



Province of Alberta

The 29th Legislature
Third Session

Alberta Hansard

Thursday morning, March 9, 2017

Day 5

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta The 29th Legislature

Third Session

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Sweet, Heather, Edmonton-Manning (ND), Deputy Chair of Committees

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van Dijken, Glenn, Barrhead-Morinville-Westlock (W)
Westhead, Cameron, Banff-Cochrane (ND),
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Woollard, Denise, Edmonton-Mill Creek (ND)
Yao, Tany, Fort McMurray-Wood Buffalo (W)

Party standings:

New Democrat: 55 Wildrose: 22 Progressive Conservative: 8 Alberta Liberal: 1 Alberta Party: 1

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Legislative Assembly of Alberta

9 a.m.

Thursday, March 9, 2017

[Ms Sweet in the chair]

Prayers

The Acting Speaker: Let us reflect. As we conclude our work this week, let us keep in mind why we are here. Let us strive to help one another to reach our common goals and continue to work diligently on behalf of Albertans for the betterment of our province. Amen.

Please be seated.

Committee of Supply

[Ms Sweet in the chair]

The Deputy Chair: I'd like to call the Committee of Supply to order.

Supplementary Supply Estimates 2016-17, No. 2 General Revenue Fund

The Deputy Chair: Hon. members, before we commence this morning's consideration of supplementary supply, I would like to remind you where the committee left off in the rotation. When the Committee of Supply reported progress yesterday, the Official Opposition had the floor, with eight minutes remaining in its 10-minute allotment with the minister. The committee had completed two hours and 24 minutes of consideration. As provided for in Standing Order 59.02, the rotation under Standing Order 59.01(6) is deemed to apply, which means the rotation will then proceed as follows:

- (c) for the next [10] 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 [10] 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 [10] 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.

The rotation will then repeat for any time remaining.

Speaking times are now limited to five minutes; however, provided that the chair has been notified, a minister and a private member may combine their speaking time, with both taking and yielding the floor during the combined period.

Finally, at the conclusion of six hours of consideration or earlier if no members are wishing to speak, the Committee of Supply shall vote on the supplementary supply estimates.

Are there any members from the Official Opposition wishing to speak? The hon. Member for Fort McMurray-Wood Buffalo.

Mr. Yao: Thank you very much, Madam Chair. My questions are regarding Health.

The Deputy Chair: Would you like to go back and forth?

Mr. Yao: I'm fine with back and forth if you guys are.

The Deputy Chair: Please go ahead.

Mr. Yao: Excellent. To the hon. Minister of Finance or to the Minister of Health. The transfer of \$1.5 million from Environment and Parks is requested for green infrastructure as part of the climate leadership plan. The monies are being transferred from Environment and Parks for green infrastructure. Can you give specific examples for this \$1.5 million, please, and where exactly you're spending it?

The Deputy Chair: The hon. Minister of Health.

Ms Hoffman: Yeah. Thank you very much, Madam Speaker. At this point, since it's such a small amount, we're focused on the easiest savings, which is through the replacement of inefficient light fixtures and electricity distribution of light in the facilities. It's primarily going to be used in acute care, all AHS facilities at this point, and it's going to be focused on the light bulbs, primarily, or the light fixtures.

Thank you.

The Deputy Chair: The hon. member.

Mr. Yao: Did you factor in any increased operational costs for our health care facilities due to the increased cost of energy? Where is the increase in the operating costs included? Or did you take the Wildrose suggestion and exempt health care facilities and other such?

Ms Hoffman: Health care facilities are very proud and happy to do their part in terms of being responsible energy consumers and curbing their electricity use where it's possible. That's one of the reasons why they're keen to take advantage of some of the opportunities that exist through low-hanging fruit like changing light bulbs to find ways to do some curbing of electricity.

We'll be considering the overall budget next week, and there may be opportunities for us to have some discussions following that about ways that there might be additional opportunities to curb electricity use or how we're going to adjust for the very small possible increase on the cost for usage in those facilities. We're happy to do our part as major health infrastructure throughout the province to curb our use to make sure that we're responsible on behalf of the taxpayer and using responsibly.

Thank you.

The Deputy Chair: The member, please.

Mr. Yao: Thank you very much. Just to go back to that \$1.5 million, you said that that was for things like light bulbs, things like that. Is that not part of Ecofitt's mandate? Is this in addition, supplemental to those funds as well?

Ms Hoffman: I believe – and if I'm wrong, I'll be sure to follow up in writing – that rather than applying through Ecofitt, this is strictly a transfer of funds to focus specifically on those initiatives. They are the initiatives that I believe would be part of the green energy plan as a whole, but Health is fulfilling those themselves directly through the transfer of these funds rather than using other means that could be used to support residential Albertans so that the programs that are in place there can focus on supporting families. Alberta Health is doing their part to make sure that they do the transfer and try to move as effectively as possible in doing these initiatives that will help curb their usage.

Thank you.

Mr. Yao: The sum of \$20 million for continuing care beds due to contractual obligations: can you explain the contractual obligations that result in that additional sum of \$19.454 million, please?

The Deputy Chair: The hon. minister.

Ms Hoffman: Happily, Madam Chair. The total ASLI projects were committed to over many years, and some of the funds were planned to be distributed next year. Good news: the projects are moving more quickly than they'd been planned, so this is money that was in next year's budget that we're moving into this year's current budget. It's money that was planned on being spent in the next fiscal year, but because we were able to move quickly with the construction, we're moving it up to this year.

Mr. Yao: You have \$54 million for primary care physician remuneration, \$210 million for specialist physician remuneration, so you're recording an increase to physician remuneration for primary care and specialists to the tune of \$264 million. Can you explain that? If that's contractual, shouldn't that have been budgeted for previously?

The Deputy Chair: The minister.

Ms Hoffman: Thank you very much. Absolutely a fair question. You probably recall that we did have a contract with the physicians of Alberta and we asked them to come back through the AMA to the table more than two years before their contract was set to expire. The targets that we put in the budget last year were very aggressive targets. We were in the midst of negotiating, and we were hopeful that we'd be able to see all of those potential savings. What we did see was up to \$500 million over two years. So we saw a significant portion of what we were hoping for and what we laid out in the budget documents. Obviously, through negotiation there's an ebb and a flow, and I'm very proud of the fact that we were able to work in partnership with the doctors to realize \$500 million in savings over two years, but it isn't as aggressive as we put in the budget documents, which were in the midst of negotiations.

Thank you.

Mr. Yao: Thank you.

The last question. I'm astonished to see some savings here. I didn't think that was possible, so thank you so much for that. That said, it's only \$60,000. Can you explain where you found those savings? Like, was it infrastructure, was it equipment, fewer patients, like, a lower call volume? Can you explain those savings?

The Deputy Chair: Go ahead, Minister.

Ms Hoffman: Thank you, Madam Chair. I believe this is one of the questions that was asked yesterday that I have responses for today as well. So when we do have a chance to read in those responses, I won't read this one in for a second time. Thank you for the opportunity today.

Most of the savings initiatives that were undertaken are more long-term savings initiatives, so we're hopeful that we'll be able to see those savings in the out-years as well. For example, through the work that AHS has been doing in the 16 major hospitals around operational best practices, there are some areas in terms of delivery costs on the front line that have been able to change some of the staffing complement or find ways to realign patients and the way that they're being served. That's one of the major examples.

Another one is some of the significant savings that we saw through the RAPID eye program, which moves patients from a very high-cost drug that was used to treat macular degeneration to a far more affordable drug that we use to treat macular degeneration. That was in the midst of the fiscal year, so some of those savings were realized because of that.

These initiatives are going to continue for Albertans for years to come, and we've seen some very good results with those in the short term as well as changes that have been made to the schedule of medical benefits. Present projected adjustments to billing are expected to result in about \$100 million in savings over the next year without impacting quality or access to patients. That, of course, is a very good thing.

We're working on a new funding formula as well: blended capitation, as it's been referred to. It will enable patients who require more time with their physicians to spend a little bit of that, and the physicians will still be compensated in a way that won't punish them for spending more time with patients that sometimes have more complex care needs.

Some of these savings and initiatives are the ones that were realized this year, and we look forward to seeing opportunities to capitalize on those and others in the years to come.

9:10

The Deputy Chair: Thank you, Minister.

Mr. Yao: My apologies. I actually do have one last question.

The Deputy Chair: Please go ahead.

Mr. Yao: We're spending a lot of money due to an increased number of claimants accessing brand name drugs. Can I just get clarity? I'm assuming that there are no generics available, that these are newer drugs that are fresh on the market, that are trying to accommodate our disease processes.

Ms Hoffman: Absolutely. Some of these are biologics or biosimilars that are looking at specifically treating hepatitis or other diseases that are quite complex. They are new treatments that are actually able to cure some of these illnesses. These are areas where there isn't a comparable generic right now.

Mr. Yao: Thank you.

The Deputy Chair: Thank you, Minister.

We will now move on to the third party. Are there any members wishing to speak? Hon. Member for Calgary-West, were you . . .

Mr. Ellis: No.

The Deputy Chair: You're good? All right.

We will move on, then, to the government side. There are no independent members here, so it will be the government side at this time. I recognize that the Minister of Health would like to read some information into the record. I'm just wondering if the government side would be willing to cede some time for her to be able to do that.

Some Hon. Members: Yes.

The Deputy Chair: Please go ahead, Minister.

Ms Hoffman: Thank you very much, Madam Chair. Some of this may actually elaborate further on the questions that were just asked from the critic from the Official Opposition.

With regard to \$250 million in savings that was realized this year, this was around savings that were surplus across the ministry, so this included things like \$64 million from physician compensation development programs, including physician benefits due to the amending agreement that we touched on; \$60 million in primary health care, which is due to the application of accumulated surpluses that were carried over from past years. I think that there is no more important time to access some of these savings than in

this current very difficult fiscal situation. I'm really proud of the fact that the primary care networks and my office and department were able to work on a plan that would enable us to use those savings. That was \$60 million that they had that wasn't going towards patient care.

We also had \$53 million in a variety of other drug and supplementary health benefit programs, including \$37 million from lower-than-anticipated outpatient specialized, high-cost drugs and lower-than-anticipated expenses for assured income for the severely handicapped benefits. That was a bit of a surprise, something that we can't necessarily bank on because it's always a demand-driven program, but demand didn't actually meet what the projections were on that line item this year.

The \$23 million in community programs and healthy living: most of this was reduced spending due to prior year surpluses that organizations had that they were able to capitalize on. Again acknowledging that we're in very difficult financial times, we're appreciating partners in the community stepping up when they do have surpluses that they can use to carry on their programs. They're doing that this year and last year. A \$4 million surplus, for example, in this area was realigned to resources to better meet the support of management and oversight in the health system within the ministry. That was offset by a corresponding \$4 million in the ministry support services. We're realigning some of those resources to meet demand where it's most significant.

We also had \$3 million due to vacant positions and reduced contract requirements within the department itself.

The \$3 million surplus in immunization support is due to the prior year's surplus. The prior year's immunizations weren't accessed to the same degree that was anticipated, so some of that surplus carried over. That meant we didn't spend it out of this year's allocation.

The \$5.6 million surplus in children's initiatives is due to some different areas, again, where they had surpluses in community that they used to carry over their funding and bridge it.

The \$5.4 million was unallocated grant areas this year. But we certainly have significant plans for that in the upcoming year: \$19 million for the information systems, cancer research and prevention investment as well as \$4 million for ministry support services, which is offset by that surplus that we had in the community programs and healthy living deficits and reflects the realignment of resources within the department to better support the management and oversight of those areas within the system.

These were some of the additional highlights that I wanted to mention that I know arose from questions yesterday. There was a second one, around agreement with the AMA, and I believe that we did discuss that in the member from Fort McMurray's question. I believe that that addresses any questions that were outstanding from yesterday.

I'd like to thank you, Madam Chair, and the House and my government colleagues for allowing me some time to read that into the record to ensure that those questions are adequately addressed while we engage in this exciting and lively debate this morning.

Thank you very much.

The Deputy Chair: Thank you, hon. minister.

Are there any government members wishing to speak?

Seeing none, we will now return to the Official Opposition. Hon. Member for Drayton Valley-Devon, would you like to go back and forth with the minister and combine your time?

Mr. Smith: Yeah. I'd like to go back and forth if I could, please.

The Deputy Chair: Please go ahead.

Mr. Smith: Thank you for remembering where I come from, my roots.

I want to rise today to address the supplementary supply. I'll forgive the minister, the hon. Member for Edmonton-Calder, if he thinks that he got rid of me earlier. Now I'm back, so this may be a nightmare – I don't know – but, no, this is real life, okay? Okay.

This transfer amount from Education: it appears to be about \$107 million. You're transferring it from capital investment into your operations and maintenance, and it appears that that is the only amount that you're really dealing with in the supply estimates here. So \$107 million is a lot of money. Where did you find the money from capital?

The Deputy Chair: The hon. Minister of Education.

Mr. Eggen: Well, thank you. I appreciate that, Madam Chair, and the hon. member for reminding me as well that this is, in fact, reality.

I'll just give you the whole kind of package, and then, you know, we can talk about it more specifically as you see fit. Based on these estimates, then, the department's 2016-17 spending targets have increased by \$106.7 million. This increase is actually a transfer – okay? – from capital investment to operating expense to provide funding for the operations and maintenance of school facilities. This transfer will not result in a net change to the overall government budget as there is also an offsetting \$106.7 million reduction in capital investment.

This action reflects better how school boards are using the funds provided through the infrastructure maintenance and renewal grant, otherwise known as IMR, to address minor repairs conducted to maintain their facilities. School boards will often charge these costs as operating expenses as opposed to capital investments, and this is an accounting procedure that follows their manual for accounting. These repairs do not extend the useful life of their buildings or assets. I should also just note that this transfer does not affect the total IMR envelope for 2016-17. That remains at \$138.8 million. It's basically a transfer from capital to upgrading, and it's a reflection of the accounting that takes place between our ministry, the department, and each of the school boards.

