Time: 6:08 p.m.

[Mr. Kowalski in the chair]

The Chair: Well, good evening, ladies and gentlemen. Please continue to eat. We'll have a working dinner meeting. I'll talk for a few minutes so that it'll probably allow you to finish your plate.

First of all, thank you very much for coming to this meeting, which was announced about 10 days ago, particularly the new members, who I'd like to welcome to the committee, Mr. Oberle and Ms Pastoor. The Members' Services Committee, in my humble opinion, is the most important committee that exists in the Legislative Assembly of Alberta. It's a very transparent one. All of our meetings are conducted in public. We have *Hansard* for everything, and there's never been an in camera thing unless it has to do with the manpower situations, but that's so seldom. It's remarkable that it never happens.

We met in December to deal with the coming budget for the fiscal year beginning April 1, 2007. That budget has been transferred to and transported to the Provincial Treasurer, the Minister of Finance, whose basic responsibility is to have the documents published, printed, and tabled when the provincial budget comes down. We're independent of the government, and our budget is independent from the government. We have our own budget. Standing Orders provide for the manner in which the budget of the Legislative Assembly estimates are dealt with.

Since that time in December there has been discussion among the various groupings with the Legislative Assembly of Alberta to talk about changes, reforms, modifications. A House leaders' agreement was struck and was tabled in the Legislative Assembly; I believe it was March 7, 2007. Three House leaders basically inked their signatures to a document. I inked my signature to that same document to verify that I had received such. Then I asked the Clerk of the Legislative Assembly of Alberta to go through the document and basically pick out what the anticipated cost implications of that would be to the Legislative Assembly of Alberta. A number of discussions have been held in recent weeks with respect to the parameters of that particular budget, and that's basically the prime purpose for us meeting tonight: to take a look at the budget implications.

We're up against a difficult situation because if the provincial budget comes down on April 19 and our estimates have to come with it, whatever number will come out of this will come out of the global figure that would be expended by the province of Alberta, so it's important to have to have the right number and the right figure in place and to have it in very, very quickly. I've had some discussions with the Minister of Finance to try and get the last possible date. Today's about the last possible date to get onto the stream, so that's the reason we're having the meeting today and now.

I called the meeting to order, and I welcomed the new members and the other members who have been able to come. If you take a look at the binder you have, there is an agenda in there. We've dealt with number 1. If we can have an approval of the agenda, point 2, that would be helpful as well. Mr. Shariff.

Bridget, did you want to walk through an item later with respect to provision of services to members over the age of 70 who are past members? Did you want to bring that up today or not?

Ms Pastoor: I could.

The Chair: We'll put that under Other Business, and that would be an update, so Cheryl, please be advised.

Okay. Does everybody agree?

Approval of the minutes of December 14, 2006.

Mr. Taylor: So moved.

The Chair: So moved by Mr. Taylor, seconded by Mrs. Ady.

Business arising out of the minutes. There's really nil. There's none.

So what we have here now is the new business. If you flip over in the documentation that you have and you go to tab 5(a), you'll see a document called Budget Implications Summary: Implementations of House Leaders' Agreement of Wednesday, March 7, 2007. Now, this budget basically is broken up into two areas. The only thing we have to worry about, essentially, is the bottom-line figure that you have to either approve or disapprove or change or modify.

But to give you a bit of the background, there were some principles, apparently, as a result of the negotiation that occurred among the three House leaders, certain things that they wanted to do. The problem I have is that we haven't seen the motions that are coming forward to the Legislative Assembly for implementation, but I'm advised that good work is being done with respect to these changes to Standing Orders, and they will occur next week presumably, before the 19th for sure.

We have to, however, anticipate what's going to happen. So the budget presentation that I'm making to you and providing to you tonight is based on the following principles. One, should none of these Standing Order changes occur, this budget and the estimates of the Legislative Assembly of Alberta will lapse. If something were to happen to derail any of the changes and any of the assumptions we have, this budget – the dollars would be carried, but they'd be returned at the end of the fiscal year to the Provincial Treasurer.

Secondly, the allocations we're asking for tonight basically will be starred, lined, or whatever to make sure that they're only to be expended for the purpose for which the intent was to be. The intent is to deal with the costs associated with the implementation of the Standing Order changes. The Standing Order changes essentially will allow for five different committees to function if you include the Public Accounts Committee and then four other committees. They will deal with the manpower implications both to the caucuses involved and to the Legislative Assembly and deal with the expenses related to them.

