains; are you doing something that makes sense?" in each of those cases I can say that those grants aren't accomplishing what they were set out to do. It doesn't mean that we might not have to look at some other way of doing that, and on that I would look at the enhanced ESL, for example, to say that we still have some issues relative to certain sectors of immigrant populations coming into the system. But what we know is that the enhanced ESL grant wasn't really attacking that problem, which is what it was set up to do.

Mr. Bhullar: Minister, what levers do you have as minister to minimize the effects of Budget 2011 on students in the classroom? What levers do you have to target reductions in specific areas that do not affect students in the classroom?

Mr. Hancock: Virtually none. There's no magic wand. Most of our budget goes out to school boards; most of their budget goes to salaries. If there's a net reduction or a small increase in their budget and it's not sufficient to meet the increase that's required under the contract, it will impact in certain ways. We have to prevail upon school boards to be open and accountable to their publics and then be able to justify every area of their spending and ask them to focus on making sure that the highest priority is supporting student learning.

Now, you can justify supporting student learning in a number of different ways, and I think that it should be open to a school board to say: we need to have this particular group of consultants, for example, to do this because that's going to enhance student learning. That's the contract between them and the parents in their area and their community. Once we provide them with the money, it's inappropriate for me to tell them how to allocate those dollars.

There's very little funding in the budget that goes to a school board which they have to use precisely for the reason for which it was given. Whether it's an ESL grant or an aboriginal student grant or any other grant, it's a way of allocating resources to recognize the demographics, but they get to make the judgment call in terms of how to allocate those budgets in the best interests of their students.

Mr. Bhullar: I get from that that we provide funding to school boards in defined categories; however, the way they spend those dollars is completely up to them. The categories that we allocate money in are not necessarily the way that those dollars are spent at a local level. I see a nod.

Mr. Hancock: That's correct, other than the class size initiative, which they have to demonstrate is going to class size, and the AISI funding, which they have to justify in terms of what they're doing in AISI. But even in that, there is a lot of capacity to do various things. We don't tell them what to do, but they have to show how it's going to their applied research, their AISI pro-

gramming. Other than that and capital dollars, IMR dollars and those sorts of things, it's a funding model which tries to recognize the complexities of the demographics, not one which we audit against to say: are you using all the dollars in any specific area?

Mr. Bhullar: Do we in fact have an administration cap or a headquarters spending cap? Do we have a limit on what any particular school jurisdiction is allowed to spend on administration costs or headquarter costs?

Mr. Hancock: Not specifically headquarter costs, but the guidelines for urban boards is 4 per cent on administration and for rural boards up to 6 per cent on administration, recognizing that there may be exceptional costs that they incur due to distance or travel or those sorts of pieces.

There are two essential areas within that. One is administrative building purposes and those sorts of things. Another is the types of support resources that can be charged to administration.

Mr. Bhullar: Thank you, Minister.

I've met with many, many constituents and, quite frankly, just folks all over Calgary on this issue, and I just hope that the Calgary board of education is able to find ways to deal with their budget issues without affecting the classrooms. I sincerely hope that they're able to make the case for any specific actions that are taken that affect the classroom. I hope they're able to make the case to the public that all other avenues were pursued and exhausted before any action that affects the classroom has to be taken.

I'm going to shift gears here quite a bit. Sir, I think our students use textbooks from a very early age. When can our students, every student in Alberta, do away with physical textbooks and, instead of having a physical textbook, have an iPad, with all of that material on that electronic device?

Mr. Hancock: Just to finish off the last one, the two categories that I was thinking of were system administration and board governance. Those are the two areas that fit into that 4 per cent cap.

Interesting question. We had sort of nominally, I think, in the department been aiming at a 2015 time frame to say that we could have our resources on an electronic basis. That wasn't necessarily to equip every student with an iPad but that textbooks would become digital, essentially, as an option if not as a reality for students by 2015. We're probably going to be a little bit behind that kind of a curve because that takes resources, and we've had to cut back our budget to play a leadership role in the process.