Let's not forget as well, Madam Chair, that basically we transfer more than 95 per cent of all of our monies that flow through Education to the school boards, so you'll see often quite a lot of differences. For example, their fiscal year is different from ours. Again, this IMR transfer that's just reflected here in the quarterly update is a reflection of some of those differences as well.

Thank you.

9:20

The Deputy Chair: Thank you, hon. minister.

The member.

Mr. Smith: Thank you, Madam Chair. I guess the question that I – I realize that it's going from capital to operations and maintenance, okay? But where did you find that money in the capital budget? I heard you say that it's going to go towards doing minor repairs, and that's a good thing. We do need to keep our schools maintained as we move forward. But did you consult? How did you come up with the figure of \$107 million? That \$107 million is coming out of capital. That money was targeted for something else, I would assume, so where did you find that money, \$107 million, a lot of money, to go from capital into operations and maintenance? Who was consulted?

The Deputy Chair: The minister.

Mr. Eggen: Yes. Thank you for that question. Again, each of the school boards is aware of this. They have different amounts on an annual basis, but the procedure or the circumstance is the same. In order to account for the money that is otherwise registered on the books of individual school boards as operating, this transfer is necessary. It's not a question of really finding money as such, but it's a way for us to account for and to balance those two columns between the school boards' ledgers and the way that they account for IMR funding and the government of Alberta's accounting. It is something, if you look back, that does take place in estimates usually at this time, and it's a way for us to sort of update the current situation as we move forward between IMR funding and capital expenses.

You know, just as an aside as well, certainly our capital expenditures and our way of flowing through capital monies to school boards and to projects has been going very well. We have built a just-in-time funding mechanism, by which we have school boards and projects submit their expenses instead of giving them just lump sums on a periodic basis, and I believe that's been part of the way we have increased the efficiency of both the speed of building our new projects and also the accounting of the money that pays for those projects. For example, I think about half of our projects from last October were behind, and we have reduced that considerably. The school boards would take that money on a periodic basis and just put it in the bank and get interest off it. Instead, we are keeping it in the government of Alberta's coffers and then doing the same in that way. I mean, it's a way by which we can rationalize the budgets between the operating and capital, and this is a reflection of that.

Thank you.

The Deputy Chair: Thank you, hon. minister.
The member.

Mr. Smith: Thank you, Madam Chair. Okay. I guess I still need a little bit more clarity. I'm glad that you did bring in the idea of previous school builds, and I want to touch on that as well as tying it to this conversation. I'm not sure that I understand exactly. I know that you put in gatekeeping. You just mentioned here that boards are coming back with their projected needs, and then you're meeting them at the time that they need that money and that funding. That seems like a reasonable way of doing things and probably a better way of doing things.

I guess the question I've got, then, is this. You talked about previous builds. You've got \$107 million that you're taking out of capital and now rearranging and placing back into operations and maintenance. I'm wondering: are there any schools that were slated for completion in 2015 that are not yet finished, and then how about 2016 and 2017? The reason I'm asking that is that I want to know how that relates to the \$107 million that you're transferring to operations and maintenance.

Thank you.

The Deputy Chair: The minister.

Mr. Eggen: Okay. Sure. That's great. In regard to your first question in regard to schools that were either as a new build or as a major renovation, for those ones that were delayed, I will be happy to get those numbers to you. I don't have them right here at my fingertips.

Then in regard to this transfer amount: again, this transfer amount provides funding for operations and maintenance of school facilities. We have it sitting on our books as capital, and they put it on their books as infrastructure and maintenance, so that's the only differential. You know, I have looked into the difference in the

accounting, and it is in keeping with standard accounting practice for individual school boards as per accounting manuals. I've also looked into the possibility of them making some alterations so that we have more alignment between the accounting principles that we use between the government of Alberta and individual school boards. That's an ongoing thing that I just thought would help to . . . [A timer sounded]

The Deputy Chair: Thank you, Minister.

Mr. Eggen: . . . you know, not have this particular pursuit here . . .

The Deputy Chair: Minister.

Mr. Eggen: . . . taking place on a quarterly basis. Was that the end of my . . .

The Deputy Chair: Your time is up.

Mr. Eggen: Oh. I'm sorry.

The Deputy Chair: Thank you.

Mr. Eggen: I thought I'd heard a bell.

The Deputy Chair: Are there any members from the third party wishing to speak?

Seeing none, are there any independent members wishing to speak?

Seeing none, are there any members from the government? Would you like to go back and forth, hon. Member for Calgary-Currie?

Mr. Malkinson: Yes, I would, Madam Chair.

The Deputy Chair: Okay. Please go ahead.

Mr. Malkinson: My question is for the Minister of Health. I'm just wondering what measures the ministry is taking to reduce the cost of drugs for Albertans. I know this is an issue I hear at the doorstep in my riding rather often.

The Deputy Chair: The hon. minister.

Ms Hoffman: Thank you very much, Madam Chair and to the member for the question. It's something that we, I think, all hear about. There are studies that say that about 25 per cent of Canadians don't use their prescription drugs as prescribed because they're worried about the cost. This is something that, of course, has negative health impacts for them and potentially could impact long-term costs that they incur themselves and also that the system would should their conditions worsen and they come to the point where they might need to be patients within the system and then in an in-patient way. Certainly, it's, I believe, in everyone's best interest to make sure that we're taking significant efforts to move forward in making the cost of drugs more affordable for Albertans and Alberta families.

We are working with provinces and territories through the FPT work that we've been doing to negotiate reduced prices on those brand name drugs that we've referred to earlier. There are definitely some jurisdictions in the world that are getting better per-pill returns on their investment. One of the things that we've heard is that Canada's buying power just isn't as large as some of the other, more densely populated countries in the world. We are working to make sure that we, at a minimum, work as united jurisdictions throughout Canada. It still doesn't make Canada as large as the population in many other countries, but it does give us a far more significant buying power. So that is one of the areas.

As well, the majority of negotiations that we have been engaged in around product listing agreement rebates: we can't speak about those publicly because of confidential agreements within the pricing piece. What we pay for it is public. There are a number of different drug companies that actually do give rebates back to the province of Alberta. While we aren't able to talk about the amounts, know that that is an avenue that we pursue aggressively at every opportunity. Sometimes they are straight in-cash rebates. Sometimes they are benefits through research and development. These are some of the areas that – obviously, we have to respect the contract agreements – we do pursue whenever there is an opportunity.

9:30

Additionally, Alberta's price policy limits the three-year price increase that drugs manufacturers may request so that we have fixed prices for at least three years at a time. Again, through confidentiality agreements with manufacturers, if the brand drug is not subject to other price control mechanisms such as availability of generic alternatives or a product listing agreement, these price increases will be rebated back to Albertans through direct payments to the treasury. These are opportunities that we pursue wherever there is a possibility for us to access a few more dollars to go back into supporting Albertans and the programs that they rely on.

Make no mistake: drug costs are continuing to rise, though. Science is evolving – this is a good thing – and new drugs are coming on-label regularly, but the costs of them are very aggressive. I think it's important – period – that we work in a way that is professional and collaborative but also that we don't let ourselves be held hostage. It is challenging because we want to make sure that everyone has opportunities. Where science has proven that there could be benefits, we need to pursue those, absolutely.

The interest, of course, of the manufacturers: they have responsibilities to their shareholders as well as to the scientific community, and I respect that. We have responsibilities to the citizens who require those drugs as well as to taxpayers, and I hope they respect that as well. We're working to make sure that we make drugs as affordable as possible.

There has also been a working group created through the federal-provincial-territorial committee to make sure that we have opportunities to come up with ways that we might be able to expand on pharmacare within Canada. We know that we have drug plans for seniors. We have drug plans for very low-income Albertans. There are lots of other areas where for folks it's just such a barrier.

It's not within the Canada Health Act today, but we know that, for example, children in middle-income families who have extraordinary health costs can significantly benefit from having a provincial or, rather, a national pharmacare strategy. There is research happening within the federal-provincial-territorial groups being led by Ontario right now about what the costs would be as a whole and ways that we might be able to partner and call upon the federal government to support us in making sure that children who require drugs for a number of different conditions have access to those because, really, at the end of the day, money should never be a barrier to having good quality health care.

Thank you very much, Madam Chair.

The Deputy Chair: Thank you, Minister.

The hon. Member for Calgary-Currie.

Mr. Malkinson: Thank you very much, Madam Chair. You know, it's interesting and timely. I talked with the Health minister. I remember I was visiting my grandma earlier this year, who was,

unfortunately, in the hospital for a little bit. After she came out of some surgery, she was in the hospital for a while, and during that time, actually, I saw the long-term care that was available at that particular hospital. From what I saw there and the good care that does happen in those facilities, it sort of reinforced my New Democratic principles. You know, we had a major platform commitment to build 2,000 new long-term care beds to help cut waiting times so that every Albertan, including my grandma, can get the help they need and also to reduce pressures on our hospitals.

I was wondering. To the Minister of Health: how does the \$19 million that's identified here in the supplements support that goal?

The Deputy Chair: Go ahead, Minister.

Ms Hoffman: Thank you very much, Madam Chair. One of the things that I mentioned previously is that we've been very fortunate to have some of the construction move along more quickly than what was outlined within the budgets. Some of the projects that were planned on being at this point of development in the next fiscal year are actually ready now, and that's one of the reasons why we've asked that \$19 million be moved up to help us meet those contractual obligations through the Alberta supportive living initiative, also known as ASLI.

When we were elected, ASLI was well under way, and a number of projects had been preannounced, one might say, just before the election, and one of the things that the department – then it was under Seniors; now it's under Health – took upon themselves with, obviously, encouragement and support from us was to meet with the people who had been announced, find out which projects were viable into the long term and find out if there were any ways that we could address the needs in the communities better through these resource allocations for capital.

Through this, I have to say that 25 of the original 31 projects were able to move forward. That is very good news. For the ones that weren't, we just weren't willing to invest public resources if we weren't confident that they would be sustainable into the long term. We, of course, want to make sure that we're getting the very best return for every taxpayer dollar, every Albertan's dollar, as possible.

So we're moving forward with the 25 projects. There were over 2,200 long-term care and dementia care spaces just within those projects. We have been working diligently to make sure that the higher levels of care are available. Those who are, obviously, in hospital and it's not safe for them to be at home with home care or in lower levels of care should be our top priority. We are proud that we've been able to work in partnership with those service providers to make sure that they, wherever feasible, were able to deliver on those higher level of care beds that were needed.

So with that additional \$19 million: it's supporting those projects as they near completion and are beginning to come online. Of course, for anyone who's living in a hospital bed who would rather be in a home-like environment, it's important for those beds to come online as soon as possible. For anyone who's in the community in a way that they could be more safely cared for in an acute-care or dementia care space, it's very important. So I'm keen to be asking for this \$19 million to be spent this year rather than next year because, of course, it does help those folks live with dignity in an increased way, I would say. It also helps our hospitals use the spaces that are currently being used by folks who are ready to move into these spaces to reallocate those to patients who need to be in acute care and it's just not currently available.

I really do think that these 2,200 ASLI spaces coming online as quickly as possible is going to create better opportunities within our acute-care health care system as well as better living opportunities

for the folks that you mentioned, hon. member, just like your grandmother, who might need enhanced supports. There are so many folks in this province who really do require that, and of course I believe and we believe that it's the government's responsibility to meet that demand.

The Deputy Chair: Thank you, hon. minister.

We will now return to the Official Opposition. The hon. Member for Drayton Valley-Devon. Will you be going back and forth?

Mr. Smith: I would appreciate that.

The Deputy Chair: Yeah. Please go ahead.

Mr. Smith: Mr. Minister, based on our conversation that we were having just a few minutes ago, I guess a question that came out of our conversation is: have you changed from last year to this year the accounting practices that you follow? I mean, I assumed that how you've handled IMR funding in the past is probably going to be similar to the way you've done the accounting for this past year. Why \$107 million for IMR funding this year if you've handled and done the same accounting practices as in the past?

Thank you.

The Deputy Chair: The hon. Minister of Education.

Mr. Eggen: Yes. Thanks. I appreciate the question. Yes, I believe that it is the same procedure that did take place last year. The only difference is in the number amount, but in regard to the actual event and procedure I believe it's the same as it was before.

You know, again, as I said, I did investigate the difference between the accounting practices of individual school boards and the government of Alberta and did pursue that to see what we could do to align that, and that is still, I guess, being looked at. But for this time and this year this is what is happening. It's a transfer, so it doesn't affect the bottom line of how our budget goes forward. You know, like I say, the school boards will charge it as an operating even though it's capital. I mean, I guess there's some reason to suggest that there is an argument to say that it actually is capital because you're putting, let's say, shingles on a roof or changing windows and so forth. But, as I say, it doesn't affect the envelope that we provide for IMR funding for schools, so we're not shortchanging them in any way.

9:40

We definitely see the value of investing in maintenance. Especially with all these new schools that we're building, I want to make sure that there are proper protocols set into place that would have a proper regime for maintenance over the lifetime of a new building. We don't want to have all these new, wonderful schools built without, of course, putting the money aside and the procedures aside to ensure that they get the full life of that building by ensuring that there's proper maintenance being invested into each of those.

Yeah. Again, just to your question, I believe this is the procedure that we did follow from last year, and that is the way that we're doing this whole procedure.

I mean, there are lots of aging buildings and structures in our school boards around the province. You know, for example, in Calgary and Edmonton – I think Edmonton probably has at least 90 schools that are over 50 years of age, so we know that it's very important to invest in structures that are over 50 years of age. It's important to invest in people that are over 50 years of age as well, as you and I know both very well. I invest longer and longer every morning when I wake up to look as good as I do.

Anyway, to the point again, we, I think, in the future might look to streamlining some accounting ledgers between the individual school boards and the ministry, the government of Alberta, but this is certainly a thoroughly transparent mechanism that we do have here in place that does not affect either the IMR funding or the overall ledgers of either individual school boards or the Ministry of Education.

The Deputy Chair: Thank you, Minister.

The hon. member.