So if you look at number 1, which says Caucus Budgets, I understand there was a discussion among the three, and they basically agreed that the Official Opposition caucus would receive \$360,000, and the ND caucus would receive an additional \$180,000. So then after some further discussion, they basically zeroed in on a figure of \$720,000 for the government caucus. Then there are two independents in the Legislative Assembly: basically, \$90,000 for each person.

6:15

Those dollars are to go for manpower costs associated with the implementation of the new programs. That's where they will be starred. Our recommendation is that if you approve the allocation of these, it would be a separate line item within each caucus budget for committee support, and that would be the purpose of these funds. These funds would not be interchangeable with other budgets and other caucus budgets. Say you're running into a jam in your other caucus budget. Well, you can't transfer some monies out of these budgets to cover things in the other ones. We'd have to star that and make sure that we've got the implications.

Then everything else that you see in here – numbers 2, 3, 4, 5, and 6 – are consequential costs arising out of the first decision. If there are going to be these five new committees and if the principle is that, as an example, the Official Opposition caucus would get \$360,000 to hire X number of people – the figure given to me was about

So you'll see that under 2, the House and committee services budget, there's also attachment 1, which breaks down the specifics with respect to that, including costs for staffing, including costs for *Hansard* and security. So the first one, the caucus budgets, would be an additional \$1,440,000; the House and committee services budget, \$530,000.

Number 3 is the legislative committees budget, and there's an attachment there that goes with it as well, attachment 2, which breaks down the costing associated with that. We made some assumptions in doing this that the Public Accounts Committee would have eight out-of-session meetings, as would the policy field committee, and there would be five out-of-session meetings for Privileges and Elections. There would be some advertising for public hearings and meetings, and there would be provision for two out-of-Edmonton meetings for policy committees. You can see the dollar figures to break down what it would cost, basically, to meet with that.

Then number 4, the MLA administration budget. These are not dollars for MLAs, but it just comes under the one line in the LAO budget. These would be the consequential costs of all the new manpower that would be hired as a result of decision number 1. If researchers are hired by all the various caucuses, they are going to need desks; they are going to need furniture; they're going to need telephones. There the cost we're talking, I'm told, is as many as 30 people involved in the whole plan for everything. So you're looking at basically that. If MLAs receive a stipend for attending these meetings, well, that becomes part of the income that they get. At the end of the year the income is part of the formula used to determine the transitional allowance, so there's a bump-up cost in there.

Dave, you said okay. What that means is that we're anticipating that there will be \$300,000 worth of claims by members of these various committees over a whole year. So 25 per cent of that, in essence, would go into the transitional allowance budget to cover that particular cost.

Number 5, the information technology services budget. I'm going to come back in a little while to what we've included in this. Right now our policy to delivery is that we have 1.25 staff people per computer. We haven't changed this policy allocation since 2001. Previous to that it was two people per computer. Well, we're now in the age where it's almost impossible to have 1.25 people fighting for one computer, so the recommendation is that each designated employee would have access to a computer. That requires 30 of them at \$3,000 plus the cabling and the printers and the switching and all the rest of it, so that's \$90,000. But I don't have your approval to do that, and we'll come back to that.

The next item. Then, of course, everybody is eligible for a \$500 grant per year under the learning and wellness account. So if there are 30 additional staff that are involved in all of this, we're going 30 times \$500 equals \$15,000.

We have put in no provisions here for space requirements. This is a problem. This is a problem for me. This is a problem for everyone. The government caucus space is actually not too bad. The Liberal Official Opposition space is not too bad at all; there's quite a good provision in there. But I think there's a pressure point for the ND caucus, and there will be a pressure point for the two independent members. We'll have to work through that with Infrastructure to deal with that.

So the gist of it all is that as a result of this, these numbers and these proposals that we have, the request is for you to consider an allocation of \$2,862,000, which we will earmark very clearly only for the objectives set out in the motions that will come forward. If we could, first of all, have your discussion and debate on it, then the request will be to have your approval for it. So I'll stop now.

Mrs. Ady.

