



Province of Alberta

The 29th Legislature
Second Session

Alberta Hansard

Monday evening, March 14, 2016

Day 4

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta
The 29th Legislature

Second Session

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Party standings:

New Democrat: 54 Wildrose: 22 Progressive Conservative: 8 Alberta Liberal: 1 Alberta Party: 1 Vacant: 1

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Legislative Assembly of Alberta

7:30 p.m.

Monday, March 14, 2016

[The Deputy Speaker in the chair]

The Deputy Speaker: Good evening. Please be seated.

Committee of Supply

[Ms Jabbour in the chair]

The Chair: I'd like to call the Committee of Supply to order, but before we proceed with the business of the evening, we have a new person at the table. I just would like to take a moment to introduce him. We have Trafton Koenig. Trafton was born and raised in Edmonton and obtained his undergraduate degree from the University of Alberta in 2005. He also holds a law degree from the University of Ottawa and a master's degree in international law and international relations from the University of Kent in the U.K. Outside of work he likes to run and travel, and he's combined them by completing long-distance road races on three different continents. A lot more energy than I've got. Trafton works as a lawyer in the Parliamentary Counsel office and has been with the Legislative Assembly since April 2013. So please join me in welcoming Trafton to the table.

Supplementary Supply Estimates 2015-16 General Revenue Fund

The Chair: Hon. members, before we commence the consideration of supplementary supply, I would like to review briefly the Standing Orders governing the speaking rotation. As provided for in Standing Order 59.02, the rotation in Standing Order 59.01(6) is deemed to apply, which is as follows:

- (a) the Minister, or the member of the Executive Council acting on the Minister's behalf, may make opening comments not to exceed 10 minutes,
- (b) for the hour that follows, members of the Official Opposition and the Minister, or the member of the Executive Council acting on the Minister's behalf, may speak,
- (c) for the next 20 minutes, the members of the third party, if any, and the Minister or the member of the Executive Council acting on the Minister's behalf, may speak . . .
- (d.1) for the next 20 minutes, the members of any other party represented in the Assembly or any independent Members and the Minister, or the member of the Executive Council acting on the Minister's behalf, may speak,
- (e) for the next 20 minutes, private members of the Government caucus and the Minister or the member of the Executive Council acting on the Minister's behalf, may speak, and
- (f) for the time remaining, to the extent possible, the rotation outlined in clauses (b) to (e) shall apply with the speaking times set at 5 minutes as provided in Standing Order 59.02(1)(c).

During the first rotation speaking times are limited to 10 minutes. Once the first rotation is complete, speaking times are reduced to five minutes, and provided that the chair has been notified, a minister and a private member may combine their speaking times, with both taking and yielding the floor during the combined period.

Finally, as provided for in Government Motion 10, approved by the Assembly March 9, 2016, the time allotted for consideration is three hours.

The Committee of Supply has under consideration the 2015-16 supplementary supply estimates, and I will now recognize the hon. President of Treasury Board and Minister of Finance to move the estimates.

Mr. Ceci: Thank you, Madam Chair. It's great to have another runner here. Just don't run near me because I'm quite poky.

I'd like to move the 2015-16 supplementary supply estimates for the general revenue fund. When passed, these estimates will authorize an approximate total increase of \$106 million in expense funding for the departments of Education, Justice and Solicitor General, Labour, Municipal Affairs, Seniors and Housing, and Treasury Board and Finance. These estimates will ensure, for example, that enrolment in our schools is fully funded and that the affordable supportive living initiative has the capital grants it needs to develop long-term care and affordable supportive living spaces across the province. These estimates will also authorize the transfer of \$25 million of the previously approved capital investment vote to the expense vote within the Department of Environment and Parks to provide funding to the town of High River for building flood mitigation berms.

Let me add that estimates are consistent with the fiscal plan as presented in the 2015-16 third-quarter fiscal update, which has been tabled in the Legislature.

While the government will have more to say on the specifics of our plan moving forward when we deliver Budget 2016 on April 14, since we are here to debate the supplementary estimates, I believe it's worth while to recap some of the information I presented during the third-quarter update. Right now we are experiencing the steepest and most prolonged slide in oil prices in recent history. Oil prices have dropped more than 70 per cent in the last year and a half, and projections for a quick recovery have proven wrong. There is no minimizing the impact that low oil prices are having on people's jobs, on our economy, and on the government's fiscal situation. This is a once-in-a-generation challenge.

The decline in oil prices has resulted in a 20 per cent drop in government revenue, in part from decades of inaction on diversification. This represents a one-year drop of \$6.4 billion in government revenue. It is now crystal clear that we cannot continue the same old way of doing things. The same old way of doing things includes knee-jerk reactions that we know won't help, like laying off teachers and nurses.

Our government won't do that. We won't make a bad situation worse. We will continue to partner with job creators to promote economic growth, and we will offer support and opportunity to those who have fallen into hardship during these tough times. Simply put, we'll continue to put the best interests of Albertans and their families first. We'll also continue to make fiscally prudent decisions, as these supplementary estimates infer.

As this Legislature knows, we have put a freeze on political and management salaries. We are also reviewing the number of agencies, boards, and commissions, and we are freezing or limiting operating budget increases so that we can focus available resources where they are needed most. Madam Chair, these supplementary estimates make clear where our government believes those resources are needed most.

We committed in the election that we would fund school enrolment, and with these estimates we are delivering on that. We are providing schools with \$51 million for high-quality K to 12 education. That's nearly 400 more teachers in the classrooms all across Alberta.

Madam Chair, these estimates also make clear that the government remains committed to deploying the tools at our

disposal to focus squarely on growth. Our capital infrastructure spending is one tool that we are employing which will provide much-needed jobs and lay the groundwork for continued success into the future.

Our economic development initiatives are another tool to support jobs and business development. Specific actions taken thus far include a new petrochemical diversification program worth up to \$500 million, supporting access to capital for growing businesses through ATB, using the heritage fund to invest in Albertans and their jobs, and supporting a growing venture capital industry.

Madam Chair, as I wrap up these remarks, let me remind members that when passed, these estimates will authorize an approximate total increase of \$106 million in expense funding for the departments of Education, Justice and Solicitor General, Labour, Municipal Affairs, Seniors and Housing, and Treasury Board and Finance. The ministers and I, that are responsible for these departments, will be pleased to answer any questions from members of the House.

Thank you very much, Madam Chair.

The Chair: Hon. Member for Strathmore-Brooks, did you want to combine your time with the minister back and forth?

7:40

Mr. Fildebrandt: I will take 10 and then allow the minister a chance to answer some questions if that's all right, Madam Chair.

I want to begin by thanking the minister for joining us this evening to debate and discuss the supplementary supply before us today, but it is seriously concerning that this government has failed to budget properly for these worthy initiatives in the first place. To budget properly means not coming forward in the same year, just months later, asking for more money. If a government does need to bring a supplementary supply forward, it should also bring forward a budget impact statement. We should know what the impact of this new spending will be on total levels of expenditures and the deficit and our balance sheet.

The fact is that the 2015 budget was passed at the end of November, just three and a half months ago. This Assembly and all Albertans deserve more information about what new spending will be contained here. Nothing in this supplementary supply is an emergency. Asking for supplementary supply isn't necessarily an uncommon or unreasonable thing to do. However, is it possible that this new spending could have waited for the budget itself in just a month? The private sector knows when to tighten its belt. It wants to avoid insolvency, so it cuts costs when necessary. But our government seems incapable of doing the same.

The government's bill here will ask for an \$11 million transfer to Horse Racing Alberta. Now, this isn't tax dollars we're talking about; it's gambling revenue from the lottery fund. It's an agreement for a portion of slot machine revenue at race tracks. That's largely because revenues are up from the new facility at Balzac. I want to know if the hon. minister could give this Assembly some more information about the urgency of this transfer, why this transfer will not wait for the budget.

After years of unchecked government bloat, why is it that the government cannot find \$106 million in savings to cover the costs that we are being asked to provide to the government here? We'll go through a few ministries.

Education. Now, the Wildrose supports our teachers, some of the best in the world, some of which are in my family, and we believe that every Alberta child should receive a world-class education. But could the government please specify how many new teaching positions the \$33.8 million will create when the department already has an existing budget of \$4.3 billion?

The Department of Labour. This young government already has an appalling record of job creation. One of its budgeted expenses, \$178 million over two years, has already been committed, and it has failed to create a single job. A program has already been cancelled, yet somehow this department is here today asking for another \$3 million in unbudgeted funds. I must say, Madam Chair, that I am skeptical that the department is being responsible with the funds already provided to it. I would like to know if the minister can explain what programs this money will fund and how many jobs it will create.

Seniors and Housing. How many spaces for seniors will the \$50.5 million create? The lack of detail here is extremely concerning. This government cut \$50 million from the 2015-16 budget for infrastructure support for the affordable supportive living initiative, the ASLI grant. To give credit where credit is due, even when the former government's budget of March 2015 was going to increase this funding from \$50 million to \$91.5 million, the new government undid that. So you gave the green light to long-term care and dementia spaces without putting the money in the budget that they rolled out first. Now the government wants to put the \$50 million back in when it was already there just a few months ago. We support Alberta seniors, but why was the money not there to begin with? Why was it removed from the budget that they already had? The money was in, then it was out, and now it's back in again. I'm happy it's there, but we need to know why this was. We would like to know if the minister can explain why this wasn't in the fall 2015 budget to begin with.

One project that I have advocated for in my constituency is in urgent need of funding and is covered in this bill. The Newell Foundation's Bassano continuing care centre: this is a critical, critical project to the constituents of Strathmore-Brooks and many people around southern rural Alberta. The intent of the program is to integrate independent living, supportive living, long-term care, primary care, and acute care into a fully functional design that supports a variety of community amenities. The integration of these resources will enhance the financial and building design efficiencies of the centre.

In 2015 the Newell Foundation received the approval of a \$3.4 million grant from ASLI for 34 affordable supportive living spaces at the Bassano continuing care centre. As well, the governments of Canada and Alberta jointly approved \$9.6 million under the investment in affordable housing agreement 2014-19 for the project. This was all put on hold without any good reason given when the NDP came to power and decided to review these projects despite having all-party agreement among the candidates in my own constituency: PC, Wildrose, NDP, and even the Green Party.

Madam Chair, with NDP financial tactics like this Albertans have real cause for concern about the political games being played here. The NDP are hurting Albertans where it matters most: in their pocketbooks, in their seniors' care, in their health care, and in their education. The New Democrats will say that this is only a single decimal point on a \$10 billion deficit, but, you see, that's the point. It is a deficit. It is a massive deficit. It is a record deficit, that we haven't even come close to in this province, and the gap must be closed. We should be spending less, not more. This is not how we're going to move the ball towards a balanced budget.