Mr. Smith: Okay. Thank you, Madam Chair. To the hon. minister, I want to make sure that nobody in Alberta figures that we're taking some of that \$107 million and investing it in this 50-year-old infrastructure here – okay? – maybe Health but probably not Education. Okay.

I hate to come back to this, but if you haven't changed your accounting principles and you had a budget that set aside a certain amount for IMR and a certain amount for capital, you are taking \$107 million out of the capital budget, your capital budget, and you're reassigning it into the IMR. I've got a question here. How can that not affect the capital plan? You've already told me that you haven't got all of your school builds completed. You've said that there are still schools, I understand, that are not finished and not completed, and now you're taking \$106 million out of the capital budget for badly needed schools in Alberta and giving it to IMR. Why? Is that not going to affect the capital plan that we have in the schools moving forward? Could we not use that \$107 million for where it was planned in the budget for those schools, or am I missing something here?

The Deputy Chair: The hon. minister.

Mr. Eggen: Yes. Thank you. You know, I certainly will check to get clarification on that. I do not believe that it has any effect on our capital commitments, but I certainly will check to get clarification on that.

Offhand, I know, of course, that capital projects proceed over an annual basis, right? Like, let's say that a typical example is a major modernization, which more typically end up overdue because you have kids in the school while you are doing the renovation. It's not as though capital monies are an annualized thing that disappears on an annual basis if you don't spend it, right? For example, if we have, you know, five projects that are overdue in this year, if they're not being ready and open in September, then that money and that continues on over the next number of months until we get the job done. Yeah, I mean, I was always concerned about that from the beginning, too, but of course our capital monies do stay with the projects from year to year or month to month even if they do move over the time that they did.

You know, in fact, what I've noticed with our just-in-time funding mechanism that we've put into place is that we might be retaining more of the capital monies that go to individual projects. We're only paying for something when a bill comes due – right? – so if they're putting in the next section of the building or the new modules or something like that, then that money moves over only when we need it there, not just being dropped into quarterly lump-sum payments to either Infrastructure or to individual school boards if they're building their own schools. That has created some difference on the capital side of things.

Certainly, hon. member, I appreciate your line of questioning. It's very legitimate. I will certainly pursue that and give you a written detailed answer as to the state of moving money to IMR and its effect on capital projects.

The Deputy Chair: Thank you, hon. minister.
The hon. member.

Mr. Smith: Thank you, Madam Chair. Okay. I'm getting a little more confused here as time goes on. If the money stays with the capital project for the entirety of that project and you're taking \$107 million out of capital, then only one of two things can happen. You have to be able to explain where you're getting that \$107 million worth of efficiencies from that capital project, or you have to be taking it out of next year's budget. Is that what you're doing? Where is that \$107 million coming from? What is it going to? Have you got projects for IMR? I'd like you to start first with that question. You've got monies that are staying with the capital project – that's what you just said – so then where is that \$107 million coming from, and how can it not be affecting the capital project as it moves forward?

The Deputy Chair: The hon. minister.

Mr. Eggen: Yes. Thank you. As I said, I will certainly pursue this in regard to the integrity of capital projects.

The Deputy Chair: Hon. minister, your time is now up. Thank you. Moving on now to the third party, are there any members wishing to speak at this time? The hon. Member for Calgary-Fish Creek.

Mr. Gotfried: Thank you.

The Deputy Chair: Hon. member, are you looking to go back and forth, or would you like to . . .

Mr. Gotfried: Yes, please. That would be preferred.

The Deputy Chair: Please go ahead.

Mr. Gotfried: This question would be directed within the portfolio of Community and Social Services. Hopefully, we can get some answers from those in the House. After two iterations of this government's failed job-creation plans, it's left over a hundred thousand Albertans still unemployed, which is obviously of concern to all of us in this Legislature. I'd like to understand why Community and Social Services is only now asking for the \$111 million for still more employment and income support. That's on page 26.

The Deputy Chair: The hon. Minister of Health.

Ms Hoffman: Thank you very much, Madam Chair. I will do my level best, and if there are further details, we'll be sure to table those in the House as soon as possible.

What I can say, given that we do cover the supplementary drug costs for those folks who are on those programs, is that during the year there's been an ebb and flow in terms of the number of applicants who are eligible for those types of coverage. It's, again, a program that's demand driven. If applications and approvals go up in one quarter, then we'll be needing to come forward for additional monies sometimes because the numbers ebb and flow throughout the year. It's not until that sort of fourth-quarter period that you know where you're going to come out for the whole year overall. That's why at this point there would be the request for a supplementary increase, because there isn't the certainty in Q1 that necessarily everyone who's on that program will still be on that program at Q4. I think there's some variability that results, based on the applications and the number of people who meet the criteria for those programs.

The Deputy Chair: Thank you, hon. minister.

9:50

Mr. Gotfried: Thank you, Minister. You know, I think we're in a period of time here where I'm hoping that Labour and Community and Social Services are working very close together. There are obviously lots of predictions to be done in terms of statistics, in terms of employment opportunities. We understand that there have been jobs created, some of those part-time, not full-time necessarily, which could still leave a lot of families under stress. I guess one of my questions is: with still over a hundred thousand unemployed Albertans and tens of thousands of underemployed Albertans, how are we going to be sure that they're getting what they need and value for money with this additional investment, that will help them through these difficult times and perhaps even help them to find alternate employment, not just income support?

The Deputy Chair: The Deputy Premier.

Ms Hoffman: Yeah. Thank you very much. Again, if there are further details that I am not aware of, we'll be happy to table those.

With regard to these programs many of them work in partnership with community agencies. I know, for example, in working with the Métis Nation of Alberta, they've been doing a lot of work around making sure that they have the right employment counselling in a variety of communities based on where the needs are. As well, there are a number of people helping navigate folks back into postsecondary. This is a perfect time for those opportunities to be embraced and harnessed. For example, I know that earlier this week the Minister of Advanced Education announced that another thousand tradespeople would be having opportunities to go back and further their education in this fiscal year. So part of it is about employment counselling, part of it is about harnessing opportunities for further training at this time, and part of it is that there are families who just straight up need these supports, monetary supports, and making sure that we have the options available to do all of those.

I would be happy to direct any supplementary responses on this line of questioning, if there are any, to my colleague the Minister of Finance.

The Deputy Chair: Thank you, Deputy Premier.

Mr. Gotfried: I guess just one further question, which is sort of along the same line. Obviously, we're providing some funding for people to retrain and to find alternate employment opportunities. We're hearing a lot about new jobs, new economy jobs, green economy, and economic diversification. What specifically is the ministry doing to direct funds to those specific areas of training that will help employees to find jobs in the new economy and to fulfill the needs that we'll see, skills like maybe changing light bulbs and things like that?

The Deputy Chair: The hon. Minister of Advanced Education.

Mr. Schmidt: Thank you, Madam Chair, and thank you to the member for the question. As Minister of Advanced Education I oversee the portfolio that plays a significant role in training and retraining Albertans for the jobs of tomorrow. Of course, as the Minister of Health rightly noted, we announced an expansion of the program to retrain unemployed apprentices or to allow unemployed apprentices to continue with their technical training. We had initially announced \$1.5 million available this year in that program. That program was very successful, and we expanded that by an additional million dollars, so we've got, you know, another

thousand apprentices who currently are unemployed but can continue with their technical training so that they can go on and pursue jobs in renewable energy, green energy, those kinds of fields, if that's related to their technical training.

You know, we've provided stable and predictable funding for every postsecondary education institute in the province, and that's played a key role in making sure that Albertans have the opportunities that they need to change their skills or upgrade their skills so that they can pursue new work opportunities. We see that enrolment is up at virtually every university and college in the province. Of course, now is the best time to be investing in students, and freezing tuition has made pursuing an education at that level much more affordable than it would have been under the previous government's plans to jack up tuition and increase market modifiers – right? – that would have raised the cost of tuition and put it out of reach for many Albertans. We're quite proud of the fact that we're supporting people who need these opportunities to retrain, to gain new skills, to seek new opportunities in new work areas. We're giving them those opportunities.

If the Member for Calgary-Fish Creek has some further questions on the support that we're giving to Albertans who are pursuing advanced education so that they can seek new work opportunities, I'd be happy to continue this dialogue.

The Deputy Chair: Thank you, hon. minister.

Mr. Gotfried: Thank you to the minister for that response. This actually is a good segue into my next questions. The government is asking for \$121 million more to support student loans, page 14. You've noted that it's a good time for people to go back to school, but sadly, I mean, a lot of people are being forced to consider that option because there's no employment for them with their bachelor's degree. I know many students that are going back to further their education by taking master's degrees because there are no employment opportunities. Some of those are lucky enough to have either financial assistance from their families or to have reasonable part-time employment to support that. But the student loans, obviously, are going to be a big issue for people to continue on that path during the downturn in the economy.

With respect to the \$121 million I'd like to know how many students applied for but did not receive loans in the current cycle? Is that the reason for the request for the additional funds, or is this to bolster that going forward?

Mr. Schmidt: Thank you to the Member for Calgary-Fish Creek. What I can tell the member is that we've had a significant increase in the number of people who have received student loans. In the 2015-2016 budget year we had 68,613 student loan recipients, and the forecast for the upcoming year is 80,955 student loan recipients, so that's a significant uptick in the number of people who have applied for and received student loans. You know, of course, it's important right now to make sure that we have the finances available for students to pursue higher education, and that's why we're considering this request for an additional \$121 million to support those student loans.

We want to make sure that student loans are available to people who want to go to school, and we know that student loans are the lowest cost option that's available for borrowing money to finance their education. I'm quite proud of the system that Alberta has in terms of supporting students. Our system provides interest-free loans for the time that they're studying, and then when they get out of school, they only pay interest rates at prime, which is much more favourable than the Canadian student loan program, of course, which has prime plus a certain percentage. You know, Alberta does

quite a bit to make sure that student loans are affordable for the students of Alberta so that they can afford to finance a higher education.

The Deputy Chair: Thank you, Minister.

Mr. Gotfried: Thank you, Minister, for the answers.

Certainly, we're all concerned about the education of our youth and future employment opportunities. To get to the \$121 million, I guess, I'm sure that there were lots of metrics put in place to ensure that that was not only adequate but that there was some projection of where those funds would be allocated.

The Deputy Chair: Thank you, hon. member.

Moving on now to the independents, are there any members who are wishing to speak? The hon. Member for Calgary-Mountain View.

Dr. Swann: Yes. Thank you very much.

The Deputy Chair: Would you like to go back and forth, sir?

Dr. Swann: Back and forth with the Health minister to begin. Thanks very much.

The Deputy Chair: Please go ahead.

Dr. Swann: I'm obviously very interested in the minister's earlier comments and would appreciate at some point any reference in the supplementary estimates to the opioid crisis and whether any of the new funding was required for some of the extra demands that clearly have been on the system and how that is being disbursed.

I'm also a bit curious about the amended agreement with the AMA and how that's resulted in increased costs. I had thought that it was resulting in savings, especially in relation to primary care. Maybe we could have some clarification around that. I guess it relates to the specialist remuneration as well.

In relation to the increased seniors' drug benefit and nongroup drug benefits and brand name drugs how is that relating to our generic policy? Is it the fact that physicians aren't prioritizing generics or pharmacists are not providing generics? Why are we spending more on brand name drugs when we have made such an effort and spent heavily on promoting the generics?

The \$15 million for the pharmaceutical innovation and management program, I guess, raises the question now that pharmacists can do a whole bunch of things that they couldn't do before. They can now diagnose. They can now prescribe as well as dispense. I met with the pharmaceutical college and the association to talk about how they're supervising this second set of professionals who are fee-for-service billing. We have already identified that physician billing as a fee-for-service system is not optimal. It is rewarding volume. It's not rewarding quality of care, continuity of care. We now have another group of professionals who are able to bill up to \$125 for a drug review per year for people.

10:00

So as we do on physician billing, we have to have a way of overseeing and ensuring that those who are outliers, who are perhaps billing more than usual or not adding substantial value – we have to have a way of monitoring that use and ensuring that it's within guidelines and appropriate.

Finally, the \$19 million for continuing care beds due to contractual obligations: I assume that's salary, incremental salary stuff, operational costs. Perhaps you could comment on those.

Thank you.

The Deputy Chair: Thank you, hon. member.

The hon. Minister of Health.

Ms Hoffman: Thank you very much. I think what I would like to do, if it's okay, with the consent of the member or yourself, Madam Chair, is that I'd like to answer – I think there were five questions. I think for four of them definitely I'm best suited to do that, and the fifth one, around addictions and mental health: I think, if it would be appropriate, the associate minister will respond to that one. I'll let you consider that while I respond to the first four and then guide us on how to address that last, remaining question.

I'll do it in reverse order, starting with the continuing care piece. That was \$19 million for ASLI contracts, actually, so it's related to the construction of those buildings and being able to bring them online sooner than what was budgeted. That \$19 million would have been in next year's or out-years' budgets, but we were able to move forward on those projects more quickly. That's a quick response to that one.

With regard to pharmacy and the oversight in those areas, point taken. We are soon embarking on renegotiation with the pharmacy industry as well in terms of the pharmacists, and I think that the points you raise are well heeded. If you have additional feedback or other members do, I'd certainly be happy to take that into consideration as we prepare for conversations that we'll be having with pharmacists to ensure that we have a respectful, collaborative dialogue but also an efficient return for patients and for those who fund the treasury, those being Albertans. In terms of some of the oversight I think that those points are important, that we noted, and the \$125 for the review of sort of the scope of prescriptions and whatnot is an important piece.

Some of the other areas. The increased costs that we saw, which were \$50 million, as was noted, for the higher level of service around pharmaceutical innovation and management: I just want to highlight a few of the other pieces that are included under that scope. There are many, but a few, for example, are compensation for injections that are provided in pharmacy, modifying prescriptions based on patient need and feedback that's been given at the counter, prescription renewal and emergency prescription needs, which I think is a very important tool. I know many Albertans who access that service as well as tobacco cessation services and counselling around tobacco addiction; that is a useful service as well. Then, as was mentioned, the medication management, including management for things like diabetes, and publicly funded vaccines that are currently compensated for, including influenza. Those are a few of the points on that \$50 million. Again, it's a demand-driven line item, and I think it's important that we have some oversight in choosing wisely and using the best practices within all professions within the health system. I appreciate the points that were raised, and those will certainly be topics of discussion, I imagine, as negotiations continue.