The other thing that's important on that, though, is that we just finished what was called the eMerge one-to-one project, where 26 schools across the province had one or more classes with a one-toone laptop program. The results, particularly in the elementaryjunior high area, were phenomenal. Actually, at one point in time we were talking about how we could ramp that program up consistent with what you're talking about. Again, that requires resources, so the time frames will probably be extended a little bit. **5:20**

One of the other things we need to look at is: how, then, do we enable people to bring their own digital devices into the learning process and use them that way, and then how do you compensate or create some equity for those people who perhaps don't have or don't have access to and that sort of thing? I think schools are doing, actually, a pretty favourable job of making sure that there are laptops available and that there are digital devices available. Many schools are very progressive about finding ways to fund laptops, and most schools are finding ways to have a learning contract with students to allow them to bring their own digital devices if they use them responsibly.

Mr. Bhullar: I think, Minister, the issue of resources is an issue we'll always face. I think it's quite conclusive that sustained budget increases are not sustainable. Year-after-year budget increases are not sustainable, and quite frankly I think we need to have a very serious conversation with the textbook lobby to say: "We're going to pull away from this. Give us the digital licences for this material so that we can start using electronic devices as opposed to, you know, physical textbooks." I think the money is within the system to move forth on this much sooner.

I don't think every single initiative we want to pursue is reliant on new money. Quite frankly, I'm sure you probably don't have the answers to this today, but I would ask: how much does the school board spend on textbooks per student from, let's say, K to 6 or from 7 to 9 and 10 to 12? I think that we can find some innovative ways to move forth on these projects much, much sooner without burdening the public purse. I think it just requires innovation, creativity, and being a little firm with the textbook lobby, Minister. I think we can most definitely pursue this if we have the ability to be firm with that textbook lobby. That's one piece.

The next piece, Minister, is: are provincial tests a productive instrument for the system overall? Our provincial tests must become a productive instrument for the individual student's learning. If we're going to have provincial testing in grade 3, when are we going to have a student-by-student analysis of that testing and then a student-by-student process to increase student outcomes based on that testing? I mean, it's wonderful that we identify a whole bunch of students that are likely to drop out in grade 12, but what are we going to do with that information? Every single child that drops out of grade 12 in Alberta is not just letting themselves and their families down. Quite frankly, it affects all of us as a society. Minister, that's the second piece.

I know we're running short on time, so I'd like to just get some of these questions out there.

Provincial testing and the link to competency. As you know, Minister, I passed Motion 508 in this House last year, actually, and that talked about innovative and competency-based learning, learning that has connections to the real world. That means a high school student having the capacity to take postsecondary courses while in high school. That means high school students having the capacity to connect with the real world and real-world learning opportunities while in high school.

We have to get education – that's K to 12 education and postsecondary education as well as all this trades training and the skills training areas – to stop working in silos. They must look at themselves as a continuum. If we are to achieve greater rates of postsecondary participation, then they must see kindergarten to postsecondary as a continuum. The strength of our province and our nation, quite frankly, relies on that, so I'd like to get your thoughts on that, Minister.

Then one more piece I'll throw out before I turn the floor over to you: teacher incentive. I know there are a lot out there that don't want to hear about teacher incentive, but, Minister, there are some teachers like somebody I know very well, who's working with a group of children that have a whole series of difficulties. She's able to bring them up sometimes two grade levels. These are the sorts of teachers that need to be rewarded, Minister, and I think our system needs to better reward teachers that produce results.

With that, I'll turn it over to you.

The Chair: Hon. minister, you have one minute and a half.

Mr. Hancock: One minute and a half.

Well, the learning resources centre: we buy down the price of the books by 25 per cent, so we fund about \$5.5 million a year. That means school boards spend about \$30 million a year, so \$35 million a year on texts and resources. Now, the problem with that is, of course, that you can't just say: stop doing these ones; start doing these ones. There's a phase-in period that you have to work on. But I think that the point that you're making is a good one. We need to start doing a very comprehensive and intentional approach towards digital resources, and we could utilize some of the resources that are in the system to do that.