Mrs. Ady: Thank you. Obviously, this is kind of, if you will, a new animal as we're all kind of trying to figure out what it will look like in the go-forward position, and I recognize that you're having to do some estimating with what you do today in order to try and come up with some of these numbers. You know, I'm fairly supportive of the idea of the all-party committee just because I think it gives us more opportunity for democracy and to debate things and to take complex issues, perhaps, out of the House and discuss them and then send them back. So I can see the merit of all of those things, but obviously we also are the stewards of the public purse and need to make sure that we're doing the right things with dollars that are taxpayer dollars.

When I look at these numbers, I have one concern and then a few things that I think are great here. This question actually came to me from the hon. Member for Red Deer-North. She asked me if I would pass this on. There is still some concern – and you've reiterated it twice – that we're going to use these budgets in the appropriate places, that they're meant for these all-party committees, and that's what it should be spent on. But there has been some question lately that maybe caucus funds aren't being used as appropriately as they are intended. She uses the example of ads that she's heard on the radio recently that are coming from caucus funds. So I'm wondering: do we and are we going to have some oversight to ensure that these funds get used for the purposes intended, that they're meant to manage these all-party committees, and that we ensure that that's where those dollars go? Do we have some kind of a mechanism that will monitor that and make sure that they're used properly?

I was happy to see that you've got the learning and wellness account budget here for these new employees. I have to tell you that I'm getting a lot of good feedback from members as I hear what they're doing with their wellness accounts this year. Many of them have told me that they're reclaiming their health, and I've seen a lot of people on exercise equipment and all sorts of things, I think, that have merit, so I'm glad that you've included it.

I also have some space requirement concerns as to where we are planning on housing 30 more people. I guess that I could fit a few more in my office with me. You say that you don't have any ideas on that at this point in time, but I'm hopeful that they can be housed somewhere close because I have a feeling that these committees could really grow into an important part of the work that we're going to be doing here in government.

So I guess that my question is, you know: are we going to ensure that for these budgets we have a mechanism to ensure - I know that we talk about intent, but sometimes we get confused about what that intent is - that that happens?

The Chair: It's my determination that that will occur. First of all, we'll go over the separate line items within each caucus budget for this committee's support, and then the administrators associated with this program will have to give a great deal of due attention to that so that there's no transferring of dollars from one account to the next. I intend on sticking my nose into it, as will the Clerk, and if there are any problems, we'll come back to Members' Services.

Mrs. Ady: Okay. Can I get a follow-up on that question? Have we seen a misappropriation of caucus funds of late? You know, some people are indicating that we might be hearing radio ads paid for

from caucus funds. Is that true? Are we looking into that? Is that a possibility?

The Chair: Well, there has been no misappropriation of anybody's caucus funds that we're aware of. The Auditor General currently, as he does periodically, is going to be doing a massive and thorough review of the Legislative Assembly budget, which we really welcome – really welcome. He does that periodically.

It's my understanding – and perhaps Mr. Taylor and Ms Pastoor will want to comment on this – that in the last number of days the Liberal caucus used caucus funds, these funds, taxpayer dollars, to fund radio advertisements. I think that's right. We have received a bill to that effect. That's not misappropriation. Last December I submitted to you a document on guidelines for the utilization of caucus funds. Perhaps there was a bit of a loophole in there that we didn't really close the way we wanted to, so I intend on bringing some guidelines back in the future and asking the committee to review this with respect to the very specifics with respect to the utilization of caucus funds and, particularly, the naming of parties associated with the utilization of those funds. I haven't had a chance to do it yet. But to answer your question about misappropriation, no, that's not true. Within the rules, that was acceptable at the time.

Mrs. Ady: Okay. Thank you very much.

6:25

The Chair: Would there be additional questions or comments with respect to this?

Well, I do believe all of you have had a chance to have discussions among yourselves and within your own caucuses with respect to this. We looked at that total cost estimate of \$2,862,000 on the principles outlined, that this would be clearly a separate line item, Mr. Clerk along with the people who would deal with this, and we will make sure that these dollars are protected and utilized only for the intent that they should be.

There's never been a question, Mrs. Ady - again, I repeat: never been a question – of any kind of the suggestion that you're making here at all.

Mrs. Ady: I'll be happy to pass that on to the member. Thank you.

The Chair: Well, don't worry. I would be jumping if I ever ran across anything like that, and I have not.