With regard to the AMA the member is correct that we were able to achieve savings of about \$500 million over two years, \$100 million in the fiscal year that we're just reviewing and \$400 million in the next. The targets that were put in this budget were very aggressive targets, and they were done while we were in the midst of negotiating.

We were able to achieve significant savings in terms of that projected line of growth. Traditionally the physician compensation line item increased at about 7 to 9 per cent per year, and we've gotten that down to I believe it's about 3 per cent for projections for out-years – 3 to 5 per cent, I believe, is the range; if I'm wrong, I'll make sure that I follow up before the end of this time – which is significant progress. But we are still looking at having some growth

in terms of physician compensation, making sure that it's in the right places and that those physicians are being rewarded through blended capitation and ARPs to make sure that those who can and should be spending more time with patients are supported and appropriately compensated for such.

And then the last piece I wanted to touch on was the generics piece. Absolutely, when there is a generic available, the ministry is moving aggressively on getting people onside with prescribing that generic. There are still a number of drugs – and there continues to be evolution of drugs – where there aren't generics available: biologics or biosimilars, for example. There is work to make sure that biosimilars are tried first, but when there isn't a comparable biologic, because it is a living organism, available on the generic side, there are times where it's important to make sure that the patients get the drug that is continuing to work for them. Efforts are ongoing and will continue, but there will still be some patients who require brand-name pharmaceuticals, and we want to make sure that we're not compromising their health in the process of trying to get the most cost-effective measure.

Madam Chair, how did you want to handle the remaining question around opioids?

The Deputy Chair: If the associate minister would like to respond, please go ahead.

Ms Payne: Yes. Thank you, Madam Chair. To address the member's question, the funding with respect to addressing the opioid crisis has been previously allocated in the '16-17 budgets by both Alberta Health and Alberta Health Services. Of the funding that had been allocated, we had \$4.5 million in capital funding for treatment beds, \$3 million for Suboxone and methadone treatment, \$900,000 to expand the take-home naloxone kit program as well as \$300,000 to support data sharing and other work specifically targeted around making sure that we had the data available. We also had the \$230,000 in grant funding to AMSISE, the Edmonton group working on supervised consumption services, as well as \$500,000 for groups in other urban populations in Alberta to study potential need.

We were able to find those dollars via reallocating some of the proposed spending, and that is really just the beginning of some of the funding that we're working on. There will be more that we'll have to say about that in the coming weeks, with the upcoming budget.

Thank you.

The Deputy Chair: Thank you, Associate Minister.

The Member for Calgary-Mountain View.

Dr. Swann: Thank you very much, Madam Chair. The minister has, I think, philosophically embraced prevention and health promotion in a lot of respects, but this year we saw cuts to injury prevention. We saw no increase that I was able to detect in the prevention programs beyond injury, some of the lifestyle issues, the health promotion programs. Indeed, maybe she wouldn't be able to comment on it just yet but next time.

The Deputy Chair: Thank you, hon. member.

Are there any members from the government side that would like to speak? The hon. Member for Calgary-Currie. Would you like to go back and forth?

Mr. Malkinson: Yes, I would.

The Deputy Chair: Thank you.

Mr. Malkinson: Thank you, Madam Chair. My questions are just going to continue where I left off with the Minister of Health. You know, as I was commenting before, as you know, my grandma was in the hospital, and one of the things that struck me was the great work that our doctors were doing in our health care system. I have a two-part question for the minister that relates to the recent AMA agreement with those doctors. The first part of my question is: how will the amended agreement slow the growth of spending in upcoming budget cycles? And the other part of that is: what has been the cost reduction this year in regard to the amended AMA agreement? If the minister could answer, that'd be great.

The Deputy Chair: The hon. Minister of Health.

Ms Hoffman: Thank you very much, Madam Chair, and thank you for the question, again, to the member. A few points. We have already seen \$64 million in physician compensation and development programs, including the physician benefits, from the amended agreement within this year's fiscal as well as some other savings that do tally about \$100 million this year because of the fact that we were able to reach a new agreement mid-term. In next year's agreement it's projected that the savings will be about \$400 million.

10:10

Some of the main ways that this was able to be achieved were, first of all, by sitting down collaboratively. You don't have to look very far even within Canada to see what happens when jurisdictions have some conflict with their physicians. I'd say that at the end of the day, conflict happens but respect and a desire to have a partnership are far better for patient outcomes. I'm very proud of the fact that we've been able to do that.

There is work happening around the schedule of medical benefits, which again relates to some of the compensation that happens for individual components within the fee-for-service bundle. We're continuing to work with physicians around the Choosing Wisely campaign and making sure that they're aligning their resources appropriately.

One of the other pieces is that we're hoping to glean some intelligence from them as well as communities throughout the province. There is a component within this that looks at us having the ability to make sure that we do meet supply with demand. I'm sure there are members, particularly in rural communities, who have heard frustration from their constituents around a variety of health practitioners, including physicians, not being easily accessible within their communities. Of course, you've heard me many, many times, and you can probably say it with me: we want to make sure that Albertans get the right care in the right place at the right time. That includes working with practitioners, including physicians themselves, to help us develop that right approach, to make sure that we are attracting and retaining in the right places the professions and professionals who are most needed.

This isn't just about rural and remote, I want to assure everyone, including residents in the province of Alberta. There are areas of specialty within even Edmonton and Calgary where we're still really struggling. This is about making sure that we have a long-term plan, one that puts us in the right set to make sure that we can continue to have a strong and robust public health care system with the right professionals throughout the province.

Again I want to say how proud I am of the work that we've had with the AMA. I think that their past president as well as their current president are to be commended for the work that we're doing in partnership there. The past president, Carl Nohr, regularly talked about physicians as stewards and partnership in the health care system, and he couldn't be more right, Madam Chair. Many of

our costs, where we've seen overruns in the past – we want to make sure that physicians are working in partnership with us to be the best stewards of the system that they themselves have a direct influence on.

Those are a few of the highlights.

There is much work that has been accomplished. I think that \$500 million in two years will not only keep the same level of service, but arguably it's going to improve services because of things like the fact that we have the blended capitation model, that's going to enable physicians to spend more time with patients who need it.

I've heard many patients say that the amount of time they spend sitting in the waiting room often exceeds the amount of time they spend sitting with their health practitioners in clinic, and that is not the kind of health care system we want. I know I've lived that experience many times myself. I don't in the current primary care network that I'm a member of, and I think it's doing a fantastic job. But we want to make sure those best practices are the reality for Albertans throughout the province, so working in partnership with the physicians on both the monetary savings and also patient quality and access goes hand in hand.

I'm really quite proud to be able to share some of those highlights with this House and look forward to continuing to update members of this House and the public about the great strides we've made in this area.

Thank you very much, Madam Chair.

The Deputy Chair: Thank you, Minister.

Mr. Malkinson: I'm going to cede the remainder of my time to the hon. Member for Calgary-Klein if that'd be okay with you.

The Deputy Chair: All right. Please proceed.

Mr. Coolahan: Thank you, Madam Chair.

The Deputy Chair: Will you be going back and forth as well?

Mr. Coolahan: Yes, with the Minister of Children's Services. And if I haven't had the chance, congratulations on your appointment to this very important ministry.

Twenty million dollars being requested in supplementary funding for the Ministry of Children's Services: myself and Albertans are looking to know how that will make life better for children in Alberta.

Ms Larivee: Thank you, Madam Chair, and thank you to the member for the question. Certainly, when we talk about investing money in Children's Services, we are not just, you know, talking about money theoretically; we're talking about truly an investment in the future of our province. You know, we often say that children are our future. It's expected that we make those investments to ensure that every child, no matter where they grow up or what their circumstances are, has the support they need to succeed and thrive.

At this time we're seeing significant growth in the number of children and youth in this province, which directly impacts many of the services and supports that we as the government of Alberta provide to Alberta's children and families. The reality is, of course, also that during tough economic times, the demand for some of our programs also increases. So these supplementary funds keep stable funding in place so we can continue to meet the needs of Alberta's children and families and continue to invest in the future of our province. We work closely with our partners to make sure that all children grow up in a safe environment.

In all cases the funding will be used to address caseload pressures. Obviously, again, caseloads are not just numbers on a

balance sheet but real people, real children in real families that we need to support to ensure that they have the best possible outcomes. In terms of where the caseload pressures are located, there's \$17 million for child intervention services, \$3 million for supports for permanency, and \$8 million for foster care supports.

Thank you.

The Deputy Chair: Thank you, Minister.
The hon. member.

Mr. Coolahan: Thank you, Minister. You mentioned the \$17 million being directed to the child intervention services. I think I'd like to hear more about how that is going to improve services that keep children in a safe and caring environment.

The Deputy Chair: Minister.

Ms Larivee: Thank you, Madam Chair, and thank you to the member for the question. Certainly, if we want to be a society that protects our children and ensures that they have every opportunity to succeed, we need to be there to invest in the supports that truly make a difference in their lives. Again, we need to be there for our children for their future and invest in the opportunities to allow their future to be bright. So we have invested \$4 million in family enhancement services to provide the kind of early wraparound services to families to ensure that children stay with their families when it is safe to do so and that they do not, ideally, have to enter into care if we can provide the kind of support to their family that allows them to have that safe future in the best place for them to be, which is with their family.

We've invested \$4.5 million in supports and financial assistance agreements to provide direct supports to clients to ensure that successful transition to adulthood.

Certainly, Madam Chair, you know, it's apparent and we all understand that when you turn 18, you don't just magically figure out how to become completely independent, with no support. So it's really essential that we provide the kind of supports to these youth for whom we as the government are acting in the role of parent, to provide that support and to help them with that transition to adulthood.

Of course, we've also invested \$8.5 million in child protection to provide adequate support to complex cases that remain in care, ensuring clients' critical needs are being met. You know, Madam Chair, all of that work is being delivered by the amazing staff, who are committed professionals and dedicated advocates that help Albertan families make small changes that make a big difference in their lives. Certainly, many of those workers are social workers, whom we honour this week.

The Deputy Chair: Thank you, hon. minister.

We are now on to the Official Opposition. Is there anyone wishing to speak? The hon. Member for Grande Prairie-Smoky. Would you like to go back and forth?

Mr. Loewen: Pardon me?

The Deputy Chair: Would you like to share your time and go back and forth?

Mr. Loewen: Yes, please.

The Deputy Chair: Yeah. Please go ahead.

Mr. Loewen: Thank you. The third-quarter update projects the carbon tax to raise \$230 million. How does that break down in terms

of the amount raised from specified gas emitters versus the amount raised from the carbon tax applied to gas, natural gas, things like that?

Mr. Ceci: You're asking about the breakdown of gas and natural gas for the SGER prior to December 31?

Mr. Loewen: Yes, for the third-quarter update.

Mr. Ceci: Okay. Yeah. I don't have the fuel source revenue breakdown here, but that's something I may be able to source for you.

Mr. Loewen: Thank you.

Now, the department is requesting approximately \$74 million in additional funding for the climate leadership plan. Is that \$74 million from the carbon tax?

10:20

The Deputy Chair: The hon. Minister of Environment and Parks and minister responsible for the climate change office.

Ms Phillips: Yes. Thank you, Madam Chair. The \$74 million is actually transferred out of the climate change and emissions management fund, which is the fund that was established under the previous government's specified gas emitters regulation and had developed within it.

I apologize, hon. member, that I don't have the revenue piece in front of me. I have the voted expense piece in front of me. So we'll get back to you on the breakdown between the SGER revenues and the other revenues.

But that's where those transfers are coming from, the CCEMF, as we call it.

The Deputy Chair: Thank you, Minister.
The member.

Mr. Loewen: Thank you. Now, can you please provide the specific subline item under section 10, Climate Leadership Plan, that each transfer listed on page 42 of the supplementary estimates is originating from?

Ms Phillips: Sure. Thank you, hon. member. The transfers are from the climate change and emissions management fund.

The Deputy Chair: Thank you.

Mr. Loewen: So which subline item under section 10 does that fall under? I see adjustments for communities, green infrastructure, regulatory and operations, renewables/bioenergy, and other investments.

Ms Phillips: Yes. That's correct, hon. member. So those transfers to fund those line items come from the climate change and emissions management fund.

Mr. Loewen: Now, in the document I see here, I don't see that line item that you're referring to.

[Ms Goehring in the chair]

Ms Phillips: Thank you, Madam Chair and hon. member. The transfers are from the climate change and emissions management fund, which was part of the budget plan for 2016. So those transfers were already expressed, that they would come from the climate change and emissions management fund. Hon. member, if you'd like, we can ensure that we follow up with you in writing about how those

mechanics work and the relevant section from Budget 2016 that underlies that.

The Acting Chair: Thank you, Minister.

Mr. Loewen: Okay. That would be great because, yeah, I don't quite follow there where those transfers don't come out of a line item that exists in the document here, these supplementary estimates. So it would be great if you could follow up on that.

Now, how is the money awarded from whatever fund I guess they're coming from? How do these monies – do the departments apply for specific grants to get these transfers, or what's the process that these transfers come from the Environment and Parks estimates?

Ms Phillips: Just for clarification, hon. member, you're asking about the green infrastructure line item and how those decisions were made? Which line are you referring to in terms of that?

Mr. Loewen: Sorry. What I'm referring to is on page 42, the list of transfers that come from Environment and Parks. What's the process that these departments apply to get these funds?

Ms Phillips: Yeah. Absolutely. Thank you, hon. member. In terms of transfers to other departments some of them are for things like the on-farm solar PV and efficiency programs. Of course, we dedicated \$10 million to those programs, and they have been fully subscribed. So some of those come from those kinds of programs.