With respect to the connection between high school and community I think there's some very good work being done, at least in some schools, in some jurisdictions, in doing that, not just work experience programs but wraparound programs and connections. One of the things we've been encouraging is bringing the community in and bringing business in. Junior achievement, for example, does a wonderful job across the province in schools where they're encouraged to come in, and those are the types of connections and partnerships we need to create even more of. The idea that students are engaged is foundational to the learning profile.

With respect to teacher incentives that's always a difficult issue. The reality is that teachers, like every other professional, get most of their reward intrinsically because of what they do. They're not looking, necessarily, for extra pay, and they don't want to be singled out, but they do want to have the opportunity to do their best job and to have the time to do their best job. That's the way that in a normal system you can actually recognize some of that work more comprehensively, if we build the structure that allows that to happen.

The Chair: Thank you, Minister.

I have three hon. members on the list here: the hon. members for Calgary-Varsity, St. Albert, and Edmonton-Strathcona.

Hon. member, you have 20 minutes with the minister.

Mr. Chase: Thank you very much. A slightly different approach, Mr. Chair. I do want to have my 10 minutes, but I would prefer to get a number of statements on the record, and then the minister can refute or reply.

The Chair: You have your 10 minutes. All right. Go ahead.

Mr. Chase: Thank you. The premise that I'm operating under is that budgets are not bubbles. They're not just something that's created in a single year, that has no relationship to what happened prior or to what will happen as a result going forward. My concern with this year is the fact that we have seen AISI cut in half. Special programs, special initiatives, different types of innovative teaching have been severely handicapped by only half of the former funding going forward.

Likewise, I am very concerned that the extra funding for ESL has been cut, and I am very concerned – and this is an historical situation that the government can't seem to get beyond – with the ongoing freezing of funding to special education, which has been brought up by previous individuals. What is happening this year reminds me very much of what happened back in 1993, where teachers' jobs were very much on the line because the school boards were not receiving the funding. In fact, in 1993, Mr. Chair, that was the beginning of the 5 per cent cutbacks, and we haven't recovered as a system since those cutbacks were initiated.

I have a particularly interesting perspective in that I began teaching in the same year that Peter Lougheed formed the government that is now in its 40th year of operation, and over that time I have seen a number of changes in terms of local autonomy given to school boards and the decision-making process being diminished. This year in particular a number of school boards have been told that they are to use up, basically, what remains of their surpluses in order to protect the class size initiative, that began with the Learning Commission in 2003 but has never actually been realized in primary grades 1 to 3. Now because of a lack of funding – and I would question the legitimacy of the lack of funding with at least \$7 billion still remaining in the stability fund or sustainability fund– I am suggesting, Mr. Chair, that these cuts are unnecessary and, as such, deliberate.

5:30

When we go back to the year before, which affects the budget we're looking at today, a decision was made to eventually uphold the weekly average earnings index but, in so doing, part of the five-year contractual obligations, the government has provided barely enough funding to cover the wage agreement. What has happened is that school boards are being faced with very tough choices in terms of allocating their funds. School boards because of the close proximity tend to try and protect the most vulnerable, and that's to their credit. When special education funding isn't provided to the extent that is required, they try and protect those students. They try and protect the ESL students. They try and protect, as I say, the most vulnerable students.

Now, last year because the Minister of Education at first refused to implement the new weekly index increase, he caused a tremendous amount of confusion for school boards. Eventually in July the money that had previously been promised came through, but having been a teacher for 34 years I know what happens in June. I have seen repeatedly the young, first-year, temporary contract teachers being let go. Mr. Chair, that's going to happen again this year. The first ones out the door are going to be the young, the new blood.

They're going to be going out the door and also the experienced teachers, who have said: "You know, I've got my 85 formula. I cannot take this any longer. Education is not valued to the extent that it should be, so I'm going, too." So you're losing the youth and the vitality, and you're also losing the age and experience. The two go together: the mentorship of the older teachers with the young teachers. It happens year after year after year that the temporary contract teachers, that should be moving on to first year or to second year and receiving tenure, are lost. A number of young people don't even make it past five years in teaching, so all the effort of the investment in their master's of teaching program is lost.

