

8:30 a.m.

Wednesday, March 30, 1994

[Chairman: Mrs. Abdurahman]

MADAM CHAIRMAN: If you'd like to take your seats, hon. members, I'll call us to order. Approval of the agenda, please. It's been moved. Any discussion? If not, say aye if you agree.

HON. MEMBERS: Aye.

MADAM CHAIRMAN: Any nays? It's been carried unanimously.

Approval of the minutes of March 23, 1994.

MR. CHADI: Madam Chairman, I note that there's an error in the minutes. The date is wrong. I would like that changed to reflect the correct date in the draft minutes.

MADAM CHAIRMAN: Sorry, Corinne.

MRS. DACYSHYN: I did them in a bit of a rush. I wanted to take Friday off.

MADAM CHAIRMAN: Thank you. Is that the only correction?

MR. CHADI: The correct date would be March 23, 1994.

MADAM CHAIRMAN: Yes, and that's been duly noted and changed.

If there's nothing further, all in favour of accepting the minutes with that correction, say aye.

HON. MEMBERS: Aye.

MADAM CHAIRMAN: Any nays? No. Thank you.

It's a pleasure this morning once again to welcome Mr. Andrew Wingate, and I'd ask Mr. Wingate to introduce Mr. Mike Morgan.

MR. WINGATE: On my left-hand side is Mike Morgan. One of his responsibilities is Family and Social Services, so it's quite logical he'd be with me today.

MADAM CHAIRMAN: Thank you.

I would also like to extend a very sincere, warm welcome to the Hon. Mike Cardinal, Minister of Family and Social Services. If you'd like to introduce your staff at this time.

MR. CARDINAL: Thank you very much, Madam Chairperson. I'd like to start off by introducing Mat Hanrahan on my extreme left, acting deputy minister. Next to him is Duncan Campbell, director of budget and financial analysis, and to my right is Frank Wilson, director of resource management.

MADAM CHAIRMAN: Thank you. If you'd like to make some opening statements.

MR. CARDINAL: Sure. Thank you very much. First of all, I'd like to say I'm pleased to have the opportunity to meet with the Standing Committee on Public Accounts to review my department's '92-93 expenditures and the '92-93 report of the Auditor General. I would like to make some comments regarding the level of spending in '92-93 and some general comments regarding the Auditor General's report and recommendations.

I will leave it up to members of the committee to identify specific areas on which they may have questions after my presentation. Along with my department officials, I will try to answer as many of the questions as we can. If we can't, then we will provide that shortly after today through a review of *Hansard*.

Members will note that some elements in '92-93 are in a deficit position while others end the fiscal year with a surplus. This happens because budgets for '92-93 were put together some six months or so before the beginning of the fiscal year. Of course, at the time the budget was developed, there were anticipated spending patterns. As we're all aware, sometimes that changes from time to time depending on needs. In some cases there were adjustments in spending priorities during the year to address needs during a time while other departmental estimates were not precisely correct because of the advanced time line in the development of projected expenditures. However, no program deficits occurred, as the department was able to make adjustments within the authority of the Financial Administration Act.

In the area of supports for independence, reference 2.1, 1992 caseloads were budgeted at \$82,000 but increased to a monthly average of almost \$89,000 in '92-93. Therefore, the '92-93 estimates that appear in the public accounts contain an additional \$90 million that was obtained through supplementary estimates. In fact, as a new minister of the department, the first job I had in this Assembly was to come and ask for an additional \$90 million. As a matter of fact, the caseloads from 67,000 in 1990 and '91 to 77,000 in 1991-92 and then up to 89,000 in '92-93 – the excessively high caseload in '91-92 resulted in the \$169 million special warrant in that particular year. It was this reality of ever increasing caseloads and associated spending that prompted the department and our government to bring in the welfare reforms that have proven to be so successful in controlling spending in Alberta, which of course also has an impact on the federal cost-sharing area. I should note that having the Legislature approve the supplementary estimates in '92-93 demonstrated the government's commitment to open decision-making. This was a departure from past practices where special warrants would be obtained to meet deficits resulting from budget overexpenditures.

The AISH or the Alberta assured income for the severely handicapped program, reference 2.2.3, had a deficit of almost \$2 million. This resulted from an increase of almost 200 cases and a slight increase in the cost per case throughout the year. The widows' pension program, reference 2.2.2, had a surplus of \$2 million, and that resulted from clients having increased incomes which lowered the monthly average cost per case by almost \$50. The Alberta assured income plan for seniors, reference 2.2.4, had a small deficit of about \$1.2 million, resulting from a slightly higher cost per case as seniors' other incomes began to fall.