Madam Chair, this government needs to learn to budget prudently. The ministers have an obligation to answer real questions about new spending in their ministries. We understand they have talking points, and that's okay, but when our questions veer from your own talking points, I ask you in all honesty to give us real, substantive answers. We are willing to support this if you will work with us. The Minister of Finance has an obligation to tell us how this new spending, much of it positive, will impact the

deficit. What level will the deficit be once we approve this spending? What will our total expenditures be? We should not have to wait for the budget for that.

I look forward to hearing from the ministers with their answers to our questions. Thank you, Madam Chair.

The Chair: The hon. minister.

Mr. Ceci: Thank you. Just to recap a little bit, supplementary estimates are part of the normal legislative approval process to ensure that planned government initiatives receive the necessary funding to move forward. Supplementary assessments seek approval from the Legislature for spending requirements that were not expected during Budget 2015 and for changes, including urgent, unforeseen expenditures like floods.

The amount of money that Horse Racing Alberta – I can see it on pages 37 and 36 of Treasury Board and Finance, the reason supplementary supply estimates requested. It says there:

\$11,083,000 to address the higher than anticipated flow-through portion of net revenue generated by slot machines at Racing Entertainment Centres which funds the Horse Racing and Breeding Renewal Program in accordance with an agreement with Horse Racing Alberta.

You can see what we had estimated; \$28 million was going to flow through. As was indicated, with the opening of a new track partway through the year, that amount of money now is \$39,083,000. So we are remitting the flow-through amount of \$11,083,000 to HRA for that additional amount of money.

7:50

There is a reduction in expenses as a result of our pension fund expenses being less by \$9,083,000, so we have a supplementary amount of \$2 million that we're requesting. That's how this department is coming forward with supplementary estimates.

This is amongst the lowest supplementary supply estimates in the last 15 years. These minor increases we're talking about should come as no surprise as they were reported in our recent third-quarter fiscal update, which was released on February 24. As has been noted, the government is seeking supplementary estimates in a number of areas, adding up to \$106 million. They're based on the government's third-quarter fiscal update, as I said, that we released on February 24.

I think I don't need to get into talking about how HRA will use these funds. This agreement with them works out to their benefit, obviously, this year, in 2015-16, and we're certainly hopeful that they will see a benefit in going forward with regard to a renewed agreement with them in future years.

Thank you.

Mr. Fildebrandt: Thank you, Madam Chair. Thank you to the minister for responding; however, I don't think the substance of most of my questions was answered. We're talking about a very substantial sum of money here.

Now, the minister is correct when he says that we've done supplementary supply before in this province and that it's not unprecedented. What we're asking for, though, is that you exceed the standard of the previous government. You can do better than the previous government. Albertans expect you to do better than the previous government.

Now, the minister is quite correct when he says that this is, compared to historical examples, a relatively low supplemental supply of just over \$100 million, but that is only because we're three and half months into the budget. Normally when you want supplemental supply, you're at the end of a long fiscal year. Well, we've had two budgets already this year. We're going to have a

third soon. We just finished passing a budget in November, and we're being asked for more money. We're being asked to approve more money. Some of these are very good funds that we would otherwise support, but you've only been three and a half months into the fiscal year, and you've already blown your budget.

So, Madam Chair, the substance of my questions has not been answered. I appreciate the minister trying. I'm going to give him another chance here to explain why only three months since the budget was passed – three and a half months since the budget was passed – they have to come back here and ask for more money.

The Chair: The hon. minister.

Mr. Ceci: Thank you. The final thing that I'd like to say, I guess, is that since the budget was passed toward the end of November, the forecast deficit now – I've been clear about that – is significant, obviously. It's \$6.315 billion. We know that, going forward, the deficit will grow much larger. We have looked carefully at oil prices and have a number of things that we'll bring forward with the 2016 budget that will mitigate the challenges in predicting oil prices going forward. The unprecedented drop in oil prices has made budgeting extremely difficult. There is no doubt about it. Like the rest of the world who are involved with revenues from oil production, we all hope to see stabilization occur in the years coming up so that we can do a more rigorous, accurate job of predicting where that's going to be, but it has been challenging. So the deficit is identified here, as forecast in the third-quarter update. That's what the deficit is.

Going forward, we will be bringing forward Budget 2016 in a very few short weeks, and then all members of this House will have an opportunity to debate that. We're here to debate supplementary estimates today, and I know members of the front bench who are here to explain their supplementary estimates will do a wonderful job at that. Mine are identified on page 36 and page 37, and I've explained those.

Thank you very much.

The Chair: The hon. Member for Strathmore-Brooks.

Mr. Fildebrandt: Thank you, Madam Chair. To the minister: I appreciate the talking points, but I'm asking questions, very specific questions, that perhaps were not anticipated in the briefing binder. I'm asking for answers to those questions, very specific questions, and I'd appreciate specific answers. Now, you've given us a figure for the deficit from the third-quarter update, but we're being asked to approve new spending here above and beyond authority to spend money that the government already had. Surely what we are doing here will have some impact on the deficit. Now, I'm asking you to tell this House, even if it's just an estimate. Give us your best guess, Minister. What will the deficit be following the supplementary supply?

Now, you have referred correctly to the significant shortfall in revenues that the government is facing here, but we warned you about this in budget debates, and you warned us of fearmongering. We stood here and debated into the late hours of the night, telling the minister that their revenue projections were not just rosy but they were fantastically rosy. Everybody knew. Every member of this House not on the government side knew that their revenue projections would not even be close. We projected – we projected – that the deficit would be \$9 billion. It turns out I was too optimistic, Madam Chair. We're now staring down a deficit that will exceed \$10 billion. But during that debate the minister just said that we're scaremongering, we're fearmongering; trust the government. Well, we can't trust the government anymore. We've

proven that their numbers cannot be relied upon, and that's why we're asking for real answers and real numbers.

Now, I asked some very specific questions that the minister's talking points I don't even think touched. I asked: could the government please specify how many new teaching positions the \$33.8 million will create when the department already has a budget of \$4.3 billion? That is a very straightforward question that I would hope either the Minister of Finance or the Minister of Education could answer.

Mr. Eggen: Ask me.

Mr. Fildebrandt: Okay. The Minister of Education seems very eager. I hope he's got very good notes, Madam Chair.

We asked very specifically why the ASLI grant was taken out of the last budget and is being put in now. It was taken out of the March 2015 budget in the October 2015 budget, and now they're proposing to put it back in. We're glad it's back in, but could the minister responsible for Seniors and Housing please tell us why it was taken out of the last budget and is being put back in now as unbudgeted money to begin with?

These are very simple questions. I'm hoping that the ministers can answer them. Thank you.

The Chair: The hon. Minister of Education.

Mr. Eggen: Thanks, Madam Chair. It's so great to see some new table officer action over there as well. Congratulations on your position. You had all of those hobbies that you mentioned before. You won't need those hobbies anymore because you'll be here for the rest – until the end of June for sure.

The hon. member was asking about Education. First, in general, around Education our sup supply is to reflect the increase in enrolment growth from our original estimates. So we saw the actual enrolment growth to 2.7 per cent for the 2015-16 year. It certainly was healthier than we had anticipated, which is great. I mean, it speaks to the high-quality education that we provide in the province and that families with children are more likely to stay where they are once they've rooted themselves into a school and into a neighbourhood. So the sup supply for us is that number, primarily.

8:00

Now, in regard to the \$33.8 million that we've put in for that, that covers off, I would say, about 240 teachers' positions, FTEs. That's based on sort of all of the materials and extra money that are associated with those FTEs. So it's not just their wages, but it's the whole deal. I mean, that's great. We saw on an annualized basis, because we restored funding to Education based on the increased enrolment, more than 740 teaching positions across the province. That's what we need. We need high-quality teachers, especially those new, young teachers, getting into the system. Mission accomplished, Madam Chair. We did very well in that regard. Then on an annualized basis as well probably more than 800 support staff positions were spared by our restoration of funding. It's a good-news thing.

It's certainly very common, making those adjustments. Of course, the school budgets are always from September to September, and ours are from March to March, so you always see those K to 12 adjustments anyway. Then when we get the enrolment numbers – they don't come until later in the fall. That explains that.

The only other two adjustments I had in Education were actually two decreases based on the Alberta flooding numbers that we didn't require and then a delay in the Peerless Lake school project partnership that we have in northern Alberta. That was a \$10 million thing there.

Yeah. I mean, it's very straightforward, and certainly it's interesting to make those calculations. I'm always happy to do so for the service of the public and transparency and the fine members on the opposite bench.

The Chair: The hon. member.

Mr. Fildebrandt: Thank you, Madam Chair. Thank you to the minister for the answer. I think we got a little bit closer there, but I would specifically ask: of those teaching spaces you noted, is that how much it would create if you had \$33.8 million going towards creating spaces, or is this \$33.8 million specifically geared towards only teaching spaces? If it is towards other things as well, how much of that is towards new teaching spaces?

I also will repeat some of my other questions, which no one has even attempted to answer.

To the Minister of Labour . . . [interjections] We'll give the minister his chances. To the Minister of Labour. We need to know. Since you've been given \$178 million over two years for the job-creation program, which has not created any jobs except for the minister's job, I must always add, and you're asking for another \$3 million, how many new jobs will the new \$3 million add?

As well, specifically we asked questions around ASLI. How many new seniors' care spaces will the ASLI funding provide? More importantly, why was the money removed from the March 2015 budget, in the October 2015 budget, and is now being budgeted again? We'd really like to know why the money keeps moving in and out and in again.

Thank you.

The Chair: The hon. minister.

Ms Sigurdson: Thank you, Madam Chair. I'd be very pleased to answer the questions about the affordable supportive living initiative, otherwise known as ASLI. Of course, the supplementary amount of \$50.5 million is requested to provide funding for this program. This actually was already in Budget 2015, but it was in the Ministry of Infrastructure's \$4.4 billion that was set aside. The supplementary supply moves the funding to my ministry, just so that's clear. It's moving it over here.

I'm pleased to say that 22 of the 25 project proponents have received their grant approval letters. We're working with the remaining three proponents on their proposals. They're securing their land titles, development permits, and master service agreements with Alberta Health Services. Once these are secured, they will enter into an ASLI grant funding agreement, and the initial payment of 50 per cent will be issued to them.

ASLI capital funds were targeted to dementia and long-term care spaces as the need for these care spaces is urgent. Of these 25 approved projects approximately 2,200 units total have been created, but these have been started by the previous government also, and of course I've already said that we've targeted long-term care spaces as well as dementia units. The member opposite did talk about the Newell Foundation, and specifically there are 34 units that will be created through the ASLI program for them.