Others. As the hon. Minister of Health indicated, there was \$1.5 million of low-hanging fruit, if you will, opportunities for some electricity-related retrofitting within health facilities that would save on operating costs going forward, that could be accomplished relatively quickly. Those transfers then support those activities.

In the main any of those transfers or green infrastructure projects have had to ensure that they are reducing greenhouse gas emissions at the lowest cost per tonne possible. So those are the projects that are being funded out of that.

The Acting Chair: Thank you, Minister.

Mr. Loewen: Okay. So, for instance, the \$1.5 million to Health: would Health have made an application to Environment and Parks to have those funds? How would that process have worked? You know, just using that as a for instance.

Ms Phillips: Thank you, Member. We had received some applications from various departments for lowest cost per tonne initiatives that we could undertake in the early days of carbon pricing to ensure that we were meeting some of the lowest cost per tonne needs but not doing so in a way that would require large amounts of capital infrastructure spending. For example, in Health that was the initiative that was supported.

Other examples are a solar project in a park that we are upgrading anyway in Environment and Parks. There are a number of facilities that are being upgraded at Miquelon Lakes, and it was a low-cost initiative to add additional efficiency and a renewable capability to those pieces. That was also a very low-cost initiative that we could accomplish relatively quickly and also ensure increased employment for some of those projects.

[Ms Sweet in the chair]

Those are the considerations that underlie some of these smaller initiatives as we move forward and have a much more comprehensive approach to green infrastructure in the coming years both as we reinvest our carbon levy and the revenues from the

carbon competitiveness regulation into the economy but also as we ensure that we are partnering appropriately with federal infrastructure investments and not just the low-carbon fund but also the transit initiatives and other infrastructure investments that are flowing from the federal government.

The Deputy Chair: Thank you, Minister.
The hon. member.

Mr. Loewen: Thank you. Just so I'm clear – and we can keep this answer really short – is there an application process that Health went through to apply for this funding to come into Health? Was there an application process? Was the decision made by Environment and Parks to approach Health? If you could just clarify that shortly, please.

Ms Phillips: Yes. Thank you, hon. member. The process is that Transportation, Infrastructure, other support, Health, and so on, have a committee in which they determine appropriate investments with metrics of low costs per tonne and ease of delivery of those particular investments. As we go forward, there will be a larger capital planning process, that exists already for our capital planning in the \$34 billion, for example, and a similar process for the green infrastructure investments.

The Deputy Chair: Thank you, Minister.
The time for the Official Opposition is up for this rotation.

Is there anybody from the third party wishing to ask any question? The hon. Member for Calgary-Fish Creek.

Mr. Gotfried: Yes. Great. Thank you, Madam Chair.

The Deputy Chair: Would you like to go back and forth again?

Mr. Gotfried: Back and forth if I could. I'll continue on my line of questioning with the Minister of Advanced Education if that's fine. Minister, we talked prior about the increase of \$121 million to support student loans. Again, we talked about whether there are some metrics. Obviously, with \$121 million I'm sure that there's been lots of work behind the scenes to determine the requirement for those funds. I'd like to find out from you what the projection is in terms of how many years of education this is going to support for how many Albertans. And how many of those students will be in province versus out of province in terms of where they're going to be studying?

10:30

Mr. Schmidt: Well, thank you to the Member for Calgary-Fish Creek for his questions about student loans. You know, he asked a question about how many years of education this will support. Of course, the loans are disbursed on a yearly basis, so every loan is given for an academic year. We don't give loans out on a per-program basis, so it's impossible for me to say how many years of education this will go towards. I guess the thing that I would suggest is that a journey of a thousand miles starts with one step, so you can't complete a program until you do your first year. We know that a student loan that's disbursed this year will enable a student to attend a program of his or her choosing.

In terms of the number of students who travel outside of the province from Alberta to study, I don't have those exact figures with me today. I do know that the majority of students at our universities and colleges here in Alberta do come from Alberta. You know, most Alberta students stay close to home to pursue higher education here in the province, but regardless of whether or not a student pursues higher education here in the province of Alberta or pursues an education outside of the province, we are

investing in our people to make their lives better, of course, by pursuing higher education. We know that in terms of improving the quality of life, there's no better investment that can be made than into higher education. We know that people who have higher levels of education have improved health outcomes. They have improved employment outcomes.

So it's incumbent upon us as the government of Alberta to invest in our people so that they can better themselves, lead good lives, you know, and hopefully the quality of life, the opportunities that present themselves to people here in Alberta will attract the students who do pursue education outside of the province of Alberta to come back and contribute again to life in this wonderful province.

I know that I myself am a graduate of a university outside of the province of Alberta. There is no better place to live than this province, and that's why I chose to come back after I completed my education. At the time, though, that I pursued higher education, the government of the day decided not to invest in me. They did not allow me to have access to Alberta student loans, so I had to fund my education outside of the province of Alberta from the paltry amounts that the federal government extended to me, and then I had to live on the generosity of my parents, and I know that it was a tremendous hardship for them to support me while I was going through school. I am forever grateful that they were able to provide that support to me. The education that I was able to achieve with their support I'm sure will stand me in good stead one day. I have hopes that my university degree will pay off in some way.

I'm glad that the government has changed its attitude towards supporting students going to pursue education outside of the province of Alberta, Madam Chair, because we know that it's a significant investment in the lives of the people of Alberta. It improves their families, it improves their prospects of leading a good life, so we're proud of being able to continue that commitment to the sons and daughters of our province.

Mr. Gotfried: Thank you, Minister.

Yeah. You know what? I'm actually sort of in the midst of that myself. I have two children in postsecondary and one graduating from grade 12, so I'm in the middle of juggling between RESPs and student loans and those things to help to finance my children's education, which, as you noted, is important.

I know that there were student loans available for out-of-province students as early as three or four years ago, when my son studied at Dalhousie in Halifax, so it's not something entirely new. Just a point of clarification on that.

I am interested in some of the work that you're doing behind the scenes with respect to not only funding those educations but also to helping postsecondary students make appropriate and strong choices in terms of employment opportunities. I talked earlier about the fact that we've got students graduating with strong bachelor's degrees in geology and engineering and law not being able to find employment in this province. That deeply concerns me. But I think we also have a duty to students to provide them with robust information about employment opportunities post postsecondary education. I know that in my time with Calgary Economic Development we did a lot of statistical work on employment opportunities and where the pockets of potential employees were, where the jobs were available not just in Alberta but across North America, to find opportunities for people that were graduating or to direct students.

I'd like to understand from you, for the Albertans that we're directing into these programs, whether we've done some background research and provided some insights and information about their ability to find employment through the completion of

their training programs, whether those are technical institutes or colleges, whether that's postsecondary. Of course, the lag time in a four-year degree can mean that things change substantially through that period, but I think we have a duty to try and inform students who are taking on significant debt, who will not only have student debt but, unfortunately, are going to also have public debt that's going to be layered on that, about \$14,000 per student by 2019. They're going to have that on top of their student debt.

My question to you is: have you done that research on the background of this funding, \$121 million, which we hope will be not only well spent by the taxpayer but well spent by the students as they move forward, recognizing that they have choices to make with respect to their choices in how they educate themselves and create a path for themselves in the future?

The Deputy Chair: The minister.

Mr. Schmidt: Well, thank you, Madam Chair, and thank you to the Member for Calgary-Fish Creek for his question. He's quite right to highlight the importance of understanding the labour market in Alberta. You know, directly to answer his question – that is an unusual thing in this Chamber, I know, so going into a risky venture – the Department of Advanced Education doesn't collect any labour force statistics, of course. It's the Ministry of Labour that collects that information and projects into the out-years what the labour demand in particular occupations is going to be. Individual postsecondary institutions also do that work, and certainly the individual institutions collaborate to varying degrees with industry partners to determine whether the training programs that they're offering are appropriate for the employment situations that their graduates will find themselves in and also whether or not there will be demand for graduates from those programs. It varies from institution to institution. Colleges and technical institutes, of course, rely much more heavily on industry partnerships and labour market demand than universities do.

I'd remind the hon. member, certainly, about an investment in a degree in geology, a degree in mechanical engineering: while perhaps if you were a graduate last year, you'd be struggling for a couple of months to find immediate employment in your area of technical training and expertise, over the long term we see that investment in education of any kind results in improved employment outcomes, improved earnings – right? – and improved health outcomes. So, you know, regardless of whether or not they can get a job immediately upon graduation in a tough economy – we know that that's harder to do than it has been in years previous – over the long term the prospects for people with degrees or diplomas or certificates of any kind are much better.

The Deputy Chair: Thank you, Minister.

We are now on to the other parties. Is there anyone wishing to speak? The hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you, Madam Chair. I'll have some questions for environment and First Nations. Let me begin by congratulating the environment minister on her leadership on climate change. I've said before – and I think it needs to be said – that this is the first meaningful and bold initiative we've seen since I was elected, and we're starting to see some of the benefits in terms of people recognizing their own impact on the environment.

10:40

I am curious, though, to see why there is no supplementary estimate for the new park. Is that because nothing has been done this past year and it's going to be in a future budget, or is it under other categories?

I'm not clear either on the \$5.4 million for surface rights compensation grants. Oh, those are related to the unpaid oil and gas rental industry. I guess I'd missed that.

I'd be interested to hear how the flood hazard identification program is getting on and what progress is being made, how close we are to understanding the full flood mapping. Again, if you could comment with respect to water on the groundwater mapping that was to have been – well, it was started under the previous government, and I thought we were moving forward pretty close to completion or should have been by now. Is any of this relating to groundwater mapping in the province?

The Deputy Chair: The hon. Minister of Environment and Parks.

Ms Phillips: Sure. Thank you, Madam Chair, and thank you to the hon. member for his questions. On the topic of the new parks, the Castle wildland and provincial parks, in the capital plan we have \$20 million set aside for those parks and some of the adjacent planning, and those are capital investments that were already in the voted amounts last year. As for additional operations, those were already budgeted in the '16-17 budgets and going forward.

Regardless of what the management outcomes are, the operations piece remains relatively constant given that enforcement and other pieces are in a separate – well, the park rangers are within the operations, but then there are also conservation officers, which come out of the environment part of the budget, not parks. Then, of course, there are fish and wildlife officers, who are actually within the Justice and Solicitor General portfolio. Certainly, enforcement is a major undertaking of the province, but those were already in the '16-17 voted amounts.

As for the Surface Rights Board piece, we had an increase to surface rights compensation grants this year as a result of increased defaults to surface rights compensation payments by industry to landowners. The SRB has in fact experienced quite an increase in the volume of applications for recovery of unpaid rentals pursuant to section 36 of the Surface Rights Act. That is, of course, the section that addresses situations when a landowner has not been paid funds that are owed by an operator under a surface lease or under a right-of-entry order or a compensation order.

You know, for context, over the previous 11 years the Surface Rights Board received an average of fewer than 370 section 36 applications every year, but for the period of April 1, 2016, to August 31, 2016, for that five-month period, the Surface Rights Board had already received 1,064 section 36 applications. That has a lot to do, obviously, with the downturn in the price of oil. You know, under the act as we now have it, the Surface Rights Board provides that payment so that landowners are not left without.

As for flood mapping, the \$2.7 million increase is for continued studies under the provincial flood hazard identification program. There's been some reprofiling there as well from the national disaster mitigation program. We had some increase on one side of \$6.9 million from that national program, and then you had reprofiling to reflect the ongoing mitigation work that is not necessarily recovery of costs directly related to the 2013 flood.

Also, in flood infrastructure a couple of other items that these estimates reflect are a transfer of voted amounts, a decrease from capital and into expense. What that means is that we are providing mitigation projects with a grant instead of it being provincial capital. In this case it's \$12.4 million to provide funding to the hamlet of Bragg Creek to build berms on the Elbow River. This is part of what we committed to doing. When we made the decision to protect Calgary with the Springbank project, there were pieces in Bragg Creek and Redwood Meadows that had to be done in order to keep those communities safe.

The Deputy Chair: Thank you, Minister.

Dr. Swann: With respect to the groundwater mapping how much progress are we making there? There are serious concerns about understanding better our groundwater.

Ms Phillips: Absolutely, hon. member. We're looking at the groundwater and surface water management framework in the lower Athabasca regional plan, for example. That was a piece of work that had been sitting for some time under the previous government, and we're moving that along under the lower Athabasca regional plan. There are frameworks that contain within them triggers and thresholds so that we can better appreciate the cumulative effects. I'd be happy to follow up in greater detail in writing on where those processes are at and, once those management frameworks are complete, what changes they reflect in terms of how we manage cumulative effects on the landscape.

Dr. Swann: Just quickly to the First Nations minister: what impacts has the opiate crisis had on your department, and what in your budget reflects the concerns around the opiate crisis?

The Deputy Chair: The Minister of Indigenous Relations.

Mr. Feehan: Thank you very much. There is no particular request for a change in our supplementary income during this time with regard to the opiate crisis because that particular issue is being handled directly through Health, through the Associate Minister of Health, and as well through our Solicitor General. All of those programs are aligned and assigned through those two ministries, not through IR particularly, because they're the ministries that actually do the hiring of individuals who will do the work. In our ministry we are spending time working with the communities, of course, on relationships, building and working with both the reserve communities and the neighbouring communities. We already have a full contingent of people who are assigned to each reserve and who are working with that, so it becomes a particular focus of their work but doesn't change the number of people that are required. Therefore, no supplementary estimate is required at this time.

Dr. Swann: Thank you.

Thank you, Madam Chair.

The Deputy Chair: Thank you, Member. Thank you, Minister.

We will now move over to the government side. Are there any members wishing to speak at this time? The hon. Member for Calgary-Klein.

Mr. Coolahan: Thank you, Madam Chair. If I could go back and forth with the Minister of Children's Services.

Thank you for all your previous answers in helping us understand how the request for \$28 million will be used. You mentioned the \$4 million in wraparound services that are being asked for. Maybe you could explain to us what those wraparound services actually are and how they will help the lives of Alberta's children.

The Deputy Chair: The Minister of Children's Services.