Now, we go back previously in terms of various agreements, and we get back to the Learning Commission. The Learning Commission, Mr. Chair, came as a result of a very bitter dispute between the Alberta Teachers' Association and the government of Alberta. It was a province-wide strike, but what happened with the Learning Commission provided some promise, the idea that there would be class sizes considered. Again, go back to 2003, and we still haven't hit those class size targets. This year they're in greater danger than they were prior to the Learning Commission.

The Learning Commission suggested that we have half-day junior kindergarten and that the government would fund full-day kindergarten. We know that all the research shows that the earlier we intervene in children's lives to provide them with educational supports, the sooner they develop literacy and numeracy skills, and the more likely they are to graduate. As I have mentioned as recently as today's question period, we continue to face a significant dropout rate in this province, or a failure to complete. In terms of that situation First Nations children are the largest group that's affected by the dropping out from school. Their dropout rate is very similar to English as a second language students who fail to realize the opportunities that an extended ESL and support program would provide.

Mr. Chair, go back to the considerations of the Learning Commission. During a period of strike when teachers were ordered back and an arbitrator was selected, part of the bullying techniques that we've talked so much about with regard to health care and the intimidation of doctors was applied to teachers. Teachers were prevented from, even in assembling, using the word "strike." They were not allowed to use the word "strike." This is the type of intimidation that teachers experienced.

When you intimidate teachers, that intimidation, that lack of support for education goes all the way down to the classroom. Teachers try and shield children from the experiences they've received, but the result is that if you don't have teachers who are feeling valued, then their ability to teach, no matter how well they can compartmentalize, is lost. So teachers are feeling a tremendous amount of strain.

Now, with regard to the Learning Commission and in terms of absolute intimidation and a change of attitude towards teaching, there was a dramatic shift in terms of intimidation in 1999. The minister of the time was Gary Mar.

The Chair: Hon. minister, you have 10 minutes to respond.

Mr. Hancock: Thank you, Mr. Chairman. I want to start on that end point about intimidation. What absurdity. What world are you living in? Have you been in a school lately? Teachers are at the happiest point that teachers have been in a long time because they've been included in talking about what the future of education looks like, they've been included in discussions about how we support teachers in terms of induction, and they've been included in processes talking about how we do professional development better. We've never had a better relationship with either the ATA or the Alberta School Boards Association. I don't know what you're talking about in terms of intimidation. That's about the most absurd thing I've heard in a long, long, long time.

In fact, I've been out talking to people and talking with teachers. I was at a parent council meeting last night, Mr. Chairman, and half of the people there were teachers from that school. We were talking about the future of education. Nobody was raising issues about intimidation or issues about a lack of funding. We were talking excitedly about the future of education in the province.

This is the most absurd piece I've ever heard. I think the Liberals have done a good service to Albertans by changing critics, quite frankly. I mean, that's absurd.

You know, in terms of teacher value we've been working on and doing a lot on the question of teacher value. The hon. member raised the question of class sizes. He went back to the Learning Commission and said that we're not dealing with class sizes. Well, the facts would say otherwise. If you take a look across the board, the class size initiative has been met across the province in grades 4 to 6, grades 7 to 9, and grades 10 to 12. The one place that it hasn't been met is the place where it matters the most: K to 3. So we reprofiled the funding. We didn't take any money away; we added money to it. We reprofiled the funding to emphasize the fact that K to 3 is where it's most important.

Now, are there going to be challenges in class size this year? Absolutely there are, Mr. Chairman. As school boards deal with the fiscal realities that we're in and the funding that we've given them, which nets out some of the grants which, as I said, were targeted to achieve specific purposes – and from my perspective other than AISI we're not achieving those purposes – the bottom line is that it's all bottom line to a school board, so it's going to affect them. In my viewpoint, if they look at the resources judiciously, they should be able to still maintain the class size guidelines because there's room in those class size guidelines. Some of the classes are going to go up in size, no question about that. But they should be able to maintain the guidelines.

5:40

The class size initiative has not gone away. The class size guidelines have not gone away. The focus of making sure that we allocate resources to the right area to make sure we get the best value is what we've done. I would stand by that, and I would do it again. I think it's very, very important. Getting a good early start is most fundamental.