Any additional questions? Mr. Taylor.

Mr. Taylor: Yes, one question. I'm curious as to how the \$90,000 allotment was arrived at for the two independent members.

The Chair: Through a variety of steps. Basically, a number of things. First of all, there was no rationale provided to us in terms of coming up with this budget as to what was the base. I guess that we were told to start it off with the Official Opposition caucus because somebody had agreed with somebody else that it should be \$360,000 and the NDs should get \$180,000. I don't know the rationale for that, but I do know the rationale for how we arrived at the other figures.

Then we looked at the size of the caucuses and basically asked something called critical mass in our heads. So for the government caucus the number \$720,000 was put in there, essentially. Probably prorated it would have been much higher than that. But we took that in and suggested to the Government House Leader that that's probably sufficient.

So then we had the question of dealing with one member, a one-

member grouping. We were told that the \$360,000 for the Official Opposition was based on five employees. So we say to ourselves: well, that's \$72,000 a person. Well, you talk about critical mass – here you've got 15 on the one hand who can go to five committees, and on the other one, you have one person trying to find five committees – and how that one individual would do it by himself if the figure would have been less than \$72,000. Then in essence that person would have been dealing with even less than a one-person manpower to get to it.

In terms of what I keep hearing, this word "fairness" and all the other concepts, basically, we concluded that that would probably be a required amount to house the person along with the service side that they would need to deal with it and found the figure of \$90,000. That is the only rationale I can give you plus the fact that I heard all the discussion at these meetings in the past about, you know, when certain people would show up and they would say: yeah, we should support them. So I thought: well, there's good harmony in there now; let's go and do it. That's the rationale.

Mr. Taylor: Okay. So it's based on the cost of support staff.

The Chair: Yeah. Exactly. If I was told that the principle was 70,000 a person – I don't know how that translates in the ND caucus of 180,000. But I was told that that wasn't the case with the Official Opposition one, and so just basically upped the number a bit because they were one person and the critical mass side was there, and we arrived at that.

Mr. Oberle: It's a difficult number. Not that I want in any way to be unfair to independent members. I want them to participate, and their input is valued. But that assumes that an independent member is going to keep one person busy, which is going to be very difficult to do, in which case the oversight is going to be that much more of a difficult task because that person could wind up doing legislative business or constituency work. That is a difficult thing to monitor. Having said that, I'll reiterate that I don't want to shut the independent members out of this process. I want to see that they have the reasonable resources to participate.

The Chair: Well, the statement you raised about that applies to everything, though. I mean, there's no way that we can monitor right now a situation where a constituency person wouldn't be doing work for a caucus here or vice versa. They're trying not to. But in this case we'll do as much due diligence as we possibly can.

Mr. Oberle: I just point that out. For example, the Official Opposition caucus would fund five people for fifteen members; so a 3 to 1 ratio. I assume they're going to be able to keep those people pretty busy. But that's at a 3 to 1 ratio, right? At a 1 to 1 ratio it might be different. I, again, don't impugn any motives or anything to the independent members.

Mr. Martin: Well, just very quickly, I mean, this is a work in progress. Having been through the meetings, I see people still shell-shocked down at the other end trying to get these orders together.

If these committees work the way we think they work – and there's some experience in Saskatchewan and other places, so we're not reinventing the wheel – they will be very busy because the policy committees will have some leeway in terms of things they think are important, and this will be, I think, important for all members, government members and everybody else, to be able to look at things in a relevant way. Also we may be checking a fair amount of legislation coming through too. So it's rather impossible to say exactly what's going to be done. Our own guess is that it's going to add a lot of work to a lot of people on these particular committees.

So the Speaker is right. All this is a best-guess scenario about what's going to go on. Well, as I say, with the work in progress it will be down the way to see. My own assessment is that these committees are going to be very, very busy probably during the session because now the idea is that there are some night times that we can be available. How many meetings each committee will call outside the session we have no way of knowing at this particular time. Some committees may be more active than others. I think that the Speaker has done a good job in terms of trying to estimate at least what the discussion has been in terms of what we see these committees doing.

The Chair: Additional comments? Mr. Backs, you are invited to participate as a Member of the Legislative Assembly, but you cannot vote, as you know.

Mr. Backs: I understand that, and I thank you for the opportunity to speak to this. I think that the committee process is something that will bring about great benefit to democracy here in Alberta and is an innovative and very much a changing process for some of the things that we do here.