Ms Larivee: Thank you, Madam Chair, and thank you to the member for the question. Certainly, it's our responsibility to ensure the safety and well-being of Alberta's children. You know, that is something that our government takes very much to heart, which is why we're always looking for ways to strengthen and improve these life-changing supports and services.

Children's Services is currently implementing strength-based approaches such as signs of safety that help staff to work in

partnership with families and children to increase safety and reduce risk and danger by focusing on strengths, resources, and networks the families have. Children's Services has also created a child intervention practice framework that includes respect for indigenous experience as a key principle. We are developing training for staff that will create greater understanding of indigenous culture and historical trauma, helping them to better support children and families across Alberta. We've also engaged in multiple practice initiatives to support staff to work with indigenous children and families in a different way, with the goal of supporting families to keep their children safe at home.

10:50

Again, Madam Chair, our staff are such committed professionals, and they truly do make Alberta a better place through their caring and advocacy. Absolutely, they are changing the world one client, one family, and one community at a time. As a public health nurse I worked with them on this, and I just want to say thank you again to all the social workers for the work that they do. This week we recognize the work that social workers do, making a difference in people's lives.

Again, this \$4 million for wraparound services provides those very staff the additional support that they need in order to ensure that families and children can stay together in a safe way.

Thank you, Madam Chair.

Mr. Coolahan: Thank you for that, Minister.

Of the \$28 million, there is a big chunk, \$8 million, that is going towards foster care support, to support kinship and foster caregivers. As we know, foster parents are an essential part of the continuum of care for children receiving services. How will the \$8 million improve foster care supports programming and provide stable supports for the foster parents?

The Deputy Chair: Minister, please go ahead.

Ms Larivee: Thank you, Madam Chair, and thank you to the member for the question. You know, certainly, foster and kinship caregivers are amazing individuals who step up to offer children in need love and support and a place in their homes. Truly, they demonstrate the best of Alberta and show what community truly means. We continue to be very thankful for those who step up to the plate on this and continue to encourage more families in Alberta to consider becoming foster parents if at all possible.

The funding will address some caseload growth pressures in the foster care program to provide supports to foster and kinship caregivers, either directly or through agencies, to ensure children's needs are met in a home setting.

[Ms Goehring in the chair]

In December 2016 approximately 3,500 children and youth were in foster care, and an additional 2,000 children and youth were living with kinship caregivers. Alberta has approximately 1,800 foster homes and 1,750 kinship homes. Compared to last year, there's been a 4 per cent increase in the number of children and youth placed in foster and kinship care. Again, foster and kinship caregivers provide critical support to the children and youth of our province.

Children's Services has begun to implement the foundations of a caregiver support model to support the achievement of more positive outcomes for children and youth by ensuring they are nurtured by caregivers who respond to them in a developmentally appropriate way, interpret their behaviour through a trauma-informed lens, and have an appreciation for the impact of grief and loss.

Thank you, Madam Chair.

The Acting Chair: Thank you, Minister.

Go ahead.

Mr. Coolahan: Thank you, Madam Chair, and thank you for that, Minister. I really appreciate that.

There's also \$3 million that's being slated for supports for permanency. Supports for permanency have been identified as a priority in recent recommendations from the Auditor General and the Child and Youth Advocate. What will the additional \$3 million do to protect and improve supports for permanency?

The Acting Chair: Go ahead.

Ms Larivee: Thank you, Madam Chair. Certainly, we know that every child deserves to grow up in a healthy, loving environment that supports their healthy development and prepares them for a bright future. This funding will address caseload growth in the program that provides supports for caregivers caring for children who were in permanent care but have been adopted or cared for under a private guardianship order. We must continue to support children and youth who cannot return to their biological families to benefit from lifelong permanent connections.

This program recognizes that many children who have been in care require additional support even after leaving care. This program provides much-needed supports for caregivers to meet their children's needs, whether through ongoing counselling, respite, or support to maintain cultural connections. We remain committed to working closely with First Nation and Métis leaders to ensure that legal permanency for children respects meaningful involvement of their families and communities. There has been a 4 per cent increase in the supports for permanency caseload compared to last year, so that's a reflection of why the additional dollars are required.

Thank you, Madam Chair.

The Acting Chair: Thank you, Minister.

Go ahead, hon. member.

Mr. Coolahan: Thank you, Madam Chair. Thank you for that response, Minister. Let me just go back to child protection for a second, the \$8.5 million. Why are the additional costs necessary to ensure children's needs are being met in child protection?

The Acting Chair: Go ahead.

Ms Larivee: Thank you, Madam Chair. You know, certainly, we know that when families are facing tough economic times, they want a government that works to make their life better and ensure that the supports that they rely on are in place. Unfortunately, increases in child protection costs are driven by a growing number of children and youth receiving services and by increased costs per case resulting from greater complexity of cases, where children require additional psychological supports, therapy, and specialized placements.

The ministry works to provide children with a safe and nurturing environment that is free from abuse and neglect and that encourages the development of lifelong relationships. I'm certainly proud of a government that chooses to maintain stable services and the supports that the families of this province need and the children of these families need through these tough economic times. We'll continue to ensure that those supports are in place to make the lives of those children better.

The Acting Chair: Thank you, Minister.

Go ahead, hon. member.

Mr. Coolahan: Thank you, Madam Chair. Thank you, Minister, for those answers. In reviewing the 2016 budget, can you tell us some of the successes that Children's Services has seen?

Thank you.

The Acting Chair: Go ahead, Minister.

Ms Larivee: Thank you, Madam Chair. We've seen a leveling off of the savings attributable to the prevention and supporting families strategy. As a result of that, we're experiencing modest increases in costs. Including the supplemental funding, the increases under the Ministry of Children's Services still represent a reasonable 4.6 per cent increase over last year's actuals based on the 2016-17 forecast of \$1.173 billion compared to the '15-16 actuals of \$1.122 billion. We'll continue to, you know, focus on prevention and supporting families as the best strategy to keep children safe and with their families, and we'll continue to move forward to support those whose safety requires additional supports as well.

Thank you, Madam Chair.

The Acting Chair: Thank you, hon. minister.
Go ahead.

Mr. Coolahan: Thank you, Madam Chair. You mentioned the funds going towards supporting Albertan families. I'd like to specifically ask you about how the delivery of child intervention services is supporting Albertan families.

The Acting Chair: Go ahead.

Ms Larivee: Thank you, Madam Chair. Again, our government is protecting the things that matter by working to provide Alberta families the support that they need to keep their children safe and to raise loving, healthy families. Every child, regardless of whose care they are in, deserves to grow up in a safe, loving, nurturing environment with opportunities to thrive. When we give families the supports that they need to thrive as a family, we can keep families together. Alberta's child intervention system supports child safety and well-being and strives to keep families together whenever it is safe to do so. The child intervention program delivery continues to focus on supporting families as the primary means of protection. We are providing services to more children at home.

Thank you, Madam Chair.

The Acting Chair: Thank you, hon. minister.

At this point the time allotted is for the Official Opposition. Is there a member wishing to speak?

Mr. W. Anderson: Yes, Madam Chair. Thank you.

The Acting Chair: Would you like to share your time? Go back and forth?

Mr. W. Anderson: I just was going to say – thank you, Madam Chairperson – back and forth with the Minister of Advanced Education if I may.

The Acting Chair: Thank you. Go ahead.

Mr. W. Anderson: Further to what the Member for Calgary-Fish Creek had spoken to regarding the student loans increase, that being said and looking at the numbers, it's about a 20 to 25 per cent increase. My understanding is that that is due specifically to requested additional need by a lot of the students.

Now, a couple of points of clarification if I may. How much, if any, of those funds is being allocated toward administration costs

or processing fees? Then, secondly, in trying to move away from debt-loading students, was any opportunity given for additional bursaries or grants or scholarships from this ministry?

Thank you.

The Acting Chair: Thank you.

Go ahead, Minister.

11:00

Mr. Schmidt: Well, thank you, Madam Chair, and thank you to the member for the question. I want to welcome the member to his new role as Advanced Education critic. I know that I enjoyed my time and exchanges with the Member for Battle River-Wainwright when he filled that role, and I'm sure that the Member for Highwood and I will further have such good exchanges on the topic of advanced education, which is, of course, a topic that's so important to the people and the future of Alberta. I look forward to engaging with you in these roles.

With respect to the questions around student loans and the administrative costs, I don't have those details with me right now.

The member did ask about increases, of course, in bursaries and grants. We have created an indigenous student award, which offers, I believe, \$7.5 million to indigenous students pursuing courses of study at universities and colleges all across the province. That was a new award that our government created in the first budget that we brought down.

[Ms Sweet in the chair]

As well, we created the apprentice training award, which was an initial \$1.5 million in additional training for apprentices who are currently unemployed so that they can continue with their technical training through their second, third, or fourth periods. That program was oversubscribed almost the day it was announced, and we expanded that by an additional million dollars. We expect that by the end of the year there will be approximately 2,500 unemployed apprentices who are continuing with their second, third, or fourth period of technical training.

You know, the member opposite, of course, asks the question about preventing student debt. Madam Chair, our government is very concerned about the level of student debt, and that's why we have decided to continue with the tuition freeze for a third academic year. We don't want the cost of tuition to skyrocket so that it's out of reach for most Albertans, which is in stark contrast to actually what the Member for Battle River-Wainwright said that he wanted to see when we announced the third year of the tuition freeze. Of course, he was in the media the next day stating that he thought that it would be wise for tuition to go up. Our government disagrees, and we continue to make sure that tuition is affordable so that every Albertan, regardless of how much money their parents have in the bank, have the opportunity to pursue a higher education.

Of course, we continue to look at and we are engaged in a tuition funding review. That work will continue throughout 2017 to make sure that we can maintain affordability for higher education for the students of Alberta. That will look at issues of tuition as well as student aid and the grants and bursaries that are available so that we can make sure that the money that we spend on supporting students achieving higher education is going towards those who are most in need and who will benefit the most from accessing a higher education.

The Deputy Chair: Thank you, Minister.

The hon. Member for Highwood.

Mr. W. Anderson: Thank you. Thank you to the minister for your kind accolades towards my opportunity to be the shadow minister.

Rest assured, I hope to provide you with some positive feedback so the taxpayers of Alberta receive the best return on their investment, and I look forward to receiving in writing your answer to the question of the administration costs regarding the student loans application process.

Further to my other question here, looking at the transfer of funds from Mount Royal University on a capital project requirement, my experience is that capital projects typically in any large institution or organization require a considerable amount of planning over a period of time. The building functionality or the buildings will put forward a budget and that capital project will be looked at and considered over a period of time. My question is – the \$700,000 that's being transferred from Environment and Parks is requested to provide climate leadership plan funding for green infrastructure. Now, this being a cap. ex. project, I would assume it had been going on for some time. I'm looking – well, they would have probably requested it internally for some time. That being said, when they required the funding as a cap. ex. project, did they ask for the money or request the funds from Advanced Ed, from Finance, or from Environment? If you could clarify that for me.

Thank you.

The Deputy Chair: The hon. minister.

Mr. Schmidt: Well, thank you, Madam Chair, and thank you to the Member for Highwood for this question. With respect to the administrative costs our office will of course make all efforts to direct you to the appropriate place to get the information on the administrative costs with respect to student loans.

With respect to the infrastructure the capital expansion question with respect to our supplementary supply ask, of course, I just want to build on something that the Minister of Environment and Parks stated in response to the question – I can't remember who asked the question – around the process of applying for the money for these green infrastructure investments. Of course, there is a crossgovernmental committee that is tasked with looking at how to make these investments. It takes in investment proposals from every department, and we evaluate the proposals against each other, and of course we spend the money on things that meet the criteria that have been established by that committee for wise investments of our green infrastructure dollars.

With respect to this, I think it's no secret that the deferred maintenance at postsecondary institutions in this province is significant due to a lack of investment from the previous government in maintenance and renewal on campuses all across the province. That has created a significant backlog of energy efficiency investments that could be made, energy improvement, upgrades in those kinds of things, that will result in significant energy savings at universities and campuses all across the province.

There's no shortage of asks that have been submitted to the department. They've been on the books for a significant period of time. It's just that the previous government never really made the money available to universities and colleges to make those investments. We, of course, are committed to making lives better for Albertans by making sure that our postsecondary institutions are in top shape. We have taken advantage of the money that's available from Environment and Parks to address some of these infrastructure, maintenance, and renewal issues because we know that those kinds of investments will result in significant energy efficiencies.

Of course, I'm sure that the Member for Highwood would agree that investments in energy efficiencies are not only good for that particular institution but good for the people of Alberta because the money that the institution will save can be better directed towards

classrooms, making sure that students have spaces and teachers so that they can learn the things that they need to learn to make their lives better.

The Deputy Chair: Thank you, Minister.

The hon. member.

Mr. W. Anderson: Thank you, Minister, for that answer. This being a long-standing cap. ex. project and now the funds are coming out of the Environment and Parks ministry, my question is – the request went through a committee process, as I understand, to you, to Finance, and to Environment, but the funds are coming from Environment. The capital that Environment has to provide for long-term cap. ex. projects, the funds: do they come from the carbon levy, or do they come from the other source that the minister had alluded to if I may ask?

Thank you.

The Deputy Chair: The hon. Minister of Advanced Education.

Mr. Schmidt: Thank you, Madam Chair, and thank you to the member for the question. Of course, the money for this particular project comes from the existing fund that is made up of funds that have been collected from industry through the SGER process, and I'm guessing from the nods from the Minister of Environment and Parks that I'm right on that.

You know, I do want to commend the previous government for at least taking baby steps towards pricing carbon in this province. We know that pricing carbon is the right direction for the province of Alberta to be taking in order to improve its environmental outcomes and enhance energy efficiency in the province.

The Deputy Chair: Thank you, Minister.

Are there any members wishing to speak from the third party? I recognize the hon. Member for Calgary-Fish Creek.

Mr. Gotfried: Great. Thank you, Madam Chair. I've got just one last question for the Minister of Advanced Education just following on the line. I think we've certainly pursued that.