So I believe I've given the member some specific answers. Thank you.

Mr. Fildebrandt: Thank you, Madam Chair, I think that was actually a very helpful answer. Thank you, Minister. I would ask for a point of clarification later. [interjections] Yeah, don't get used to it. A point of clarification from the minister, if she could nod one way or another, just on the ASLI grant: the money is simply being moved from one ministry to another; it's not being put back in? Well, that is just fantastic, Minister. Thank you very much.

I'll now give the Minister of Labour an opportunity to answer the question as to how many jobs the new \$3 million will actually create. Thank you.

The Chair: The hon. minister.

Ms Gray: Thank you, Madam Chair. Thank you very much for the question. The Ministry of Labour requested a supplementary estimate for just over \$3 million. This is to provide Alberta's employers with funding for skills training and development for their employees. This is dedicated revenue, fully offset. It essentially is money that we are getting from the federal government as part of the Canada-Alberta job fund agreement, and it must be used for the specific task of training. There's a very specific program set up with requirements for that.

The fact that we are asking for the supplementary estimate is happening because as part of the annual program the federal government adjusts its allocations to provinces and territories based on changes in their population and the availability of funds being carried forward from the previous fiscal year. The federal government confirmed our fund allocation in November 2015; therefore, this amount could not be part of Budget 2015, which was released in October. So we are receiving this just over \$3 million specifically for training and supporting Alberta's employers and training their employees.

I'm happy to answer any further questions.

The Chair: The hon. Member for Cardston-Taber-Warner.

Mr. Hunter: Thank you, Madam Chair. I would actually like to ask the Minister of Labour a few questions. The first question I would like to ask is talking about the Canada-Alberta job fund. Nearly \$3 million was transferred into this fiscal year from the previous year because of the slow uptake of the Canada job grant. This provincial government has an obligation to promote that job grant, so why is there excess funding? Also, what is being done to actually promote it?

The Chair: Sorry, hon. member. I should have clarified: did you want to do back and forth?

Mr. Hunter: Yes, please.

The Chair: Go ahead, hon. minister.

Ms Gray: Thank you very much for that question. Our intention is for the full \$3 million or just over to be provided to Alberta's employers through this program. We are looking at an increase from \$17 million to \$20 million. This is an employer-driven program, which means the employer decides who gets the training, what type of training may be needed for new and existing employees. These are challenging economic times right now, so we understand that Alberta employers may not have the ability to spend on training and developing their employees. However, the federal government has made these funds available to us, and we are making sure that they are available for our employers in Alberta to use them and have that opportunity to continue to do so.

You asked me the question of how we are advertising this to our employers. I'm afraid I don't have a direct answer for you here, so what I will do is to find out more about that and return to you with an answer.

Mr. Hunter: Thank you, Madam Chair. Thank you to the minister.

The government claimed that their jobs program would cost about \$178 million over two years. Last week a government spokesperson hinted that the plan was being reconsidered. I'd like

to ask the minister: why are these funds not being used to offset this increase?

8:10

Ms Gray: Thank you very much for the question. On February 2 there were several changes in government, and one of these changes included an order in council which transferred the job-creation incentive program from the Labour ministry to the Ministry of Economic Development and Trade. That was effective immediately, so these funds are not available to my ministry to offset in this case.

Thank you.

Mr. Hunter: Thank you to the minister for that answer.

I would like to know, actually, though, from the Minister of Economic Development and Trade: is that money, that \$178 million, still allocated for this year? Is this going to be rolled over to the next fiscal year? How much has been used? If you could just answer that, please.

The Chair: The hon. member.

Mr. Bilous: Thank you, Madam Chair, and I'll thank the member for the question. Unfortunately, I'm limited as to how I can answer this question because it doesn't deal with supply, but I can tell you that we're continuing to evaluate the best programs moving forward that will provide the most support for our private sector. It's being reviewed, and I'll be happy to talk about it in great detail as of April 14.

Thank you.

The Chair: Go ahead, hon. member.

Mr. Hunter: Thank you, Madam Chair. Now, the last provincial budget, introduced only this past October, allocated close to \$100 million for workforce strategies. Before we approve further unbudgeted spending, it's important that we know the following: number one, how many Albertans were connected to available jobs with those funds? Number two, how many Albertans were provided with skills training so they qualify for new, in-demand jobs? Number three, how many Albertans benefited from employment services with those funds?

Ms Gray: Thank you very much for those questions. Those are all very good and important questions, but they're outside of the scope of this supplementary estimate process, because my \$3 million that I'm here prepared to discuss has to do exclusively with the Canada-Alberta job grant program. These funds are all being used for the support of Alberta employers and making sure that they're able to train their employees, so I'm not able to answer your broader questions within the scope of supplementary estimates.

Mr. Hunter: Unemployment in Alberta is now at 7.9 per cent, Madam Chair, the highest in 20 years. What labour market programming and what specific results is this government anticipating from this supplementary supply, then?

Ms Gray: Through this supplementary supply we will continue to support the training under the Canada-Alberta job grant. To be eligible, Alberta employers must have current or potential employees who need training to fill current or future positions. It is expected that the individuals will be hired upon completion of the training. The program is available to increase the skills and competencies of current and future employees.

There are some requirements in order to receive this funding. Eligible trainees must be Canadian citizens or permanent residents.

The training providers must be eligible third-party training providers who are separate and distinct from the employer. The duration of training must be a 25-hour minimum within 52 weeks from the application approval. The type of training must be incremental, meaning that the training is in addition to the employer's invested training and would not have otherwise taken place without the grant. The training format is quite flexible. It can be e-learning, part-time, full-time, on-site, or in a classroom and must result in a form of credential.

Thank you.

Mr. Hunter: Madam Chair. I'm sorry. I'm not sure whether I heard what the answer was for the specific results that this government is looking for, anticipates from the supplementary supply. I'm looking for specific results.

Ms Gray: The specific results as a result of this supplementary supply are that the just over \$3 million that the federal government has made available to our government and to our employers here in Alberta will be made available and can be used to provide training and support Alberta employers in these tough economic times.

The requirements for the use of the Canada-Alberta job grant have been negotiated with the federal government. They're very specific, and we must use the funds in this way. We do not have any latitude because it is considered dedicated revenue, so we must use it to fund this program and to provide training.

Thank you.

Mr. Hunter: Madam Chair, specifically what existing job training programs are benefiting from this increase? Does the government have any evidence to support that these programs are actually working here today?

Ms Gray: The requirements for the use of the Canada-Alberta job grants are actually fairly open. As I was reading the requirements: 25 hours minimum, must be Canadian citizens, and so on. This allows Alberta employers maximum flexibility in being able to apply for and receive this. We do need to use the frame that the federal government has provided for us, but outside of that it is a fairly open program, allowing employers to apply and to participate.

It does need to engage training on top of the training that the employer is already providing. I do think it's of note that you do need to use a third-party training provider, so this isn't to supplement in-house training but, rather, sending someone to a course or having them take a course online.

Thank you.

Mr. Hunter: I'd like to thank the minister for that answer.

I'd like to find out: how many employer-related stakeholder groups has the government met with regarding job-creation and skills-training initiatives recently, and how many were consulted on how these funds are best used?

Ms Gray: Thank you very much for the question. This additional \$3 million comes about because the federal government adjusts its allocations based on changes in population. So this is money that was made available to us because of Alberta's population.

Consulting with employers about how to use these funds we cannot do because it's provided under a dedicated frame. We need to use it for training; we need to use it for training that meets the guidelines as I've read out. We can't take the money and use it for something else or change our minds about how we might implement it. We're in a very narrow box when it comes to using this Canada-Alberta job grant. That being said, the additional \$3

million I think is a good thing right now, during the tough economic times, and supporting our employers in providing training for employees right now makes a lot of sense.

Mr. Hunter: Thank you, Minister.

Madam Chair, I actually have one last question, and then I'd like to turn the time over to my colleague from Drayton Valley-Devon. I'd like to ask the minister: specifically how many Albertans will undergo skills training as a result of these funds that are being allocated?

Ms Gray: Thank you very much for the question. I'm afraid that I can't give you a direct number because, of course, the training cost, depending on job type or what type of training, whether it's an in-person classroom for a week or whether it's an online course, varies greatly. So I don't know how to translate the \$3 million into exactly how many hours of training or how many numbers are training. I will ask my department, and if we can pin down a quantitative answer for you, I'll follow up with you on that.

The Chair: The hon. Member for Drayton Valley-Devon.

Mr. Smith: Thank you, Madam Chair. If it's okay with the minister, I'd like to go back and forth. Okay. Good. By the way, congratulations on your first day on the job here. You know, I think that there's an awful lot of us that can remember what it was like to be here the first day. You're doing a much better job than I think I ever did.

Here we go. I don't know if you have kids, but I just recently had my kids leave teenagehood and go into the university life. If I could take a minute or two just to brag, my eldest graduated this year from Grant MacEwan and has just been accepted at Concordia University in Montreal for a master's program in philosophy. So there you go. He's doing his dad's heart a lot of good here.

Now, when my kids were teenagers, like many of you, I think, in this Legislature, they would often come to Dad and say: Dad, can I have some money? Anybody here who didn't have their teenage kids do that? I don't know about you, but in the best parenting tradition of my parents – I learned a little bit from my parents. The first thing whenever I went to my parents and asked for money was: well, what do you need the twenty bucks for, son?

8:20

Mr. Barnes: Twenty? You only asked for \$20?

Mr. Smith: Yeah. Shows you how old I am, okay?

So whenever my kids would come home and ask for money, I would say: well, what do you need the money for? They'd roll their eyes, and they'd look at me like I was stupid, and maybe I was, in their teenage eyes. I'd say: "Well, what are you going to spend it on? You know, what are you going to do with it?" Perhaps even more importantly: "Why don't you use your own money? Why are you coming to me? What is it that says that you don't have your own money and that you've got to come to me and ask for more money?" Finally, perhaps this is when you'd walk over with a bit of fear and trembling because you're not sure about the response you're going to get: "Okay, son. I'm going to give you this twenty bucks for tonight. When am I going to get it back? When am I going to get it back?"

I don't know about you, but this supplementary supply bill reminds me a little bit of these conversations. Okay? This government just passed a budget four months ago, and now you're coming back – and I get to be Dad – and you're asking me: can I have some money? I know some of you are going to roll your eyes at me, and you're going to pretend that I'm just really being

unreasonable here. I know. But I think it's time that we had the old money conversation here in this House.