Being an independent member, it's very trying sometimes to pull together the information on one's own all the time. To do so with at least a little bit of a budget would be necessary. I mean, we would be denying democracy for the constituents that elected me and elected the other independent member, who couldn't be here today because he's doing a function in his riding with the Lieutenant Governor, and he just could not change his schedule with that in mind.

The idea, the budget that is put down there, of having maybe one and a quarter person-years, basically, in place is not a lot, and to keep that person busy, with respect, would be no problem whatsoever. In fact, you're asking the person to do such a global job, especially if one is trying to access all the legislation and the committees, that an independent has to do. It's asking a lot. I don't think it's too much to ask for, and I think it's a reasonable amount. Indeed, in terms of other votes this was the same type of formula that was used in the past, that members of the opposition voted for. I think that we should be supporting this budget and going forward with it.

I thank you, Mr. Chair.

The Chair: Additional comments? Ms Pastoor.

Ms Pastoor: Thank you, Mr. Chair. I just wanted to ask for clarification, and then I would speak to Frank's comments. You said there were five committees?

The Chair: There are four.

Ms Pastoor: Four.

The Chair: Yes, plus the Public Accounts Committee, which will be an enhanced Public Accounts Committee.

6:35

Ms Pastoor: Plus Public Accounts. Okay. Fine.

Then in response to Frank's comments, in essence, it isn't really 3 to 1 because there'll be eight. There'll be two on each committee, which is eight people. So that's three people to work for those eight

people, and they'll be very busy on those committees. I understand your point, but I think that when there are three researchers or three people that have to do that work and they're working for eight people, they do get sort of spread thin after that.

The Chair: Other additional comments?

Okay. The Clerk is passing out a sheet. If you look at the green line at the bottom where we came up with the number of \$49,224,000, that was the budgeted figure that was approved on December 14, 2006. So what we're asking for today is an additional \$2,862,000, so the total LAO budget estimate revised would be \$52,086,000.

If I could have a motion and a seconder, we'll proceed. Mr. Martin and Mrs. Ady. Further discussion on the motion? That is the motion to approve, I presume.

Mr. Martin: Yeah.

The Chair: Okay. Sorry; I didn't want to put words in your mouth. We have a motion that's seconded. All in favour, please raise your hand. So it's unanimous. Thank you very, very much. We will convey tonight, tomorrow to the appropriate people the process which there is. Mr. Clerk, you heard the conditions about the earmarking of that.

Now, the next item – you've already approved the funds for it, by the way – has to do with revising the computer formula to one computer for each employee, one laptop for each employee, to get around from the 1.25 to 1. So you've given us the money. Can I have a motion to approve the new policy?

Mr. Oberle: I just have a question about that. I'm wondering which staff that refers to. I don't know anybody here that doesn't have a computer. We're not allocating computers to the cleaning staff. I'd just like clarification.

The Chair: No. Well, you're fortunate because, you see, one of the things we have under our policy thing is that computers can be leased. As an example, with the policy of 1.25 computers this is the amount of funding that's provided to each caucus. In the case of the ND caucus they have that, but in order to get it down to 1, they then lease some additional things out of those caucus funds back as part of their budget.

Mr. Oberle: Well, it clearly needs to be 1 to 1.

The Chair: Yeah. Well, we started off, you know, the first time with one computer per 100 people kind of thing, and you worked your way.

Mrs. Ady: Now, I'm assuming that this is also pertinent to our constituency offices, this particular piece, or is this just here in the LAO? I noticed that it talked about STEP students in it. So are we talking about STEP students that are here, housed within the LAO, or would those be in constituency offices as well?

The Chair: This is caucus computer allocations.

Mrs. Ady: Just caucus computers.

The Chair: The other one seems to be in good hands, I think.

Mrs. Ady: Yeah. Okay.

Mr. Oberle: We have the ability to manage our second- and third-generation computers for our constituency offices.

The Chair: Yes, you do.

So we had a motion from Mr. Oberle, seconded by Mrs. Ady. All in favour, please raise your hand. Carried unanimously. Okay.

Now, Ms Pastoor, you have an issue. Well, it's not really a new one. I guess it's a question. It's services to former members who reach the age of 70.