One of my concerns with the student loan program right now – I think there was a federal writeoff just recently of significant amounts of money due to long-standing defaults or deferred payments. I'd like to understand, with the current situation with our student loans, obviously – we're now investing another \$121 million, and our hope is that those dollars are not at risk, that they can be repaid by those students as they find gainful employment in the future and pay that off diligently over the ensuing years.

11:10

My question is: how many student loans are at least being deferred by some of those past students now because of unemployment situations? How many have defaulted, and how many are you expecting to be written off due to the inability to pay in terms of the period of time that those would be considered as actually a full default and then written off by the government? I think that it might be good for us to understand those metrics not only looking backwards but looking forward with this additional \$121 million investment.

Mr. Schmidt: Thank you to the member for the question. Of course, with respect to the default rate on student loans historically we have seen approximately, from my notes here, about a 6 per cent default rate on student loans. Of course, the student loan default rate is not evenly distributed across institutions, Madam Chair. We have a mix of public institutions, and that's where the bulk of our students go, but students in Alberta are also eligible for loans to

pursue studies at private career colleges. The member may be interested to know that the bulk of the defaults in our student loans come from students who have applied for and studied at private career colleges but find that the cost of the programs that they've taken far exceed the earnings that they can expect to make in the programs that they've studied. So they've paid thousands and thousands of dollars to take a program that will result in an occupation that pays a very small amount of money and, of course, can't afford the crushing student debt that they've been saddled with.

You know, our office gets stories all the time from students who have attended private career colleges in the province of Alberta. They feel that they've been treated unfairly by the student loan officers who they applied for student loans from that they couldn't possibly afford to pay back, Madam Chair. This is a significant issue that our government is very concerned about because we want our students to be successful, and we certainly don't want them to be saddled with student debt. So this issue around the default rate among students who are attending private career colleges is very concerning to everyone in this House, you know.

I don't think that anybody thinks that the people of Alberta are better off if we've spent thousands and thousands of public dollars on education that is yielding no appreciable outcome. You know, as our government continues to look at this issue around how to protect students who are looking at private career colleges as an education opportunity, I hope that the member opposite will support our efforts to make sure that students are protected when they choose that as an education path.

The Deputy Chair: Thank you, Minister.

Mr. Gotfried: Thank you, Minister. It just concerns me. I was just looking at some statistics federally, and last year it was over 32,000 student loans written off; the year before, 33,000; so about \$175 million a year. It's peaked as high as close to or even over \$300 million in the last five years, federally. So I'm just concerned. Obviously, we want to invest in our youth, but we also want to make sure that there's a reasonable opportunity for them to pay that back.

As was mentioned by the other member, you know, does this mean that we have to look at other options for them, whether there are additional grants or bursary programs that may assist them, particularly in those areas where we feel that there might be higher employment opportunities? But I hope that, again, your ministry is watching that metric closely as it is an investment, not just an investment for those students but an investment by us Albertans into our future, so it's a very, very key issue for us.

I'd like to shift gears. This is probably more geared towards Infrastructure and Education. Government members this week hinted at new schools for Albertans, but these estimates asked for \$107 million to be transferred from school capital to operations and maintenance on page 38. Knowing that we have an expert in the Minister of Finance, I'm sure you're well versed in all these requests coming towards you, Minister. I guess my question is: how many new student spaces would have been funded by this \$107 million that's now being moved over into operations and maintenance? How many spaces are we losing, and how many spaces are we assisting with possibly some much-needed operations and maintenance funding with this \$107 million switch of funds?

Thank you.

The Deputy Chair: The hon. Minister of Finance.

Mr. Ceci: Thank you for the question. My understanding is that this is money moved out of capital to operational spending because the

uses that school boards throughout the province put it to is for things that improve the life of the facility for less than five years. These kinds of improvements like painting and upgrades are not about increasing spaces in the education system. It's improving the quality of the spaces. That's why the movement took place.

The Deputy Chair: Thank you, Minister.

Mr. Gotfried: Thank you, Minister. Through the chair, I understand that, obviously, there's probably some deferred maintenance that needs to be caught up. We don't want older schools falling apart, so I understand that. With the allocation of that, obviously, there's \$107 million – it sounds like a lot of money; it is a lot of money – but we have lots of schools across the province. How will communities and schools be prioritized to receive this switching of support from capital funding to operations and maintenance? Is there a prioritization that we'll be able to see on how that's allocated, or is it on an as-needed basis? Or is everybody going to have to come to you and say, "I want a chunk of the \$107 million"? How is that going to be allocated through your department and through Infrastructure and Education as well?

Mr. Ceci: Actually, it's not through my department. Treasury Board received this input from Education, where they looked at the kinds of improvements that were being done with this money. It wasn't for the construction of new schools. That's a totally different line item. With the budget coming up shortly, you'll see where that is going for this government. The school boards were utilizing this money, to the tune of about \$117 million, for improvements to their schools across Alberta that were adding less than five years, as I said, extending the life of that facility for less than five years, so the kinds of things that I talked about earlier. So there was a determination made that if school boards are already using it for that purpose, then we'll book it for that purpose as opposed to in the capital plan.

Mr. Gotfried: Thank you, Minister.

I'd like to move some questions over to the topic of Indigenous Relations. The estimates that we've seen here on page 50 show that \$1.75 million was underspent in Indigenous Relations programs. I'd like to understand, and if the minister could explain: which programs had lower than budgeted expenses, how many FNMI Albertans were affected by that reduced spending, and how was that reduced?

Mr. Feehan: Thank you to the member for the question. The answer is all located in one section of the budget, and that is the southern Alberta flood program. The original estimates that were brought in under the previous government were moved forward in the budgets over the last couple of years. Last year, in Budget 2016, we had allocated \$6,557,000 in support of the Siksika and Stoney . . .

The Deputy Chair: Thank you, Minister. Thank you, Member.

We will now move on to the other parties.

Seeing none, we will now move on to the government side. Are there any government members wishing to speak?

Ms McKittrick: Madam Chair, I would like to ask a question to the Minister of Indigenous Relations. As I ask this question, I would like to take this opportunity on the work that the minister has done in terms of indigenous relations and the leadership that he's shown in helping indigenous communities. The question I have is: why did the Labour ministry transfer \$1 million and then another \$3,845,000 to Indigenous Relations?

11:20

The Deputy Chair: Thank you, hon. member.

Mr. Feehan: Thank you to the member for the question and for the support. I'm happy to talk about the transfer of \$3.845 million from Labour into our ministry because it represents some pretty successful stories in terms of our support and advancement of including the indigenous community in the labour market in this province. We work closely, of course, with Advanced Education, Community and Social Services to deliver programs that enhance employment and training to Albertans and, specifically in this case, to indigenous Albertans. So this is a good-news story for everyone involved.

We have been collaborating particularly with a variety of market challenges and supporting unemployed and underemployed workers, of course, to get back and participate in the economy. Part of these collaborations have happened over the last little while. We have been running programs for a number of months or years, in fact, in this initiative and have found that the subscription to the program has been, really, much larger than anticipated. The Labour department was very helpful to us in finding new approaches to providing opportunities for indigenous people, and we're very pleased that we were able to provide quite a bit of money in a variety of areas. I'd be happy to detail that specifically for you.

In November 2016 Indigenous Relations worked with the Labour department to identify projects totalling \$1 million. This was the first piece that you asked about. From that, \$200,000 went to Trade Winds to Success, which is pretrades training for indigenous people, which I know has been very highly supported by members on both sides of the House. It's a very effective program. It is particularly focused on helping people get into trades and has a strong focus on indigenous women. So it's a very nice program to be supporting.

Another \$180,000 went to the Northeast Alberta Apprenticeship Initiative to support indigenous apprentices in the northeast area of the province to enrol in and complete trade certificates, which is the ongoing desire to help people move on to get their certificates and become red seal tradespeople.

Then \$150,000 in Lesser Slave Lake for a transition support worker, to help improve job retention for community members once they've completed training. We found that just simply having the training didn't always suffice in terms of allowing people to engage in the community and in the marketplace, so we provided that money to allow the workers to be supported in terms of preparing their job applications and attending interviews, those kinds of activities in supporting and helping make that life transition, which is often difficult for people going from school into the working world.

Finally, we had \$120,000 to the Kee Tas Kee Now Tribal Council for a transition support worker to help with job retention in very much the same way.

There was \$40,000 to the Athabasca Tribal Council to provide driver training to five member communities as this is one of the biggest barriers in the north. The reality in the north is that if you don't have a driver's licence, it's very hard to get appropriate employment and that access to drivers' licences for communities that are often two or three hours away from any kind of a testing facility is very difficult and becomes a barrier for people moving forward. We know that once they have the skills necessary and once they have the jobs, the indigenous community are excellent workers, and we just want to make sure that there aren't barriers that stop them from moving through that process quickly and being successful.

Additionally, we provided \$105,000 to the Saamis Employment & Training Association for a pre-employment program in Lethbridge in collaboration with Community Futures Treaty Seven; \$85,000 to the Metis Settlements Strategic Training Initiatives for their forestry management program; \$25,000 to the Tribal Chiefs Employment and Training Services Association for safety ticket training; \$50,000 to Beaver First Nation for an employment readiness program; and \$50,000 to Community Futures Treaty Seven for their pre-employment program for youth at risk.

All of these things, as you can hear, are spread throughout the province, encouraging young First Nations people to be successful in advancing themselves from their primary education into the workforce. The outcomes are very strong, very good. We're supporting communities that have struggled historically with employment records, and we're seeing some very substantive change now as we enable these communities to work with their own youth, help them develop skills in their own communities, that they then employ in their own communities.

One of the things that we found in doing these programs is that not only are we actually helping the indigenous communities, but indeed we help the much larger communities around the First Nations. They find themselves with a stronger workforce, people with high levels of skills, and, of course, people who are going to stay in the area because they live in the area and they're committed to the land in the area. Having these kinds of programs is, you know, very important in terms of helping rural Alberta communities enhance their success on an economic basis.

Let me just go on to add a bit more information because there were two pieces to your question.

The Deputy Chair: Hon. minister, each response cannot be longer than five minutes.

So if the member has a question?

Ms McKittrick: I do. Thank you. I wanted to thank the minister. The Member for Red Deer-North and myself actually visited one of these training programs in Bonnyville and were just delighted as to the extent of the program and how proud the tribal council and the community were of this training program. I'd like to echo your words on how helpful those programs are to provide employment and to break down barriers for indigenous communities.

My next question is around the \$6,805,000 that was transferred from the climate leadership plan to Indigenous Relations. I know that this has been a focus of your ministry, around climate change leadership in indigenous communities. There have been a number of solar energy projects and other green projects in indigenous communities. I was wondering what the money transferred from the climate leadership plan is going to be used for.

Mr. Feehan: Thank you very much to the member for the question. Again, this is an area that Indigenous Relations is very pleased to report about because it's about including the indigenous community in the major projects of this province, in this case the climate leadership plan, and ensuring that while we move ahead in the transition to a greener, more prosperous economy in terms of renewables, the indigenous community are there as true partners in this.

The money that you were speaking of, the \$6.805 million being transferred from the climate leadership plan, is divided into a number of areas. In our assessment of the work that was needed in indigenous communities, we found, of course, that while we wanted to ensure the focus remained largely on the reduction of GHGs in the environment, we also needed to ensure that the communities themselves were prepared to take advantage of the programs and to

develop the wherewithal to be a true partner. So some of the monies are allocated toward supporting leadership development and supporting educational programs.

Of course, we had two very successful pilot programs that were announced in the fall of this year with regard to doing a community audit so that there could be assessments of the First Nations communities, looking at ways in which they, first of all, could enhance their use of electricity through renewables and therefore reduce greenhouse gases but, furthermore, even to prepare themselves to participate in the larger electricity market, where they would be able to produce electricity as well as consume it within their First Nations and then perhaps, in time, sell that electricity into the larger market.

So there are a number of different programs that are established, from the very basic assessment and business plan preparation phase right through to the establishment of resources.

The Deputy Chair: Thank you, hon. minister. The time for the government side is now up.

We will move over to the Official Opposition. Is there anybody wishing to speak? The hon. Member for Calgary-Foothills.

11:30

Mr. Panda: Thank you, Madam Chair. My question is to the Minister of Economic Development and Trade. I noted that you're asking for \$562,000 to be transferred from the Ministry of Environment and Parks. I just want to know what the money is going to be used for.

My other observation is that in the last two budgets your ministry got \$400 million plus \$300 million, in total \$700 million. Was that all spent and this is over and above that? What is that going to be used for? How many jobs are going to be created?

Also, in total how much more money will come for this coal transition? Is that your department that is going to lead?

Minister, I would request you to be brief. Thank you.

The Deputy Chair: The hon. Minister of Economic Development and Trade.

Mr. Bilous: Thank you, Madam Chair, and I thank the member for the questions. I will endeavour to answer all of your questions, but brevity is not my strong suit. So \$562,000 is being transferred over from Environment and Parks, and this money is specifically used for the coal panel and the coal transition. This is money that's used to support the advisory panel that we stood up. There are three members on the coal advisory panel, that have already begun travelling to impacted communities, so part of this is dollars for them to engage in 10 facilitated discussions with stakeholders in the communities most affected by the retirement of coal-fired generation facilities.

I think it's really important to note right now that at this point in time these facilities – outside of our regulations, which would have them phase out by 2030, the federal government has in fact put a coal phase-out by 2029.

So this money is for the coal panel to engage with communities. They'll be meeting with municipal leaders, First Nations, community economic development organizations, small businesses, affected workers. Really, what they're doing is looking at the assets and strengths of the different communities, looking at the opportunities, whether with workers and what are the opportunities in the communities but as well looking at future opportunities.

The breakdown I can give the hon. member is that there is a portion of it that will be for salaries for three and one-half FTEs to support the panel. The panel themselves, I just want to say off

the top, are not paid. Their travel costs are covered, but they are not drawing any type of salary or stipend or anything from government. There is a little over \$150,000 that will support the engagement and the consultation. That's things like a facilitator, a writer, and event costs. There is \$2,000 for education outreach and marketing, again, ensuring that the communities are well aware that the panel is coming in. And then there's about \$16,000 earmarked for travel.