In child welfare, reference 3.1, a surplus of \$3.2 million occurred in program expenditures through a combination of departmental efforts to control purchased services, service costs, and delayed implementation of new scaled fees that have been budgeted for foster parents. The day care element, reference 3.2.2, experienced a \$7.7 million surplus as a result of lower than anticipated demand and a slight decrease in cost per case, this due to changes in the economic situation in the province. Finally, in the handicapped children's services program, identified as HCS, reference 3.3.2, the caseload decreased by 101, and combined with a slight decrease in the cost per case, a \$700,000 surplus resulted in that particular area.

There are two other items that require further comment. One is the \$98,798 prior year liability in the services to persons with disabilities subprogram. This amount represented an overexpenditure at Michener Centre during the '91-92 fiscal year.

At the time, of course, the Michener Centre budget was in Executive Council and under the control of another ministry. Because it was in its own vote within Executive Council, very little action could be taken during '91-92 to prevent the overexpenditure. The other item requiring comment is a transfer of \$106.8 million from Executive Council and \$4.7 million from Municipal Affairs. The Executive Council transfer was required because I assumed responsibility for the Alberta assured income plan, or AAIP, and Michener centre also. Similarly, in the case of the Municipal Affairs transfer, I became responsible for the native services unit, now called aboriginal affairs, in my budget this year.

8:40

With regard to the statement of revenues on page 2.74, I wish to note that the Canada assistance plan ceiling for '92-93 claims was exceeded by \$69 million. In other words, the department spent \$140 million that because of federal government policy the province was unable to cost share. After reaching a certain level, there was a cap on the cost-sharing agreement.

I would now like to make some comments on the report of the Auditor General. We feel that overall this is a good report. The recommendations deal with improvements to information systems to assist in the management of the department. Of course, when we introduced the welfare reforms, a lot of these recommendations were considered and implemented and are in place, and we'll continue doing that. This department has always found the recommendations of the Auditor General to be very helpful in the management of the government's resources that have been provided to the department, and of course we will continue to strive to implement and design corrective measures that will address the findings from the Auditor General.

That concludes my opening comments, and I along with my officials will try and answer as many questions as we can on the '92-93 budget.

MADAM CHAIRMAN: Thank you, hon. minister.

Mike Percy.

DR. PERCY: Thank you, Madam Chairman. Mr. Minister and officials, I'd like to turn to the Auditor General's report, recommendation 29, where it is recommended

that the Department of Family and Social Services improve its reporting of Supports for Independence Program expenditures for disabled clients and, in addition, collect and analyze all costs by client rather than only by program.

That's on page 105. I think there is a real punch line right at the bottom of that page, where it says:

Reliable information about the costs and effects of training and employment initiatives could also be a basis for future resource allocation and program design decisions.

That's a very clear signal as to what ought to be done for subsequent budget years.

My first question is: really what has been done by the department in terms of putting in place the infrastructure or the data support base to achieve recommendation 29?

MR. CARDINAL: The department, of course, acknowledges deficiencies, and like I indicated before, the Auditor General's report is very valuable to us. There are deficiencies in the current system, and we will be developing a methodology for accumulating costs by client. As a further step, the department created an element in the estimates documents which identifies the personal support services component in the supports for independence program. Maybe one of my staff members would like to add to

that area. That is a very important area for us and no doubt to our clients and to Albertans.

MR. HANRAHAN: Just one supplementary comment, Mr. Minister. We've developed a residential services information system, and we're implementing it now. One would hope that will help us track cost per case for people with disabilities. It also will track the costs we have in contracts for training of people with disabilities and residential services for them.

MADAM CHAIRMAN: Thank you.
Supplementary.

DR. PERCY: Thank you. Mr. Minister, since the recommendation really says to have a mechanism for monitoring outlays by the department so you can identify success of programs, can you tell me exactly how the department has specifically adopted this recommendation in terms of new data bases, computer technology? What has the department actually done in response to this recommendation as opposed to viewing it as a good idea?

MR. CARDINAL: Maybe I'll get Mat to expand on that.

MR. HANRAHAN: Again, the residential services information system is a new system we're just implementing that will help us collect some of that information. Also, the development, as the minister mentioned, of the personal support component for persons with disabilities and being able to identify that now, from this year on, will help us identify those costs.