So I would ask the Minister of Education a few questions tonight, and I hope he takes it with the spirit that it's meant, an attempt from the father to the son to get him to consider just a little bit how he's spending his money. I want to thank the minister for his earlier answer because it sort of speaks to the first question, so maybe the first question can go a little quicker here. Why do you want this money? Well, you said earlier that it's about \$33 million, a little bit more, that's needed to probably meet some contractual obligations. I think you said that it was 240 teacher positions that were coming out of this \$33.8 million, at least a portion of that. If we could just start there, then we could move on. Did I understand you correctly when you said that that's where a portion at least of this money is coming from?

Thank you, Mr. Minister.

The Chair: The hon. Minister of Education.

Mr. Eggen: Yes. Madam Chair, thank you. Yes, in fact, my supplementary supply for K to 12 education is a total of \$51 million for enrolment growth spending for the quarter. As I said, we can probably calculate that using a wider estimate of 240 FTEs of teachers.

Also, part of my sup supply is a \$10 million decrease for the Peerless Lake project and a \$7.2 million decrease from the flood fund, so the net is actually less than that. As I said before to the Finance critic from your party, it's a reflection of enrolment growth. We have made that commitment to funding enrolment, and it's very important because, of course, it allows school boards to make plans much more carefully and in a more realistic sort of way, and it also allows more surety around teacher positions, those teachers themselves and then having more consistency of the teachers in front of the kids. So I think it's quite a good investment, and I think that it's in keeping with the supplementary supply function, which is to make adjustments.

You noticed that I made adjustments up based on enrolment increase, and then I also made adjustments down based on projects that we deemed to be further down the road and/or money that was not required for the Alberta flooding. In sum, I think, you know, that we've done a pretty good job, my ministry, and we're working really hard to ensure that we have a good budget that will come forward for Education here in the next few weeks.

Mr. Smith: Madam Chair, you know, I can remember at one point in time one of my kids coming to me, having done some miscalculations in their own budget halfway through their university year and saying: Dad, I think I might need some money. Being one of those hard-working teachers that the minister is finding money to fund, while I worked very hard, sometimes the money at the end of my month didn't stretch far enough. So it was a pretty big deal for one of my kids to come to me and say: Dad, I have to have more money. I know that we had to have a very serious conversation because the money came hard for me. I guess the question I've got for the minister here is that I think the money is coming very hard from the taxpayers of this province. Many are struggling. So to miscalculate your budget for this year after only four months, and while you may have found some savings in other areas, which you should be lauded for – I thank you, and the taxpayers thank you – you're still asking for more money. Yeah, you're still asking for more money. Could you explain: why the miscalculation?

Thank you.

The Chair: The hon. minister.

Mr. Eggen: Well, thank you, Madam Chair. Once again, the reason

that we need supplementary supply is that we have more students enrolled. The numbers come from the beginning of the school year, and then we calculate them from the end of September and then the end of October or November. That pretty much falls on the number of months between now and then, so once we had the increased numbers – we'll see this on an annual basis. It's quite common, right? We will hit the number of how many students are in our schools sometimes above, sometimes below, and sometimes closer to the money. This year, based on the numbers coming out from the end of September and then us calculating the end of October into November, we found that there was an increase, a 2.7 per cent growth. So this is the difference. I think that we would be hard-pressed to find people who would not be willing to make sure that we fund for enrolment growth in our schools across the province. We know that it's a very top priority for Albertans, and it's a top priority for this government, too.

I think that this is a fair choice to make, I think it's a prudent choice to make, and certainly I believe that I have the support of the public in doing so. In fact, as you did point out as well, I am also bringing \$17.2 million in reductions to my same budget, based on calculations that we had made. You know, honestly, this is how it works with the supplementary figures, and we've actually hit pretty close to where we should be.

It's going to be difficult. The member and myself had a discussion just previous to the Legislature opening about enrolment and about the population of our province in general and then our school population specifically. It's not easy to do that, to make that calculation. We calculated lower, and it stayed high, which is good. I think it's a good-news story. I think that the same day that the hon. member and myself had that conversation in my office, ATB came out with figures demonstrating that our overall population was remaining strong and growing as well in the last 12 months.

We're always monitoring it. We always monitor based on the schools and their numbers when they come back to us. Those numbers always do change over time. I expect to see an increase in enrolment over this next school year as well, and we will probably be here around the same time seeing whether we came close or high or low or right on the money on that calculation next school year.

Thank you.

8:30

Mr. Smith: Thank you, Mr. Minister. I remember that conversation, and it's why I guess I'm a little confused and wondering about some of the figures. You said that one of the reasons for the increase in capital projects, the increase in, obviously, your supplemental bill here, has been an increased growth, yet when I look at the third-quarter update, it states pretty clearly that population growth is levelling off. The chart that's there on Alberta population and growth rate shows a steady decline starting around 2013. I guess I'm having a hard time. I'm a little confused. Maybe you could explain why the statistics that come from Alberta Treasury Board and Finance, which seem to state that there's a declining population growth rate annually in this province, are different from the ones that you're stating. If you could explain that for me, please.

Mr. Eggen: Once again, we can supply that information to the hon. member. Our numbers are from Treasury Board and Finance, and they made an estimation of that 1.5 per cent. We ended up with 2.7 per cent, so this is the difference to cover off that discrepancy in numbers. Yeah.

That's what we heard from the schools as well, who had the school kids in their classrooms. You know, they give us that information every fall as well, so it's pretty accurate.

The Chair: The hon. member.

Mr. Smith: Thank you, Madam Chair. I don't doubt that you're trying to use the best figures that you can lay your hands on. I guess it's just that if we want to use anecdotal comments and what we're hearing from schools, I know that the school that I was in up until last year is actually down in students. [interjection] Yeah. Actually, they are. I've talked to the principal, and I know that they are. I know that that goes up and it goes down across the province and that sometimes it's a very difficult thing to do, but I guess I would encourage the minister to make sure that not only are we looking at exactly what the student population is now but what the projections are because we do budgets based on projections at times.

Okay. Well, let's move on. Let's talk about what you're going to do with this money. In item 2.1 we have the operational funding. It says that it's going to be an increase of about \$37 million. Could you, Mr. Minister, please tell me what is included in the operational funding, and what exactly will those dollars be used for just in a general sense?

Thanks.

The Chair: The hon. minister.

Mr. Eggen: Sure. Thanks to the hon. member and to Madam Chair. I mean, the vast majority of those funds in a school are directed to the teachers and support staff that make the school function. As I calculated for your Finance critic just earlier this evening, we could say that there's about 240 teachers' worth of funding in there if you wanted to use that as your base measurement, and that would include all of the materials and operational costs and supports that each of those teacher units do require. So that is one way of looking at it.

I mean, obviously, schools and school boards make their decisions about the funding that they need on the ground to make sure that their kids get the education that they deserve and need. That structure, I think, is quite successful in the province of Alberta. We fund our boards. The money passes through my ministry with direction and is 97 per cent distributed to the 61 school boards and other charter schools and so forth around the province. They make those education choices, and I think they do a good job. They make good choices based on putting teachers in front of kids and so forth.

We watch carefully over time, and certainly I've directed all of my school boards to be very, very careful with the funds because, of course, now more than ever these public funds are very difficult to get. Overall, I would tip my hat to how school boards work with their teachers, work with their principals and so forth to ensure that the money is spent in the classroom.

The Chair: The hon. member.

Mr. Smith: Thank you, Madam Chair. Let's start digging down just a little bit, see if we can drill down. This would be sort of akin to when my children gave me vague answers for how they were going to spend money, and then we just had to drill down a little bit deeper. Item 2.2., the regional collaborative services delivery. It says that there's going to be an increase of \$800,000 there. I guess my first question is this. Is the \$800,000 for regional collaborative services delivery matched by funding from Health and Human Services?

Mr. Eggen: I have no idea.

Mr. Smith: Pardon me?

Mr. Eggen: I have no idea.

Mr. Smith: You don't have that knowledge? Sorry. Madam Chair, thank you. Would you be able to get that for us, please?

Mr. Eggen: Probably.

Mr. Smith: Probably or yes?

The Chair: Hon. member, if I can remind you that it needs to be on the supplementary estimates.

Mr. Eggen: Could you repeat the question, please?

Mr. Smith: Okay. Sure. Absolutely. I'm sorry. If you didn't hear the question, I'd be glad to give it to you again. Item 2.2, regional collaborative services delivery. Is the \$800,000 for regional collaborative services delivery matched by funding from Health and Human Services? In other words, is it \$800,000 from Education that is then matched by Health and then matched by Human Services so that it's a larger figure altogether, or is it just the \$800,000?

The Chair: The hon. Minister of Health.

Ms Hoffman: Thank you very much, Madam Chair. Certainly, there are times where there are matching funds. In this allocation we're simply asking that the money be released to Education so that they can continue to fund their programs. Any Health funding that would have been required previously or Human Services funding that would have been required previously has already been budgeted for and, therefore, is not relevant to this discussion.

Mr. Smith: Madam Chair, thank you. Sometimes I can be a little slow, but I'm not sure. We have \$800,000 budgeted for regional collaborative services. Was the answer telling me that you are not going to be matching that from Health and Human Services, that it's just simply a stand-alone figure of \$800,000 and that when it comes to regional collaborative services, it's solely funded by the education system? If you can help me with that.

Ms Hoffman: I'm trying to say that there is no money – I'm not coming with any supplementary supply requests as Minister of Health. I'm not asking for any funds to be able to match in terms of this specific line item that you're referring to. So there is no Health component that we're asking for approval for today.

Thank you, Madam Chair.

Mr. Smith: Thank you for clarifying that for me because my understanding is that during a full budget, not the supplementary supply estimates, there would be matching funds, usually, for the regional collaborative services delivery. I just wanted to find out if it was one way or the other. Okay. You've given me an answer, so thank you. So the total funding for RCSD, the supplementary supply, is just going to be totally from the \$800,000. [A timer sounded] Okay. Well, we can get back to this later.

Thank you.

The Chair: You still have one minute left in this first hour if you have another.

Mr. Smith: Do you want me to continue for the last minute?

Mr. Hunter: We'll cede our time.

The Chair: All right. We will continue in the rotation, then. The next 20 minutes will belong to the members of the third party.

Dr. Starke: Well, thank you, Madam Chair. If it would be possible, we're going to take the first 10 minutes and then turn the final 10 minutes over to the members of the government. The hon. Member for Calgary-Hays and I are going to share the time.

Well, this process is sometimes called the Oliver Twist bill because it's, of course: please, sir, I want some more. You know, as much as I enjoy Dickens, I am concerned about a number of aspects of this, so I'm going to ask a number of questions. I'm going to just ask the ministers to sort of keep track of the questions, and then we'll hope that they can sort of take their time as far as the 10 minutes that they have to reply.