Still money in the sustainability fund. Well, yes, there's still money in the sustainability fund. If you look at the three-year plan, though, I mean, we're working our way out of the deficit over a time frame. The time frame was originally 2012. Now it might be 2013. Depending on what's happening these days, it can move back and forth. The point of it is that you can't just say: well, there's still money in the bank today; let's spend it all today. We have to look at this as a sustainable process, so you do have to look. As much as I don't particularly like it, it has to be part of a broad government agenda that balances the budget over time and makes sure that we've got the budget balanced by the time we run out of sustainability funds. That means we all have to be prudent, and we all have to be part of it.

Would I like to have an extra hundred million dollars in the budget so we didn't have to cut some of those other grants or so we could cut those grants but backstop them in other ways? Absolutely. But that's not the reality we live in today. That's not the reality. When the Wildrose came forward and said, "Well, we would have limited the Education budget to a 2.2 per cent increase," that's not the reality. I mean, can you imagine what you'd be hearing on the streets of Calgary today with that kind of a budget?

Mr. Anderson: You shouldn't have signed the contract.

Mr. Hancock: The hon. member says that we shouldn't have signed the contract. We signed a contract with teachers, and that has been a very good contract. It's allowed the opportunity to really look at the future of education and to move forward very aggressively with what kind of an education system we need in the future.

Yes, it was impacted by the change in the economy. Yes, we tried to work with teachers, and they were at the table working with us with respect to that last year of the contract. We could have achieved a very good result there and moved it out a couple of years, but that didn't result, so we'll live up to the contract. Over the next few years that will all work itself out. In the meantime we've got a situation where we've got some tough but not unmanageable fiscal realities. So for the hon. member to say that we should just dip into the sustainability fund for an extra, you know, hundred million dollars or \$200 million belies the fact that this is a sustainable long-term plan, not jerking from day to day.

The hon. member indicated that last year I caused a whole bunch of problems for school boards because we didn't budget for the increase. It was very clear last year what was happening. In January of last year we were in arbitration because Statistics Canada changed the way that they were calculating average weekly earnings. We said: that change changes the contract. The arbitrator didn't agree with us because there was enough language in the contract for them to say: no, you specifically meant this table. Fine. We got that result, and we lived with that result.

In the meantime we brought a budget down, and we didn't budget for the increase because we were very much of the viewpoint that the contract had been frustrated by the change in calculation. However, the commitment we made to school boards was that they should budget on the 2.92 basis. I couldn't have been clearer in communicating that to school boards. The fact that they chose not to do that and then acted surprised when the 2.92 per cent came through in July really is not my fault, to be honest. I was very, very clear with them: "Budget on the basis that you will get the 2.92 per cent. I don't know whether you'll get it this year or next year, but you'll get it. That's our commitment." We made that commitment, and we'll live up to the commitment. And we did it. We did it faster than they thought.

Then there was all this shock and surprise and that we caused all sorts of discombobulation in the system. Well, your own *Calgary Herald*, which I don't necessarily always agree with, had an editorial that said exactly that. In about May or June of last year it said: the Minister of Education could not be clearer in what he's saying. So to suggest that we caused all sorts of problems last year is just living in a whole different world.

Haven't recovered from the cuts of the '90s. Mr. Chairman, from 2002-2003 to 2011-2012 there's been a 59 per cent increase in operating funding, a 63 per cent increase in overall funding. At the same time there's been a 3 per cent increase in the student population. I don't know what the cut was in '93-94. It might have been 10 per cent. It might have been 15 per cent. At the same time there was a salary rollback, that everybody agreed to, of 5 per cent. This has more than made up for the cuts that happened back then. In fact, don't take my word for it. The Learning Commission looked into it. They hired a former Deputy Provincial Treasurer, Al O'Brien, to do the analysis, and he came back with an analysis which said that the funding has more than been restored. So go back and do the research. I mean, I love a debate about education where we're going forward, but frankly you're better than that. In the past we've had a very good working relationship, and you've been able to raise issues of real import. This is not.