Cheryl, would you join us? We won't mention the name of the member, but one member has been dealing with certain things. Just explain the policy, Cheryl, and then we'll just go forth.

Mrs. Scarlett: The current policy is that when former members cease to be members, when they retire, they are eligible to continue to participate on the MLA benefits plan. There have been changes over the many years, but the point which we're at right now is that they can stay on the plan until they attain the age of 70. For the first five years the costs of the premiums are shared in the same manner as they are for a sitting member. Thereafter their participation on the plan is based on the fact that they're paying the full cost of the premiums.

Up until 2004 former members could only continue participation on our plan until age 65, and that question was asked at that time based on the fact that industry standard has changed over the last few years so that most plans continue now for active employees until age 70. The change was made to also extend that age limit to 70 for former members who participate on our plan. So up until a couple of years ago former members, once they hit the age of 65, could no longer participate. That was changed so that they now can participate until age 70.

So that's a basic summary of the former members' plan participation.

Mrs. Ady: Well, I don't know what Ms Pastoor's point will be, but I just had this conversation with my father-in-law, who is a former member, 75 at this point in time, and he was questioning me why we would not allow them to continue. He says that people are living longer; he's hit 75. Since they're paying the full piece, I don't understand why we wouldn't allow them to stay on the plan. Obviously, he seemed to be concerned about it because he's then out there trying to find a way to re-establish some kind of way to manage his benefits. So I'm very supportive of this and would be interested in what Ms Pastoor has to say about it.

The Chair: Ms Pastoor.

Ms Pastoor: Yes. Thank you. It's certainly a similar problem that had been brought to my attention. So I just wanted to clarify: after the age of 70, even if they pay the full shot, they are or are not eligible?

Mrs. Scarlett: Former members, once they attain the age of 70, are no longer eligible to continue on the plan.

Ms Pastoor: Even if they pay the full shot?

Mrs. Scarlett: The plan participation for former members pursuant to what has been approved by Members' Services indicates that coverage is until age 70.

Now, as an additional point for our currently sitting members, we have made special provision to extend coverage under the plan after the age of 70. Normal group plans end at 70 now.

The Chair: That's for sitting members?

Mrs. Scarlett: For sitting members the exception is made, yes. The public service employees' plan, that the opted-out and excluded management group were on, the First Choice, also ends at age 70 even if you continue to be an employee. So when I refer to industry standard for the plans right now in terms of group plans and at age 70, that's where that guideline is coming from.

The Chair: The obvious question is – and you put your finger on the whole problem here. At one point in time you worked like a dog, you retired at 65, you died at 68, and that's it. The pension plans work, and everything is good. Everybody is happy.

An Hon. Member: Except the dead guy.

The Chair: Yeah. But again, that's not the situation anymore. You're living to 90 or 93 or whatever the heck it is.

Ms Pastoor: A hundred and ten.

The Chair: Look, I have no problems having a review undertaken with respect to this and how we might want to bring something back to Members' Services at a future date to look at this whole thing.

Mrs. Ady: I was just going to second it if you're going to raise it as a motion.

The Chair: No, you don't need a motion for that.

That is the reality. You know, there was a point in time that we never, ever had Members of the Legislative Assembly of Alberta over the age of 70. Well, we have such a situation now in the case of several. So those were problems that you didn't anticipate before. It's just a great job environment.

Additional comments?

Mr. Oberle: I just want to make sure that we take this decision in full understanding of what the cost implications of it are. I understand that these members are going to pay the full cost of the benefits, but by changing the age structure of the plan members, you change the rate structure.

The Chair: That all comes back.

Mr. Oberle: We need that reviewed, but I'm not opposed to it.

The Chair: No decisions are taken without the approval of the Members' Services Committee, which, I repeat, is probably the most powerful committee of the Legislative Assembly of Alberta. So govern wisely, please.

Mr. Martin: I move we adjourn.

The Chair: You want to go see Arlo Guthrie.

Okay. No further business?

Thank you very, very much. We'll have the next meeting at the call. This other program will go, and as soon as the motions are dealt with in the Legislative Assembly of Alberta, the various caucuses and others will get memos advising them of the actual numbers you've approved today. That won't come until the motions are done so we have it done in the proper way. Okay?

Thank you so much.

[The committee adjourned at 6:45 p.m.]