First of all, to the Finance minister. The Finance minister stated in his opening remarks, which I kept very close track of, that this is consistent with a third-quarter fiscal update. But I do have some concerns because there are a number of things that don't show up in supplementary estimates that were in the third-quarter fiscal update. For example, Minister, an additional \$147 million in spending for the Department of Health. There is no supplemental estimate for the Department of Health. I'll ask you or the Health minister to perhaps give us some explanation as to that.

8:40

The next thing that I wanted to just mention was that I'm personally very gratified to see, for example, the Minister of Education finding the \$17 million in his budget, which is from other areas, and also the Minister of Treasury Board and Finance and the \$9 million balanced from the expense loan. Trust me; that does not go unnoticed. I think that demonstrates, at least to me, that you're looking for restraint in other areas of your budget.

I guess what I'm concerned about is: what about all the rest? What about the other departments that are asking for additional funds? Can they not find funds in their budgets similar to what the Minister of Education has done and what the Minister of Treasury Board and Finance has done? The Minister of Environment and Parks: that's a transfer from capital to expense, so we're not going to worry about that. But, for example, the Minister of Justice and Solicitor General: an additional \$8 million for correctional services expenses. I can understand that. Obviously, we need to pay those staff. But \$8 million represents .6 per cent of your total budget. Could you not find \$8 million somewhere else in the budget to offset that \$8 million as your colleagues have done?

The Minister of Municipal Affairs: an additional allocation of \$9 million for Chestermere for some flood DRP programming. Hey, you know, that's fine. That's an understandable request under supplementary estimates. But \$9 million, again, represents a mere .6 per cent of your total budget. Do you mean to tell me that you could not find .6 per cent of your total budget in savings elsewhere as your colleagues the Minister of Education and the Minister of Treasury Board and Finance have done?

Finally, you know, moving on to the Minister of Labour. I agree that the program that is present in the Ministry of Labour and the \$3 million for the labour market programs is good, but once again this is 1.6 per cent of your total budget. It seems to me that the first attempt should have been made to find savings elsewhere, and other ministers have proven that that is possible. Indeed, the third-quarter fiscal update shows that some ministries have lower than expected expenditures for a number of reasons. I would have hoped that rather than asking the taxpayers of Alberta for an additional 100-plus million dollars, some of that should have been found by being more diligent and being more, shall we say, prudent in terms of the spending.

Finally, Minister of Treasury Board and Finance, I do have to take issue with – and since you brought it up, I think this is entirely within order – the quote of “decades of inaction on diversification.”

Sir, I will tell you that if you want to continue to perpetuate that myth to Albertans, I guess you are welcome to do so as an attack on past government. But when you do so, you in fact attack the very Albertans who have been diversifying our economy: people in the construction industry, that has grown by nine times in the last 30 years while our economy has grown by five and a half times; people in biotechnology, who have built that industry to a \$1 billion industry that employs 4,600 people; people who produce canola, the production of which has gone from 30,000 tonnes to 20 billion tonnes in the last 45 years, worth \$6 billion; and your favourite, the ethane-based petrochemical industry, which – indeed, I'm glad you have a program, but it is hardly a new program, sir; it is a continuation of an existing program – has grown to \$15.5 billion and employs 7,700 Albertans.

So, Minister, if you want to continue trashing past government, that's fine because from time to time we do the same back to you, and that's okay. But I would ask you, sir, that at least you should acknowledge the efforts and the accomplishments of those Albertans who have in fact diversified our economy, rather than simply trashing them at the same time.

Those are my questions. I'll turn it over to the Member for Calgary-Hays.

The Chair: Hon. member, do we want to give this side a chance to respond? Then we can come back to you. That's a 20-minute segment in all.

Mr. McIver: No. We're going to take our 10, and then we're going to listen intently if that's okay, Madam Chair.

The Chair: Okay. If you prefer to do it that way.

Mr. McIver: Thank you. We'll carry on here. I'm going to start off on a little bit of a different tack. Now, it says in the fiscal plan highlights in the third-quarter update that the unfunded liability for the teachers' pension plan is unchanged at \$18.9 billion. I guess my question would be about the other unfunded pension liabilities. Are they up, down, or not changed? I would like to know what that is because those are big numbers when you talk about pensions, and of course it's a big number for the taxpayers. But equally or more important is the fact that the people that toil for this government night and day and do great work for the citizens of Alberta have earned those pension payments. They need to know that they will be there when they are retired and that they have them coming, so knowing what's happening there.

Along with that, I would like to know from the Finance minister or whoever might have the answer: what effect will it have on the unfunded liabilities should our credit rating slide further... [interjection] Yes. Thank you for that. I'm glad you're trying to listen, Minister. I'm grateful for that. What effect will it have on our unfunded pension liabilities if Alberta's credit rating slides further and we end up paying, say, a percentage more on all the borrowing we're doing?

Of course, with the government's projected \$10.4 billion deficit – and, respectfully, the Finance minister hasn't said that out loud publicly that I've heard, but the Municipal Affairs minister managed to say that out loud in front of the municipal meeting, the AUMA breakfast the other day, in part of her remarks, so I'll take from that that the two ministers are in agreement. So, again, how will that change it?

Now, moving along a little bit here – and I'm trying to go a little bit fast – in personal income tax revenue it said that it decreased \$762 million from budget. To the Finance minister. My concern for both this year and for the future is: how many people prepaid their taxes at the end of last year for several years ahead? I've heard from

several people that actually are fairly well off that they prepaid their taxes as much as four years in advance in order to catch the lower tax rates before the government increased tax rates. One fellow told me that he prepaid \$10 million worth of tax, and his accountant said that he'll be \$800,000 ahead four years from now because he did that.

My concern, obviously, for the government's revenue and for paying for services that Albertans need is that if it's already decreased by \$762 million and some people have prepaid their taxes, then of course I wonder how much less the government is going to have in the next few years. Particularly, I'd like to know how many people prepaid and how many dollars were prepaid because that might give a sense of how much less revenue the government will have in upcoming years.

Also, does the government have any idea of how many high earners have left Alberta because of the higher personal and corporate taxes that the government has put in place? If those people have left, then of course we can't look forward to their taxes in future years. I keep hearing – again, the plural of anecdote is not data, but some of the anecdotes are that for some people their holiday home in B.C. is now their permanent home because, unbelievably, now it's cheaper to pay taxes in B.C. in some cases than it is in Alberta. So the Alberta advantage has sailed across the border since this government has been here. As a result of that, I am asking these questions.

Now, I'll just revisit in the last 40 seconds – and these are questions that I asked the other day and that I didn't get an answer for. For each of the supplementaries, on capital I'd like each of the ministers to say exactly what that money is being spent on, which schools, which hospitals, which roads, which seniors' housing, whatever it happens to be. It's not a budget issue, so the ministers should know. If they didn't actually know what the money is being spent on, they obviously should not have asked for it in the supplementary benefit. Because they did, they obviously should have a very full and detailed answer for every single ministry on where each of those capital dollars is going.

In the last six seconds I will say that I would love to hear those answers. Thank you.

Mr. Ceci: Madam Chair, I'll start off for the government side and then pass off to other people to address specific questions that we have.

To the member opposite, around me saying about the decades of inaction on diversification, I mean that very narrowly around the other side but in particular around the significant drop in revenues from nonrenewable resource revenues. They are significant, and they have made the job of budgeting quite difficult. The whole world is experiencing that, too.

8:50

One of the first things we did when we came in was put a more stable income tax situation in place with regard to a 2 per cent change on corporate and a marginal tax raise for the rest of the population. That has helped our situation as a government and the ability to be able to pay for necessary programs and services that this government provides across many different platforms for Albertans.

There has been, as was indicated, a drop in personal income taxes; corporate taxes, not so much.

We do not know the exact number of people that are prepaying in advance, as was being requested, but I will see if that information is available.

I want to point out that when we bring forward the full tabling of the results of the 2015-16 budget, what you will see is that not only

this ministry and the one to my right, Education, but most ministers have found savings in their departments as a result of being asked to look closely for savings, recognizing that we're in a tough financial situation. Over \$250 million has been found. Going forward, we may need to do more each and every year.

The situation with regard to the credit slide: as you know, one bond-rating agency has identified that we're now AA plus as opposed to triple-A, and the other two agencies are saying that we're triple-A. This is something that all companies and governments are experiencing in terms of re-evaluations by those credit-rating agencies. I've said before in this House, and I'll say it again, that when we borrow as a result of the bond-rating agencies' information, the people lending money have already factored in – they can read balance sheets just as well as anybody else, and they know the challenges that we're experiencing going forward with revenues – that change, and we're accounting for that. We will show that in our future budget as well.

I think I'll turn it over to the Health minister with regard to any sup changes on the Health side.

Ms Hoffman: I'll speak to both Health and Energy. Neither ministry, Health nor Energy, has any supplementary supply requests that are being debated this evening, so zero.

There are other ministers who can answer, of course, as well.

The Chair: The hon. Minister of Justice.

Ms Ganley: Thank you very much. I appreciate the opportunity to respond to the question because, of course, I think it's important for all Albertans to understand sort of what we're doing here and what we're dealing with. In terms of Justice and Solicitor General the primary cost drivers for my ministry are population and inflation. In fact, I was somewhat surprised to discover that the incarceration rate is actually increasing at a slightly faster rate than the population. We're still trying to pin down the exact reasons for that. So those are the main drivers.

When I came in, the projected overage in my ministry was significantly higher than this \$8 million. It was closer to the \$30 million range. We were looking for a significant amount of funds originally, and we projected to try to bring down corrections. We found a lot of that money by transferring \$13 million from other divisions. We also have been running significant vacancies. We're tending to run at about a 7 to 8 per cent vacancy rate with the exception of corrections. A lot of the overage in corrections comes as a result of overtime because there were vacancies. So the opposite problem, I suppose, would be the answer there. We looked for a significant amount of that money. We found a significant amount of that money. We didn't quite get there, and that's what this \$8 million is.

I think the other important thing to note is that in my \$1.3 billion budget for Justice and Solicitor General about half a billion dollars, so \$500 million of that, just over two-thirds, is in fact funding for police. That's obviously something that is also driven by the same costs, population and inflation, and we didn't feel that this was a moment that was wise, I think, to sort of cut down on the funding flowing to our police partners. So we were unable to find money there, but we did find a significant amount of money elsewhere in other places.

This \$8 million was just sort of the piece that we couldn't quite get to. Actually, the ministry found a significant amount of funds internally. The \$8 million is just the piece we weren't quite able to do. Going forward, we intend to do a number of things to address that. But that wasn't the question in this case, so I won't answer it now.

Thanks.

The Chair: The hon. minister of seniors.