Now, in terms of your comments with respect to AISI I couldn't agree with you more. There's nothing that hurt me more than having to take 50 per cent out of the AISI fund. That AISI project is a world-leading project. We've had an analysis done of it. People from around the world are looking at it. It's the best targeted – in fact, it's the only target funding which really focuses on continuous improvement, so to cut back on it was a very, very difficult thing to do. If I could find any other way to do it, I would have found the other way to do it because I really value that program. Quite frankly, most teachers and most school boards value that project and use it well. In some parts of the province a number of schools boards have come together to use that very well. That is an excellent project.

However, the fiscal realities are fiscal realities. We were able to save the project, which is wonderful. We were able to say that this continues to have value, and we were able to look at the opportunity side of it. With every program there's a time when you should take a look and say that while the overall thing is great, while the overall analysis is great, let's look at the specifics and say: why is it that in some parts of our province it's not valued as much as others? Why is it that I've had teachers and colleagues and others in the community call and say that if you need to save money in Education, cut the AISI project? That means, to me, that it's not universally valued, and that means there's not universal engagement. So there is an opportunity to look at that and see how we can do it better. Sometimes tight fiscal times are when ingenuity comes in, and you really have to look at things.

Enhanced ESL. Every student, including ESL students, is funded with the basic per capita grant, and then ESL students are funded with an additional \$1,155 grant. Every ESL student. A number of years ago there was an additional \$405 put in as an enhanced ESL, and it was put in for a specific purpose, which I'd love to get into a little bit later. **The Chair:** The next hon. member is the hon. Member for St. Albert. You have about eight minutes with the minister.

Mr. Allred: Okay. Thank you, Mr. Chair. I would like to go back and forth with the minister if I could.

Mr. Minister, an earlier question asked by my colleague from Calgary-Montrose was with regard to innovation and the fact that education is unsustainable. I think that was the comment he made. I would certainly repeat that concern. Health care and education are taking up a larger and larger part of our budget year after year after year, and it's unsustainable. I guess my question with regard to that is that with all of the new technology that's coming into place, what kind of innovations are being made in education to reduce the cost?

Mr. Hancock: Well, Mr. Chairman, I guess I'd start out by saying that I don't think we should be apologizing too much for the fact that health and education use up the largest portion of the budget. There are no two more important things that a government can do for a society than engage in ensuring that people have an opportunity to be healthy, and more important than that, although I admit I am biased, is education. The trend line shows that health tracks with education and that education helps us build our economy. Education helps in so many ways to ensure that our children and our grandchildren can live and work in Alberta and trade out into the world. I don't apologize at all for the vast majority of public resources going into health and education.

Now, it does have to be sustainable, and we do have to make sure that we're tracking that and that we're not looking for unsustainable increases year over year over year. That means, quite frankly, that in a system where most of the money goes to people, increases in salaries for people have to track with inflation and not be leading. We now have our teaching professionals, I think, at a place where we can say that they're well paid and appropriately so, but now we have to take a look over the longer term at how we develop a process that makes sure that we track on that.

Ingenuity, innovation, doing things a new way are obviously important, but let's face it. Technology comes at a cost, and it's not an insignificant cost. You know that technology has to be evergreened faster and faster. There are always new ways of doing things. There's always more than can be done.

5:50

We have to be very cognizant that we're planning appropriately, that we're implementing appropriately, and we're very conscious of doing it on a value-driven basis. That means doing research, learning from the research, and understanding what has effect and what doesn't have effect. That's why if we get into, for example, a class size initiative discussion, we really have to look closely at that and say: we understand the overall impact of class size and how it's important because engagement with students is one of the most important things that can happen, and that can't happen if you've got a hundred students in front of you. It might not be able to happen if you've got 50 students in front of you. You've got a better chance at it if there are 40 or 30 and so on. But you also have to recognize that there's a value equation in there someplace. If we have to look at how we're employing our resources, we ought to look at the data and employ our resources in ways that we know will give us value.

Mr. Allred: I guess this isn't the place to get into a debate with you, but I must say that I disagree with a lot that you said. Surely, in every profession other than health care and education, technology is a way to reduce costs. Surely, there's some way with all of the innovation in new technology to reduce the class size ratio or

reduce the cost somewhere in the system. I recognize that something like 80 per cent of your budget is taken up by salaries. No question about that.