DR. PERCY: In light of recommendation 29, will the procedures adopted by the department of Family and Social Services allow them to track the success of individual programs, the whole array of programs in the department so that you can tell which programs work and are successful in getting people out of social assistance and into the labour market and which programs do not work and which training programs specifically don't work? Is there enough detail there to do the tracking?

MR. CARDINAL: Yeah. With the recent announcements of welfare reforms, there are a number of ways our system has improved. Number one, I think, we've redirected our efforts to make sure we provide dollars to the high-needs area. We've redirected our human resources to that area. As you are aware, our caseloads have reduced considerably and we haven't reduced any staff. We generally still have the same amount of staff in our department as we did two years ago. Therefore, what we have done is give our staff an opportunity to be able to spend more time on the clientele we have in the department. I believe that has always been one of the weaknesses with this department. In the past, the staff were overloaded with work. That has changed considerably. The staff now have more time to monitor and control programs in a more effective and efficient manner.

Mat, would you like to expand on that?

MR. HANRAHAN: I think one of the issues is that recommendation 29 refers to disabled clients, and we do have mechanisms in terms of evaluating the contracts we have with service providers to ensure they're the best services, as well as individual service client co-ordinators who review services that clients are receiving as well.

MADAM CHAIRMAN: Thank you.
Ty.

MR. LUND: Thank you, Madam Chairman. I'm looking in the public accounts, volume 2, page 2.73, vote 4, and I see there that in 1992-93, under native services unit, there was an overexpenditure of about \$200,000, a little less. Exactly what services are you providing through that unit?

MR. CARDINAL: Basically, as I mentioned earlier, the native services unit was transferred to my department recently. What the unit does is provide research, advisory, and liaison services for provincial government departments and agencies, the private sector, and the general aboriginal population across Alberta and across Canada also. We do meet with aboriginal groups and departments out of the province. Of course, we act as a liaison between the federal government and the aboriginal communities in relation to constitutional and self-government issues. In specific, though, the unit also negotiates and implements development of policies for self-government and framework agreements such as the memorandum of understanding we have with Treaty 8 and a number of other bands in areas including child welfare, for example. Only the native services element was in deficit, and not the entire vote. The overexpenditure you mentioned was necessary to meet our commitment in assisting the aboriginal population. However, we were aware that the vote in total would end up with a surplus, and that's what happened.

8:50

MR. LUND: Well, thanks. I should clarify: I said \$200,000, and really it was only about \$140,000 overexpended.

I notice in vote 4.0.2, the land claim negotiations, that in fact there's an underexpenditure of about \$260,000. With all the negotiations that are going on, I find that a little surprising. How is it that we have an underexpenditure in that component with all the activity that is currently happening?

MR. CARDINAL: On the land claims area itself, during that period of time there were fewer numbers of aboriginal land claim negotiations than anticipated when the '92-93 budget was approved. With fewer negotiations completed, there was of course less spending on travel and legal fees during that period of time, so that's where the difference is.

MR. LUND: Thanks.

My final supplementary. The note at the bottom of the vote – you touched briefly on the transfer of \$106 million from Executive Council and \$4.7 million from Municipal Affairs, and you explained why that happened. Maybe this is more appropriate for the Auditor General. I really had trouble following that. I don't see that in the transfers. Is this normal, that it doesn't show up in the transfers component?

MR. CARDINAL: Actually the note refers to the department estimate, not the vote 4 estimate. As I indicated in my opening remarks, the \$106.8 million from Executive Council was for the Alberta assured income plan and Michener Centre, programs I assume responsibility for. Again, the Municipal Affairs transfer of \$4.7 million occurred because I became responsible for native services, which was under Municipal Affairs previously. That's what happened.

MR. WINGATE: I think the point is that it's a transfer between departments rather than a transfer between votes. The transfer column is used for transfers between votes, whereas between departments it just shows up under the original estimate. There-

fore, if you look at the estimated figures on 2.2.4 and 3.3.6 and add those two together, you get the \$106,807,732.

MADAM CHAIRMAN: Thank you. Thank you, Ty. Debby?

MS CARLSON: Thank you, Madam Chairman. Good morning, gentlemen. My question will come from page 2.73, line item 3.1.3, in-home family support. The estimated expenditure was \$13.3 million, and the department actually spent \$14.7 million. Mr. Minister, can you tell us when in-home family support would be provided and give us a fairly extensive example of the kinds of services which would be provided under that line item?