Ms Sigurdson: Thank you, Madam Chair. I'll talk specifically about Seniors and Housing and the \$50.5 million that is identified here. It is for the ASLI program, which is the affordable supportive living initiative. This was actually in Budget 2015, but it was in the \$4.4 billion that was set aside in the 2015 capital plan which showed up in the Ministry of Infrastructure. So it's just actually a transfer to this program.

We have 25 projects that have been approved and are going ahead, and they're working on providing seniors' long-term care, dementia care in 15 communities across Alberta. It's approximately 2,200 spaces at this point that will be created for people, and we know that there is a great need in these communities. I don't have the detailed list with me right now, but I could make that available to the member if he so wishes.

Thank you.

The Chair: The Minister of Municipal Affairs.

Ms Larivee: Thank you, Madam Chair. Certainly, we understand that Albertans do expect the government to be good stewards of the public purse and to be strategic about business plans and wherever possible plan ahead for funding pressures, and I can say that my ministry has been tremendously diligent in that responsibility. However, there are circumstances at times that require adjustments, and a responsive DRP program, or disaster recovery program, is part of that. It is essential to keep Alberta's communities strong.

Disasters are not predictable in number or magnitude, so ministry-based funding does not include funds for specific disaster response and recovery efforts. So from that perspective, not having been addressed in the budget, we do need to move forward and request the funds in terms of the 2015 south-central Alberta DRP in order to help the residents of Chestermere and Rocky View county who suffered damage to their homes after severe weather last July. It also will provide support to the municipalities that were affected in terms of ensuring that their municipal infrastructure that may have sustained storm damage is repaired as well.

Ensuring that our municipal partners are supported in times of need, ensuring that Albertans are supported in times of disaster is a commitment we do not take lightly. Our focus is on safe, resilient communities, which is why we are asking for the supplementary funding.

Thank you.

The Chair: Any other ministers wishing to comment?

That takes us to the next segment, the next 20 minutes. I'll recognize the hon. Member for Calgary-Elbow.

Mr. Clark: All right. Thank you very much, Madam Chair. I don't think that I'll take my full 20 minutes. I will take the opportunity, however. I know you're all very disappointed. [interjection] Maybe I will; maybe I will. We'll see how this goes; we'll see how this goes. I will go back and forth with a variety of ministers.

I'll make just a brief opening general comment. I'm curious as to why we're here at all and why we're doing supplementary supply. I mean, I know technically why it needs to happen. But with the House sitting a full month later than standing orders would have had us come in, there was ample time. The reason standing orders have us go in the first Tuesday in February is so the government has the opportunity to introduce and for all of us to fully, thoroughly, and robustly, if that's a word, and, I would hope, respectfully debate a budget in time for the end of the fiscal year so that we don't have this process of either interim or supplementary supply.

9:00

You know, I share a lot of the concerns that I've heard here tonight. There seems to be very little effort in a meaningful way to address costs, and I have a worry that I carry over from the interim supply process, that there seems to be at the very least a gradual increase in costs, certainly not a flattening or even a decrease. That's a significant concern at a time when revenues are more than just tight; they're plummeting. So every process, every bill, every interim supply, supplementary supply sends a signal to the people of Alberta, and I'm afraid the signal that we're being sent here is not a positive one. I worry what we're actually going to see on April 14, when we finally do see the full budget.

I will start with the Minister of Justice and Solicitor General. You'd been asked earlier by the hon. Member for Vermilion-Lloydminster or by Calgary-Hays about the \$8 million supplementary supply estimate. You've indicated it's for overtime expenses. I'm wondering if you could elaborate a little bit on any of the work that's been done by you or your department to evaluate staffing level requirements, to hire if there are vacancies, to avoid costs for overtime, or if these are the sorts of things that are embedded in a contract, if as contracts come due, you will find ways of reducing the overtime allocation.

One thing I guess I want to be very clear about. When we're talking about correctional workers in any context, that's a thankless job. It is a difficult and dangerous, thankless job, and I think nowhere is that more true than in the remand system. I want to be very clear that I have a tremendous amount of respect for the work that they do, but at the same time, when we see overtime expenses causing us here in this House to allocate extra dollars, I always wonder if there's an opportunity perhaps to find regular full-time employment as an alternative to that. I'll let the minister answer that question.

Thank you.

The Chair: The hon. Minister of Justice.

Ms Ganley: Thank you very much, Madam Chair and to the member for the question. I actually have some very exciting answers to that question. Actually, just to be perfectly clear, certainly I saw my colleagues and myself I know I certainly struggled significantly to find internal reallocations, so I think that to say that we didn't look is a little bit unfair.

In terms of going forward, as I've mentioned, the sort of cost driver in my ministry generally and the cost driver specifically in terms of incarceration is the people who are incarcerated and the cost of the staff who are guarding them. Obviously, there is a contract signed that's in place, so there is an increased cost associated with that, and we will be honouring that contract going forward. But, as the member points out, I think he is correct that we maybe need to start doing a better job – and we are working to do a better job – of ensuring that we aren't sort of incurring these additional overtime costs, and part of that starts with ensuring that we're properly staffed up.

The cost of running a correctional institute can be a little bit unpredictable because it depends on sort of who's coming in and when. It can be difficult to predict, so the result of that is that we have introduced what are called float pools within adult correctional facilities to backfill vacant positions so people that are coming in and are already trained up can start taking on shifts right away and can be there if someone falls ill or if someone is unable to come in for whatever reason or if we have a higher capacity than anticipated. This is obviously important because the challenge has been that, you know, when we see an increase in the remand population, we can't just grab someone off the street to fill in. They have to be

trained. Correctional workers are extremely well trained, and they have to be well trained because their position is dangerous and they do some very important work.

Another thing we're doing is that we've procured some new shift scheduling software, so we're hoping that that will help to achieve more efficient staffing in adult correctional centres. The combination of those float pools and the software should help us to optimize manpower so that we can reduce overtime so that at least with respect to the hours we're paying for, we're paying at straight time rather than paying at overtime rates. Those are some of the things we're moving forward with.

A lot of our other initiatives are going to relate to ensuring that we are using correctional institutes for the right people, if you will. Often correctional institutes are used to incarcerate people who have basically been criminalized due to homelessness, who have addictions problems, who are suffering from mental health. Moving forward, we will be working on multiple solutions to address those problems and ensuring that people who are sort of coming into and out of correctional facilities in very few days, only two or three days, who are obviously not presenting a danger to the public but are in there for whatever reason, are maybe being directed to more appropriate places.

The Chair: The hon. member.

Mr. Clark: Thank you, Madam Chair, and thank you, Minister, for that thoughtful response, especially about trying to reduce the incarceration rates for at-risk populations. I know we've had one particular case I'm aware of that was a real tragedy, and I know obviously you're aware of that as well. So, yes, anything we can do to reduce incarceration rates, obviously without jeopardizing public safety, is absolutely welcome.

I'm going to ask the Minister of Municipal Affairs about one of my topics that she and I have talked about in the past and one that I'm sure all of us wish we'd have less need to talk about. That's the disaster recovery program. The \$9.045 million: I know we've talked about that being related to the flooding in Chestermere. My questions are: what exactly is that very specific number based on? How much confidence do we have that that is, in fact, the right number?

I know the event was last summer, so I wonder if perhaps enough time has passed. Given that it's relatively recent that the province has indicated that we as a province will be funding DRP, especially for residents, if in fact we've received all of the applications, if there's a deadline, and in fact if we know that that number is what likely it's going to be, is there a risk that it goes up or an opportunity for it to go down?

I also assume, with the rest of that program, that it is, in fact, eligible for federal reimbursement as well. If so, what percentage? I suspect you know that answer. I believe it's 90 or may only be 80 per cent now. That's why I'm asking. I believe there may be some changes there. If you could speak to that.

The ongoing challenges, I know, that we've had with the expediency with which claims have been processed in the past: is any of this money going to be used to help improve that process, or are there other areas where that's happening?

Thank you.

The Chair: The hon. minister.

Ms Larivee: Thank you, Madam Chair, and thank you to the member for the question. Certainly, DRP is enough of a passion for me. One of the very first things I did was tackle the concern, talking to them in High River about the challenges, so absolutely moving forward. Having implemented the case manager tool, the Chestermere DRP is

our first chance to use that, and I'm really looking forward to getting feedback on that moving forward.

In terms of DRP, like a lot of other items, there's something to be said for the fact that there's some estimate based on what the municipality presented to us in terms of the homeowners they felt were affected who had let them know. We hope the majority of the claims are in. However, it's not completely closed yet, so there is the opportunity still that it may be changing. We do, however, build into that estimate a certain contingency fund, so there is actually the opportunity to come under. I would think it would be highly unlikely we would go over.

With a budget that is 97 per cent grants based that we provide to the municipalities, obviously at this point in the game, with no budget for disasters because we don't anticipate what they are in any year, we did have to bring it back for approval by the members of this Assembly. There being no consistent line item for disaster recovery in the budget, it is something that we need to ask for your permission to go forward on.

In terms of the federal funding, the federal government essentially asked us to pay the deductible, for lack of any better term, on any disaster that happens. We will not have reached that, so this will be all on Alberta taxpayers. None of it will be reimbursable from the federal government.

I do believe I have addressed all your questions, so thank you very much for sharing them.

9:10

Mr. Clark: Thank you, Madam Minister, and thank you, Madam Chair. That's interesting. I didn't realize there was a deductible. Can the minister please tell me what that deductible is? Given that there was a significant time lag from the event itself till now, is there anything that we could have done to combine it? I just am very curious. I've never heard that there was, in fact, a deductible for federal reimbursement.

Thank you.

The Chair: The hon. minister.

Ms Larivee: Thank you, Madam Chair. Certainly, recently the federal government raised the amount that was required to be paid, which is part of the challenge going forward with disaster recovery and why we certainly need to have ongoing conversations about choices we want to make as a province. However, at this point what it sits at is \$3 per Albertan, which adds up to a substantial number, so you have to have a fairly substantial disaster before federal funding kicks in.

Mr. Clark: Thank you, Madam Minister.

Madam Chair, I'll pose my final questions to the Minister of Finance. You talked earlier about credit rating, and that's obviously a big concern that we've discussed in this House. We've discussed it in person. We know that one agency has downgraded Alberta. There are two that have yet to downgrade Alberta, but I'm worried, frankly, that once the budget is released and they can see those numbers, we face further risk of credit-rating downgrades. I'll ask again: have you calculated the cost of further credit-rating downgrades, either by the other two agencies that have yet to downgrade Alberta or perhaps by even further downgrades from the agency that already has downgraded Alberta? What do you feel is the risk that the other two agencies who have not yet downgraded Alberta will downgrade once the budget is released or at any other time?

Thank you.