I can tell you that, you know, on the coal file working with the communities to transition is under my ministry, and that's part of the reason why it's transferred over. I myself was in three of the communities last week meeting with community leaders. So in addition to the work that the coal panel is doing, we are also, myself and my ministry, taking a very active role in working with the communities to help them identify opportunities moving forward.

The Deputy Chair: Thank you, Minister.

Mr. Panda: I'll share my time with my colleague.

The Deputy Chair: Okay. I'd like to now recognize the Member for Bonnyville-Cold Lake.

Mr. Cyr: Thank you, Madam Chair. I'd like to move an amendment, please.

The Deputy Chair: Thank you, Member. If you can just give me a second for the original. We've stopped the clock while I'm getting the amendment.

Please go ahead, Member.

Mr. Cyr: Thank you, Madam Chair. Mr. Cyr to move that the 2016-17 supplementary supply estimates, No. 2, of the Ministry of Service Alberta be reduced by \$899,000 for procurement and administration services under reference 8.1 at page 75 so that the supplementary estimate to be voted at page 73 is \$1,000.

I would like to ask a few questions. Unfortunately, I would have liked to have done this at the end, but we're running out of time. To the Minister of Service Alberta: can you tell me how much you have spent on postage for the last three years?

The Deputy Chair: The hon. Minister of Service Alberta.

Ms McLean: Thank you, Madam Chair. Certainly, Service Alberta is committed to streamlining and standardizing government-shared services to ensure we deliver the best possible value to Albertans. Through continued improvements in technology and innovation we have avoided mail and print service costs of \$763,000 since 2013. It would be the equivalent of removing five vehicles from the road. The financial transactions budget is used in part to purchase postage inventory from Canada Post. Service Alberta either uses the postage for its own program needs or sells the postage to other government departments for their program needs. Service Alberta continually improves to ensure that the government-shared services process delivers the best possible value to the public as well as government stakeholders while avoiding unnecessary costs.

To reduce service costs, shared services has introduced efficiencies to the government's mail and print services that resulted in meaningful cost avoidance and environmental benefit. Consolidations in print services have avoided costs of \$300,000 while the adoption of technology innovation will enable 20 million pages of print materials to be diverted to electronic submissions. Government print and mail volumes continue to decline by approximately 3 per cent annually as ministries find online, electronic ways to deliver programs and services.

A review of centralized government print and mail services in 2013 demonstrated the continued need for these functions. Print and mail services are not only relevant, but they are a critical component of successful program delivery for all government ministries, including subsidy cheques to vulnerable Albertans, service usage and financial statements, health and identity documents – health cards, birth certificates, drivers' licences, et cetera – and program and service information.

Service Alberta received a supplementary estimate of \$900,000 for financial transactions. The estimate has gone from \$7,650,000 to \$8,550,000. The financial transactions budget is used in part to purchase postage inventory from Canada Post. Service Alberta either uses the postage for its own program needs or sells the postage to other government departments for their program needs.

The supplementary estimate will be used to address a larger than originally budgeted volume for search services in corporate and personal property registries, searches which are mailed out to the requesting party. As of December 31, 2016, year over year corporate search volumes have increased by 7 per cent, and personal property searches have increased by 3.7 per cent. Revenue for the two registry search fees had increased by \$910,000. Overall Service Alberta's financial transaction budget remains lower than previous years, reflecting the savings from the elimination of mailing out registration renewal reminders.

The supplementary estimate is being funded by a reallocation from the department's operating expenses. The department will surplus \$900,000 in operating to fund the increase to financial transactions. The long story short here, Madam Chair, is that these are not new dollars. We are simply moving dollars from one area to another.

11:40

The proposed amendment by the member opposite would mean that subsidy cheques would not go to vulnerable Albertans. That's something that he might be arguing for. It might be in line with their particular stance on not particularly caring about social issues. Perhaps the reduction is being proposed for the reason of not wanting to send out financial statements which would be in accordance with a goal to ensure a lack of transparency, perhaps so they could create some sort of political issue. However, I would suggest that's not in the best interests of Albertans nor anyone working for the government of Alberta.

Additionally . . .

The Deputy Chair: Thank you, hon. minister.

Ms McLean: Thank you.

The Deputy Chair: For the information of the member and all members in the House, the amendment will be referred to as A1. The amendment will be voted on once the committee has concluded and before the vote on the supplementary supply estimates, so it will not be voted on right now.

We will now be moving on to the third party if there's a member that would like to speak. The hon. Member for Calgary-Fish Creek.

Mr. Gotfried: Thank you, Madam Chair. I had pursued a short line of questioning that we were both cut off on, so I'll defer back to the Minister of Indigenous Relations. We were talking about some underspending in his department and his programs, and I had asked: could you explain which programs had lower budget expenses and how the FNMI budgets were affected by reduced spending? Now, we've heard that the floods were part of that and flood mitigation, but could you tell us which communities specifically were directly

affected by the reduced Indigenous Relations program funding and what specific projects were deferred or cancelled because of that?

The Deputy Chair: Thank you, hon. member.

Mr. Feehan: Thank you very much to the hon. member for a chance to continue this conversation. I think it's a very important one. As I was indicating earlier, we had indeed allotted a little over 6 and a half million dollars to the funding for the Siksika and the Stoney Nakoda tribes for the flood recovery. At this time I can tell you that a little over \$2 million extra was given to the Stoney Nakoda Nation to hire additional staff required for painting, drywall, but also youth and student work programs that allowed youth in the communities to be trained to do the work for the flood recovery. It was a good program for developing skills in the trades. We used approximately \$500,000 to support the salary, benefits, and travel expenditures for five staff overall. I can tell you, though, that that money, including the \$4 million that was originally funded for the Stoney Nakoda, has all indeed been used appropriately. The houses have been completed in the fall of this year, and we have essentially put an end to that program because of the completion.

However, we found that in spite of the fact that all the house work was done – and we had indeed even included some employment training in the work that was done – the estimates that were originally provided by the previous government were an overestimate of the actual costs as might be predicted five or six years ahead of the time. So we were able to take \$1 million from that phase of the flood recovery program and were able to transfer it back to Treasury Board.

The program that is remaining, still in process right now, is the Siksika community program. That program has been a little bit slower in moving forward because the community itself chose to become the primary contractors for the building in their own community, and you may know that they faced some political opposition within their own community about the site of those houses. While they're working through that, there was some delay in the initiation of the building of those houses.

As a result, we have taken \$750,000 that has not yet been distributed to the community and held it to be deferred till next year in case in the finalization of the houses, which are to be completed over the next 12 months, I understand, there are any unexpected costs or things that were unanticipated. Then we would have that money to be able to facilitate any kind of finalization process as necessary.

The simple answer to your question is that no programs have been cancelled; nothing has been deferred. In fact, we've been extremely successful in moving this forward. I'm very pleased to return a million dollars back to Treasury Board and very pleased to have \$750,000 in the accounts for next year just as a backup. Perhaps next year I'll be offering some of that money back to Treasury Board again.

Thank you.

The Deputy Chair: Thank you, hon. minister.

Mr. Gotfried: Thank you to the minister for his response.

I see we have the Minister of Municipal Affairs available, so I'll shift gears into some questions around some funding there. This government cut \$19 million from Municipal Affairs, mostly by reducing the MSI, the municipal sustainability initiative, by \$17 million. We heard recently from municipal leaders, in fact just on Tuesday, that community infrastructure is desperately needed in this province. We also understand that some funds have to be reprofiled into future years due to project planning and construction issues. What are you doing to ensure that the reprofiled funds are

used for their intended purposes and that future new funding is not reduced due to funds reprofiled into the future so that we're not actually sort of stealing from future opportunities for funding? And what is your approach to this going forward in terms of that reduction and how we're going to help these municipalities to still achieve some of their infrastructure needs?

Mr. S. Anderson: Sir, are you referring to line 3? I just want to make sure I get the right . . .

Mr. Gotfried: Yes. That's correct. A \$17 million reduction of the MSI.

Mr. S. Anderson: The transfer from operating to capital?

Mr. Gotfried: Yeah.

Mr. S. Anderson: Okay. I kind of discussed it a bit yesterday. It's one of the ways we support the five mid-sized cities, by allowing them to transfer the MSI operating to capital. It happens every year. It's the way they have chosen to use their MSI funding. But as you rightly pointed out and as we are aware, it's the importance of that core infrastructure to the communities across Alberta.

The MSI agreements that are expiring on the 31st: those agreements are expiring, but the program is not, so we're still going to be supporting these municipalities going forward. As I indicated yesterday as well, the funding for the upcoming budget for these municipalities is still there. It's money that was allocated for them. We are going to be working with them to make sure that we find, I guess, a long-term, sustainable solution. What that looks like, I'm not sure yet because there's a lot of discussion, a lot of consultation ongoing.

I know your concerns. I think that since the first day I got elected, to be honest with you, MSI has come across my plate. Those particulars are going to have to be worked out with those local officials to find out what they think is going to be best going forward. I mean, you'll hear me say "sustainable" numerous times, but that's exactly what we're looking for, something that they can count on through these ups and downs for that infrastructure. For sure, it's going to be a hugely collaborative endeavour.

The Deputy Chair: Thank you, Minister.

Mr. Gotfried: Thank you to the minister for his response. Of course, sustainability is certainly an issue for all of us, but I'm sure you'll be hearing more from those affected municipalities as we go forward.

My second question is: what do you intend to do to enhance support for communities that depend on funding for the Alberta community partnerships, which was reduced by \$1.5 million, and on the grants in place of taxes program, which was reduced by \$1 million? What are you going to do with these communities to ensure that this does not affect their ability to do what they need to do in terms of providing support in their own communities? I know that you'll be hearing about this, but I'd like to hear what you have to say in terms of how you're going to address those concerns when they come back to you from the various parts of the province.

Mr. S. Anderson: Sure. I mean, we have talked about the grants in place of taxes. That's one of the issues that I spoke about yesterday. Some of our savings were because of anticipated lower construction assessment growth. That's, I think, one of those fluid things that every year changes a little bit. Again, I don't want to deal in hypotheticals with it, but it's, like I said, a fluid thing that it happens we have to work with those municipalities on.

The other part you were talking about was the Alberta community partnerships. Yeah, we did have savings there for municipal restructuring. I don't have the specifics, like, what the savings were there. I'm going to have to get the specifics for you on that. Definitely, you know, we always want to make sure the funding is there for these municipalities when they need it and make sure that it's being used in the way that is going to be viable for the communities, obviously. I know that there are lots of good examples about water and waste water, things that they've done. We need to work with them and make sure that it's being used appropriately. They're the boots on the ground, and they know better than us in that sense. Like I say, it's always kind of a fluid situation, where we have to make sure we're doing what's right for the residents of Alberta and making lives better for Albertans.

Thanks.

11:50

Mr. Gotfried: Thank you, Minister. I know that the municipalities and the regions are a very outspoken group, so I'm sure that you'll be hearing from them as they face funding shortfalls in specific areas. I know that we look forward to hearing how you address that going forward.

My next question is with reference to Children's Services. An additional \$28 million is requested for Children's Services on page 22. I'd like to understand which cities, communities, or regions this funding will be focused on. Is that . . . [A timer sounded] That was an easy one.

The Deputy Chair: Thank you, Member.

We will now move to the government side. Are there any members wishing to speak at this time?

Seeing none, we will return to the Official Opposition. Are there any members wishing to speak? The hon. Member for Bonnyville-Cold Lake.

Mr. Cyr: Thank you, Madam Chair. I'd like to go back to the Minister of Service Alberta. I'd like to go with a five-minute block with a five-minute answer, please. I've got some prepared questions.

The Deputy Chair: Hon. member, we will be rising and reporting at 11:55. I just want you to be aware.

Mr. Cyr: Fair enough. I'd like to table this document, please.

The Deputy Chair: Hon. member, you can't table in supplementary supply. If you would like to table a document, you will need to do it after question period.

Mr. Cyr: Okay. Fair enough. I will table the document later. The one that I'm specifically going on is a press release of March 2, 2016, that is titled Alberta Modernizing Renewal Reminders. "Government will save taxpayers \$3 million a year by switching to electronic reminders for registration, licence and identification card renewals." My question to the minister, really quickly, is: how is it that we had \$1.2 million in the last two years of inventory with postage, and this year somehow we're out, and we're going for an emergency supplemental of \$900,000? That appears to be mismanagement at its best.

Next question. Postage was supposed to go down significantly, and we're seeing that that is not the case. The minister refused to answer what she had spent in this year with her last answer. So I'd like to know again: what are the last three years of postage? How is it that her office has managed it so poorly?

The next one: is this \$900,000 going into a postage inventory? If so, it appears that this government is deferring from one year's budget to a next year's budget. If that is the case, that appears to be very unethical. I would ask that the minister respond to this, either to me directly or in writing.

With that, I will end my questions.

The Deputy Chair: The hon. Minister of Environment and Parks.

Ms Phillips: Sure. Thank you, Madam Chair. I'll rise and respond on behalf of the Minister of Service Alberta. The supplementary estimate is being used to address a larger than originally budgeted volume for search services, corporate searches and personal property searches as well.

The Deputy Chair: We need to rise and report progress.

[Ms Sweet in the chair]

The Acting Speaker: The hon. Member for Edmonton-McClung.

Mr. Dach: Thank you, Madam Speaker. The Committee of Supply has had under consideration supplementary supply estimates, No. 2, for the fiscal year 2016-2017, reports progress thereon, and requests leave to sit again. I would also like to table copies of an amendment moved during Committee of Supply this day for the official records of the Assembly.

The Acting Speaker: Thank you, hon. member.

Does the Assembly concur in the report? Those in favour, please say aye.

Hon. Members: Aye.

The Acting Speaker: Those opposed, please say no. So ordered.

The hon. Deputy Government House Leader.

Mr. Bilous: Thank you, Madam Speaker. Seeing the time and the progress made this morning, I move that we adjourn until 1:30 this afternoon.

[The Assembly adjourned at 11:57 a.m.]

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