I wish I had my notes from the meeting I had when the gentleman from Finland was here. They have certainly shown that a lot of our traditional principles are not applicable. They get more value for, I believe, shorter class times and things of that nature. I know that you have adopted and that you recognize a lot of the Finnish principles, but there's got to be a way to reduce the costs of education. As important as it is – and I don't disagree with you on that point – it cannot continue to take up more and more of our budget, or we won't have any money for anything else. We'll be the healthiest, best-educated people, and we'll have to stay home with nothing.

Mr. Hancock: Mr. Chairman, if you're the healthiest, best-educated people, you can probably entertain yourself and build a good quality of life. But the reality is that you're right. I mean, we can't have unsustainable increases in costs in any department, whether it's health or education or anyplace else. We've got to look on a long-term basis at how we deal with the increasing pressures of complexity, the increasing pressures in terms of what people need to know, the increasing pressures of sparsity and distance, and how we provide technology to provide an equitable access to rural students, for example, all of those challenges, how we do that and still maintain a budget line that is sustainable, no more than increased in inflation and growth. That's a challenge. No question about that. But it's something that we have to aspire to.

As a government that is recognized as the most fiscally prudent government in the country if not in North America, you know, that's the goal that we have to maintain. Obviously, I would agree with you that technology has a value. Technology will help us in terms of improving both capacity and ability. It changes the pedagogy, and in some ways it will help us to save costs. For example, we can invest in Microsoft licensing or other types of licensing, cloud computing, that sort of thing, so that individual schools don't have to buy. We can license, as was talked about earlier, textbooks so individual schools don't have to buy. We can do some things using technology to really help us save on costs. We're investing in a provincial information system, which costs money to get up and running, but once we've got it up and running, it should save some costs longer term in terms of the amount of time and effort that goes into information sharing.

I agree with your premise that technology will help us, but technology is not going to replace our teachers. Technology will help our teachers do a broader, better job of touching each student, of expanding the learning opportunity for each and every student, and for moving from group think to individual learning processes.

The Chair: You have about one minute, hon. member.

Mr. Allred: One minute. Oh. A quick question. Maybe I should continue with this, but I won't. I'll leave it alone.

As you're aware, Mr. Minister, one of my pet peeves is financial literacy, or perhaps the lack of financial literacy, in the education system. I heard you today say that it was being taught in several different subjects: mathematics, social studies, and also the careers program in high school. I think that's different than your previous answers, where you've only concentrated on the careers course in high school, which I would say in a lot of schools is totally inadequate. It depends so much on the teacher. If the teacher doesn't know much about financial planning, et cetera, they just don't teach it. It gets a very little bit. I guess I would like to ask you: how much of your resources are concentrated on financial literacy? As you know, I feel that is very, very important to the development of every child, particularly at the very elementary levels and all the way through.

Mr. Hancock: We can't really identify for you a specific amount that's focused on it, but I can say that it's become an issue that's of importance to people, and we have focused on it more . . .

The Chair: Hon. minister, I hesitate to interrupt. The three hours for this business has been concluded. The Committee of Supply shall now rise and report progress. We'll leave some minutes for the staff to leave the Chamber.

[The Deputy Speaker in the chair]

Mr. VanderBurg: Mr. Speaker, the Committee of Supply has under consideration resolutions for the Department of Education relating to the 2011-12 government estimates for the general revenue fund and lottery fund for the fiscal year ending March 31, 2012, reports progress, and requests leave to sit again. **The Deputy Speaker:** Those in concurrence with the report, please say aye.

Hon. Members: Aye.

The Deputy Speaker: Opposed, please say no. The report is concurred with.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I would seek unanimous consent of the House to continue with the estimates of Education for another three hours because we're having so much fun.

Failing that, I would move that we adjourn until 1:30 p.m. tomorrow.

The Deputy Speaker: Tonight we have the field policy committee on Agriculture and Rural Development, and that committee will be video streamed.

[Motion carried, the Assembly adjourned at 5:58 p.m. to Wednesday at 1:30 p.m.]

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