Mr. Ceci: Thank you very much for the question. I can tell you now that we're planning to go out and visit, of course, the three bond-

rating agencies and talk with them directly about the upcoming Budget 2016 and our efforts in Budget 2015. I think that as a group government has taken significant effort to ensure that our expense growth in Budget 2015 stays under population plus inflation. We will probably be putting a chart in Budget 2016 that shows where that is tracking, both for Budget 2015 and Budget 2016, what we project, and previous years' budgets and where it projected with regard to population plus inflation and where the government's growth on expenses year over year was. We're concerned, of course, with regard to the revenues that are coming into the province and how we're going to address all of the programmatic needs that Albertans still require.

I'll be going out to see the three bond-rating agencies and talking to them, as I said, about the results for 2015 and where we're planning to go in 2016. While the three different agencies have made changes to the province's credit rating, they all link that decision to the drop in global oil prices, commodity prices, so Alberta is not any different than any other jurisdiction in that regard. In fact, many companies are feeling the same downgrades to their ratings with regard to those agencies. Oil prices are beyond our control but not our response. Our response: as I said, we're trying to find efficiencies. We're working very hard to ensure that we stay at a reasonable rate of growth, around 2, 2 and a half per cent on our expense side, and we're trying to bend that even further.

The borrowing we do already recognizes the challenges on our balance sheet. We still have a really good balance sheet, but the borrowing we do is already priced to reflect the changes that we know are coming with regard to — let me just back up. It already reflects the challenges that we're experiencing. People, like the agencies, look at different things. Some look at debt to GDP, and we know that as of this third-quarter report, that was 5.7 per cent for 2015-16. Others look at revenue to GDP, and we know that that is going to be a challenge for us.

I just want to say that I feel like we're already paying the price. When we do borrowing, they understand the difficulties we are in in terms of the situation and the diversification, that is not as robust as it needs to be to ensure that we have revenue lines that don't take the significant hits that this one has taken. Going forward, we're going to be talking to them and explaining our situation fully, and they will do what they do.

I do want to say that Standard & Poor's already has complimented Alberta. They say that we have exceptional liquidity, very strong financial management, and we have some budgetary flexibility. I know that's code for different things, but we have said that we're not going to bring in additional, significant taxes. That's what Standard & Poor's is kind of pointing to, but that's not what they're going to hear from us when I go and see them in approximately a month and a half.

Thank you.

The Chair: The hon. member.

Mr. Clark: Thank you, Madam Chair. This seems to be taking more of my time than I thought. This is a very enjoyable exchange but I also think important. There are a couple of things the Minister of Finance and President of Treasury Board has said here that I just want to pick up on quickly. Yes, the price of oil has gone down, but you know, it's very clear that the bond-rating agencies link Alberta's credit rating not just with the price of oil but with our overall fiscal performance. You've alluded to something here that I really do want to pick up on. One is, of course, those spending choices that this government makes. The other is the revenue side. When you talk about fiscal flexibility, you've just said that you will not bring in significant tax changes. Will you bring in insignificant tax changes? What is an insignificant tax change? Are you going to do anything at

all on the revenue side? I'm very curious, and I know Albertans are very interested in that as well. That's one question. Will Budget '16 raise any taxes or fees or levies of any kind?

The second question is: have you calculated the cost of any potential future credit-rating downgrade and what that will cost Albertans as we go deeper and deeper into debt and borrow more and more?

Thank you.

The Chair: The hon. minister.

Mr. Ceci: Thank you, Madam Chair. Let me be clear. We have already talked about the changes to revenue going forward. People here have heard several times that we have a significant challenge getting acceptance for pipelines across this country. One of the things that we believe is necessary to create that greater social licence is a levy on carbon pricing across the economy, and we are doing that. We have said that we are bringing that in. That is going to be revenue neutral, back into the economy one hundred per cent. I am going to only say that that's the change that will happen. There will be no insignificant changes. There will be no changes to any of that.

The Chair: Hon. members, we move into the next section, and we will call on Edmonton-Meadowlark.

Mr. Carson: Well, thank you, Madam Chair, and thank you also to all of the members in this Assembly for the important . . .

The Chair: Hon. member, do you want to share your time?

9:20

Mr. Carson: Oh, excuse me. I just have one question, and then it will go to the minister. Thank you. Sorry about that.

Thank you, Madam Chair as well as all members of the Assembly for the important and insightful questions that they have asked so far tonight. As I said, I only have one question for the Education minister. Now, we know that a priority for this government has been supporting our vulnerable students; namely, those who are English language learners as well as First Nations, Métis, and Inuit students. To the minister: what does this funding do to ensure that those students continue to receive the necessary supports that they need?

Thank you.

Mr. Eggen: Thank you for the question from the member. Madam Chair, certainly, it's very important for us to maintain and to strengthen our funding for English language learners as well as for First Nations, Métis, and Inuit students. We have been working hard to do so, and certainly the supplementary money we put in here is a continuation of our commitment to fund enrolment.

Perhaps the Chamber and the public hear me talking about funding enrolment over and over again, but the depth and the breadth of that responsible choice is significant in every corner of our public education system. The supplementary supply is a reflection of our supporting the ELL and FNMI students. As you probably know, we take a significant number of students from abroad, from different nations around the world. We know that a new Canadian student's degree of success is directly dependent on their success in learning to speak English here in Alberta, so we put a great emphasis on that. We've developed plenty of expertise around the province in accommodating the needs of new Canadian students in our classrooms.

I'm just so proud of the programs that have been set up, that I've visited in Calgary and Edmonton and other centres, that are not just teaching the three Rs to our new Canadian students but are helping to accommodate them in the broadest possible way into Canadian culture and the welcoming sense of community that we provide here

in the province of Alberta. It's one of the hallmarks. So often education is the front line for so many services that we disburse to our population. Certainly, we want to use our school outreach to extend to all students but especially to students that have special needs.

Another area that we're working on very diligently – you might have seen some of that in the paper this morning – is around the restoration of the elected ward for Northland school division in 2017. That preparation work is already beginning and is bearing a lot of fruit.

I think that working together with my colleagues in Health and Human Services and fortifying each of those school sites as a contact point for all provincial services is a very good strategy. Already some preliminary work that we have done has provided some modest gains in measurements around attendance and so forth. I know there are high expectations across Northland school division, but I believe that that is an investment that will reap considerable rewards.

I know our commitment to FNMI funding is significant, and certainly the supplementary estimate that we have here today is a direct reflection of that, putting our money where one's intentions are and where the priorities are for our government.

I'm so proud of our caucus and cabinet, that they again and again reinforce the importance of making sacrifice in other areas for us to make sure that we fund education properly from K to 12, be it for ELL students, for First Nations, Métis, and Inuit students, for any number of our 659,000 students for which we are responsible for education here in the province. I'm just so proud every day to see that our government is supporting those students and their education regardless of the economic circumstances that we find ourselves in.

Thank you.

The Chair: Any other government members wishing to ask questions?

If not, we'll move on to the final segment. The rotation now allows for speaking times to a maximum of five minutes. We will begin again with the members of the Official Opposition.

Mrs. Pitt: Thank you, Madam Chair.

The Chair: Hon. Member for Airdrie, did you wish to combine your time back and forth?

Mrs. Pitt: Please, yes. I should be brief. I'm really just looking for a clarification. I'm going to bring up ASLI again. Minister, you mentioned that the \$50 million for ASLI was coming from Infrastructure. We don't see that in Infrastructure as a reduction. Can you explain how that works?

The Chair: The hon. minister of seniors.

Ms Sigurdson: Thank you very much, Madam Chair, and thank you to the member for the question. The \$50.5 million that is being transferred from the Infrastructure budget to my ministry was in the capital plan 2015. My understanding and what I've been briefed on is that it has been transferred, so there should be a reduction. I can follow up with the hon. member about that, but certainly there's not new money. It's just the same amount of money. I can follow up further. I'm not sure why that wasn't – it certainly is a transfer from one ministry to another.

Mrs. Pitt: Okay. Thank you. Yes, I'd be interested to know where that reduction comes from. If not Infrastructure, where do we see that reduction?

I did see a list of projects that you were funding. How did you come to those conclusions? Did you honour all of the existing ASLI contracts moving forward, or were there some decisions that you made in there?

The Chair: The hon. minister.

Ms Sigurdson: Thank you, Madam Chair, and thank you to the member for the question. There were 31 projects, that were approved by the previous government, that we did a rigorous assessment of in the fall of this year. Of those projects, 25 of them are going ahead. There were six that we found didn't sort of match that rigour of what we wanted. It fulfilled on, certainly, providing long-term care and the dementia care spaces that we need. So after the thorough review that we had in the fall, we did agree upon 25. Twenty-two of those 25 have already, you know, had the approval letters. Three we're still working with the proponents of to make sure that everything is in place.

We're certainly doing our due diligence to make sure that these projects are solid and that they're going to be serving the communities that they need. That is the current situation for the ASLI program.

The Chair: The hon. member.

Mrs. Pitt: Well, thank you. You answered some questions down my list. The delay in the funding for the groups: do you know what impact that had on these groups? How much longer do we expect to wait for the other three that are waiting for funding?

The Chair: The hon. minister.

Ms Sigurdson: Yeah. Thank you very much, Madam Chair, and thank you to the member for the question. Certainly, there was a delay in the funding – the member is quite right – but we felt that as a new government we needed to look at these. We are responsible for these projects moving forward, so we needed to do our due diligence to make sure that these were solid projects that were serving, certainly, the needs of the communities. So there was a delay. We know that more needs to be done to support long-term care spaces and dementia spaces in the province, but we didn't think it was wise for us to go ahead on projects that we weren't solidly behind. It did take some time. We know that the proponents were, you know, respectful of our decision and were patient with us, and we appreciate that.

Now 22 of the 25 are going ahead. They're going ahead and they're getting their land titles, development permits, master service agreements with Alberta Health Services. The other three we're working on diligently to make sure that they have everything in place so that we can go ahead with their grant agreements. So despite the delay – it was a wise one – we have now almost completed that process.

Thank you.

Mrs. Pitt: Thank you, Minister.

Can you explain to me what the process was for your decision and what role you played in that decision-making process?

The Chair: The hon. minister.

9:30

Ms Sigurdson: Thank you very much, Madam Chair. Thank you to the member for the question. Well, I was appointed to be the Minister of Seniors and Housing on February 2, 2016, so when the program proposals were reviewed, I was not the minister responsible. Quite honestly, I wasn't involved in that process, but I know that the minister at the time was very involved in the process and made sure that it was fulfilling on our commitment. I mean, one of the commitments that we made in our campaign was for 2,000 long-term care spaces, so we made sure that these ASLI grants were fulfilling that. They were making sure that these projects made sense for the communities in which they were being proposed, that they were fiscally prudent, and that they were needed in their communities.

There are many other indicators that were gone through, and certainly we did our due diligence to make sure that these projects made sense and fulfilled our promise of 2,000 long-term care spaces.

Thank you.

Mrs. Pitt: All right. Lastly here, just performance measures. I'll be really quick. What are your priorities? What are your performance measures? How will you report these? Why haven't you included these?

Ms Sigurdson: Thank you, Madam Chair, and thank you to the member for the question. Well, certainly, what we want to fulfill is our commitment to make sure that seniors have the accommodations that they need at whatever level, and we know that here in Alberta we don't have enough long-term care, dementia care spaces. That was our commitment during the election, to create 2,000 new long-term care spaces, and that's what we're fulfilling on. When we were assessing the ASLI grant proposals, we were looking at how they would be able to give us those kinds of outcomes to make sure that the communities that needed these facilities would have them. We certainly did take our due diligence, and we are very proud of that.

I've just been informed, too, that performance measures are not really in the supplementary supply, but they'll be in our budget on April 14, so at that time the member will see the specifics of that.

Thank you very much.

The Chair: Bonnyville-Cold Lake.

Mr. Cyr: Thank you, Madam Chair. My questions are to the Minister of Justice. Have there been any new hires for this supplementary? You spoke of float pools, shift scheduling software, and possibly new assessment people for transitioning between the prisons or the correction facilities.

The Chair: The hon. minister.

Ms Ganley: Thank you very much, Madam Chair and to the member for the question. Just to be very clear with respect to Justice and Solicitor General as a whole, we're exercising hiring restraints, so we're running a fairly high vacancy rate to stay within our targets.

With respect to corrections in specific, they're exempt from that hiring restraint, so we have been hiring people in corrections. The intention there is to ensure that we have people available to cover off shifts so that we're not paying overtime because it's not only costly for the government but it's actually – being a correctional officer is very hard work, and it's not good for our officers to have to be on shift for long periods of time, sometimes being held over or coming in for shifts that they didn't expect. So it's good on several fronts. We have hired. We're introducing float pools. Essentially, what that means is that we'll have employees available and already trained to cover sort of temporary or permanent vacancies if someone else decides they want to move on to a different career.

Then what we've procured is new shift scheduling software. We're hoping to use that to ensure that we have the right number of people in the right places because obviously it's sort of a large, complex system. We'll also be looking to conduct an audit to optimize manpower and reduce overtime. I guess that with respect to corrections specifically, yes, we have been hiring some employees to ensure that we're not going into overtime.

Mr. Cyr: Sorry. I meant to go back and forth.

The Chair: That's all right. You only have six seconds left.

Mr. Cyr: Okay. Was there more than one facility that this went to?

The Chair: We'll now move to the third party if you have some questions. The hon. leader.

Mr. McIver: Thank you.

The Chair: Do you want to go back and forth?

Mr. McIver: You know what? We'll go back and forth because I've just got a few little things to cover off here.

The money that was talked about towards ASLI: I know that the government actually criticized the program in the past and now is putting money into it. Has something changed about the way you're spending money? Are you doing something different, or is this just money towards the program as it was before you were in government?

The Chair: The hon. minister.

Ms Sigurdson: Thank you, Madam Chair, and thank you to the member for the question. There were 31 projects that were approved by the previous government, which was represented by the member asking the question, of course, and of those projects, 25 we reviewed and felt that they should go ahead. Many of them were far enough along that it was important for us to respect the process that had gone on. Some of them were changed somewhat to fit with, you know, our request for 2,000 more long-term care spaces. So we made the program work that had been existing and that many had been working hard on to make those beds available. We did continue with that program.

Moving forward, we're looking at other ways of, you know, setting out proposals and doing that, but we decided that it was in the best interests to get the beds that we needed very much to care for seniors in this province, to go ahead with what the previous government had started. Of course, we did do the review, as I mentioned earlier, and did shift it somewhat, but we thought it was the most prudent decision at the time.

Thank you.

Mr. McIver: Thank you. That leads me to another question. On the delay that the minister just talked about, I'm just curious how much that added to the cost of the projects?

Ms Sigurdson: I don't have those figures right now. I mean, I can follow up with them. This is supplementary supply. This is about money being transferred for infrastructure to my ministry for the ASLI grants. I think the communities are working with us the best they can to keep the costs low. I can ask my ministry to see if we can find a more specific number for that, but I don't have that number right now.

Mr. McIver: With the supplementary estimates now, Madam Chair, there's a temptation always within governments, within administrations, for March madness, which, of course, is people spending their budgets before the end of the year before they don't need it. Since the government is coming forward with supplementary estimates, what efforts has the government made to control March madness? Since you're asking for more money, what direction, what efforts, what has the government done to control unnecessary year-end expenditures that might happen just because certain departments may have money left in their budgets?

The Chair: The hon. Minister of Finance.

Mr. Ceci: Thank you very much. As I said, when we table the results of Budget 2015, we'll be showing the efforts by all ministers and ministries to control operational spending. We identified that we needed to look at over \$200 million in 2015-16, and I'm going to be showing you where we exceeded that amount. In the third-quarter update here you'll see where there's a reduction of \$463 million in expenses. Some of that was as a result of the crop insurance not being needed as much as we thought it would be needed, the crop doing better. The ministries have all been asked to contribute to that over \$200 million reduction. I don't have the exact numbers that each of them was able to deliver, but we have good results in that regard, and I'll be able to show you.

As everybody knows, there will be no increases to legislators' salaries for the entire term. Political staff in our government are taking the same wage freeze. For the management, opted out, and exempt people that starts April 1, so that's not this budget year, but the others have occurred. So we have salaries that we've frozen for some people here. We have asked all ministers and ministries to contribute to program reallocations, and I'll be tabling the full results of those when we table the full budget finalization.

9:40

Mr. McIver: My friend the Finance minister keeps saying this. Just because you were lucky and it didn't hail so much, that's not really cost control. You keep selling it as cost control, a reduction in crop insurance. So while we're all happy that it hailed less and less crop needed insurance, I would prefer that the Finance minister would stand up and agree that that does not qualify as tightening the belt or cost control on the government's part but, rather, good fortune that the weather smiled upon our agricultural people.

I will ask one question. I said it before, but it would be nice to hear it pass the Finance minister's lips. Does the Finance minister agree with the Municipal Affairs minister that the deficit this year is now projected to be \$10.4 billion?

Mr. Ceci: No, the Finance minister wouldn't agree to that. The deficit is identified here for Budget 2015-16, and it is \$6.315 billion, but if you're talking about next year's budget, that's a different thing. Next year's budget is not going to be \$6.315 billion.

Mr. McIver: In fairness to the Municipal Affairs minister, I believe she was referring to next year's budget. I would not want to misrepresent unfairly what I heard her say. I was curious to see if the Finance minister agreed with that in that correct context. I don't mind picking on the government when they have it coming, but this is the case that the Municipal Affairs minister was referring to next year, not this year. I didn't want to be unfair to the minister with my comments.

Mr. Ceci: You know, we're talking about supplementary estimates and, I guess, rightly, the third-quarter fiscal update and economic statement. When I talked about this I think on February 27, I did say that the deficit projections for Budget 2016-17 would be \$5 billion larger than we anticipated. Add them together – I know you can – and it's \$5.4 billion and \$5 billion. So the Minister of Municipal Affairs is correct in her statement that the deficit projected for Budget 2016-17 is way larger than we forecast back in Budget 2015, and it's \$10.4 billion.

Mr. McIver: Well, Madam Chair, that will be the end of my questions. I just wanted to express my extreme satisfaction from being the first one to pry those words out of the lips of my friend the Finance minister. I want to thank the Finance minister for giving that straight answer.

The Chair: Moving on to the next part of the rotation, are there any members on this side?

To the Official Opposition, then. The hon. Member for Bonnyville-Cold Lake.

Mr. Cyr: Thank you, Madam Chair.

The Chair: Did you want to combine your time?

Mr. Cyr: Back and forth, please. Yes.

This is again to the Justice minister. All right. Let's go to: how much of the \$8 million is going to be overtime? Do we know that number, Minister?

The Chair: The hon. minister.

Ms Ganley: Thank you very much, Madam Chair and to the member for the question. I don't think we have right now – I certainly don't – which part of it is overtime and which part of it is sort of additional staffing that we had to provide. I can undertake to get back to the member with the best information we can provide. I'm not actually sure if our software will allow us to break it down that way because, of course, the \$8 million isn't the only part; it's \$8 million in addition to, you know, the large number previously. So I will get back to you with the best number we can provide, but I can't guarantee that we'll be able to break it out that way.

Thanks.

The Chair: The hon. member.

Mr. Cyr: Thank you. Thank you, Minister.

Are the corrections staff working in a safe environment, with the additional overtime?

Ms Ganley: Thank you very much, Madam Chair and to the member for the question. I mean, our corrections staff are highly trained professionals. I am not of the view that it's the best-case scenario that we have them working additional, and I don't think that they would be either. But I'm confident that we are absolutely committed to ensuring that they are safe, and they are absolutely committed to working really hard to make sure that each other and all of their co-workers and the people they're guarding are all safe as well.

The Chair: The hon. member.

Mr. Cyr: Thank you, Madam Chair. The changes you were talking about before, the float pools, the shift-scheduling software, and the new positions: was the decision to go in this direction done by the previous government or once you took over and formed government?

The Chair: The hon. minister.

Ms Ganley: Thank you very much, Madam Chair and to the member for the question. I can't honestly speak to what the previous government was doing about it. When I came in, projections were running in the sort of \$30 millionish range in terms of overage in terms of corrections, so we started to sort of move immediately to address that. These were the measures that were sort of brought forward to me, the scheduling software and the float pools.

The measures with respect to ensuring that fewer people are incarcerated: I mean, certainly, we think that that's an important way to move forward, but I honestly can't speak to what decisions would have been made had the election gone differently.

Mr. Cyr: Thank you, Minister.

Introduction of Bills

The Deputy Speaker: The hon. Minister of Finance.

Bill 3
Appropriation (Supplementary Supply) Act, 2016

Mr. Ceci: Thank you, Madam Speaker. I request leave to introduce Bill 3, the Appropriation (Supplementary Supply) Act, 2016. This being a money bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this bill, recommends the same to this Assembly.

Thank you.

[Motion carried; Bill 3 read a first time]

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

Mr. Bilous: Thank you very much, Madam Speaker. Seeing as we made very good progress this evening and looking at the time, I move that we adjourn until 10 a.m. tomorrow.

[Motion carried; the Assembly adjourned at 9:54 p.m.]

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For inquiries contact:

Managing Editor

Alberta Hansard

3rd Floor, 9820 – 107 St

EDMONTON, AB T5K 1E7

Telephone: 780.427.1875