MR. CARDINAL: Okay. Basically, I'll just give you a general comment on it. Again, we've always indicated that the intent of this department is, wherever possible – we've increased emphasis on keeping children in their homes and in their communities. In a lot of cases, because close to 50 percent of the children we deal with are of aboriginal ancestry, we're working very hard to make sure aboriginal considerations are there when we are dealing with the children. Maybe I'll get Mat to expand a bit on some of the details. I know we do have a program in northeastern Alberta that's working very successfully in providing home support services.

Mat, do you want to explain a bit on that and maybe a number of the others?

MR. HANRAHAN: Okay. First of all, the in-home family support program is there, as the minister said, to keep families intact. We would do an investigation of a reported neglect or abuse case and determine that perhaps there was abuse or neglect but not serious enough that the child has to be removed from the family and that the safety of the child is intact. To rectify the situation, we want to provide some support so that it doesn't occur again. So we leave the child in the home and provide a wide range of supports from the social worker visiting the family on a regular basis to homemakers to intensive in-home family supports that the minister referenced in the northeast region. This is the biggest single category of services we provide in the child welfare system.

MS CARLSON: Can you expand on the duties a homemaker would be providing in the house?

MR. HANRAHAN: Yeah. A lot of the time the homemaker is what we call the teaching homemaker. It's not only just doing the work but helping to teach the mother how to become a more effective homemaker. It's not just to do the housework but to provide a role model and teaching.

MS CARLSON: Can you confirm that the services are contracted out to private agencies, and if that's the case, can we have a list of who they are and how much each agency received?

MR. HANRAHAN: They are contracted out in some instances to private, mostly not-for-profit agencies. Some of it is provided by departmental staff. Here in Edmonton we have a unit, for example, that delivers the service as it relates to the list.

Mr. Minister?

MR. CARDINAL: Yeah. There's no problem in making the information available. Whatever we do, we try to be very innovative in providing the service that is required by the children

and the family. The most cost-effective and most effective way of providing that service itself is the way we go, and the information will be available.

MADAM CHAIRMAN: Thank you, hon. minister.
Yvonne.

MRS. FRITZ: Thank you, Madam Chairman. Good morning, Mr. Minister, and welcome. I'm on page 105, section 2, of the annual report of the Auditor General. My question refers to pages 105 and 106. What I was looking at were ways the Auditor General referred to lack of information on what happens to clients who no longer qualify for welfare benefits. In reading that, I wondered if anything has been done in regards to the tracking of former clients. That's other than the employment program system that was referred to.

MR. CARDINAL: Well, that's a concern that comes up quite often, of course, even in this House. The turnover in cases averages about 10,000 per month. I guess it would be just too expensive in terms of staff time and systems required to track all the clients once they leave the welfare caseload. You know – and I've indicated this before – once they're off the caseload, clients really have no need to provide us with any information. In a lot of cases I don't believe clients would want us to be tracking them down in their new place of employment or training or residence to try and find out what they're doing. I don't think it would be fair to clients in that particular case.

9:00

As the Auditor General points out in his report, we are gathering information on those clients who move into training, educational employment programs. But in some cases the 10,000 turnover per month I talk about is not necessarily in this category. Of course, with the continued involvement we have in training programs – for example, the student grant program – at this time we have close to 10,000 attending those particular programs. Those we can track reasonably easily. The education employment programs we can generally track. But with people that come on and then close the file, it's really tough to track them. There are two major issues in that. One is the cost of doing it; the other one is that I don't believe it is fair to the client for us to be tracing them after they leave and close the file.

MR. WINGATE: Mike Morgan would like to provide some additional commentary on this point.

MADAM CHAIRMAN: Mike.

MR. MORGAN: Yes, Madam Chairperson. The questioner used the word "tracking." Just to clarify, the intent of the recommendation here was to say: to what extent does the department have information which can be used to determine why people left the assistance rolls? The comment relative to people returning to the rolls had the intent of suggesting that if information could be obtained as to why they eventually returned, it could be useful in determining to what extent the original efforts had been successful or not. Actually, tracking them while they're away was not the intent of the recommendation.

MADAM CHAIRMAN: Thank you, Mr. Morgan.

MRS. FRITZ: Mr. Minister, my understanding from reading this as well was that it was a measure of evaluating why people actually left the system. I'm just wondering if you're anticipating any changes at all in the way these cases are handled, in the sense of reporting expenditures under the supports for independence program more on a per client basis.

MR. CARDINAL: Of course, like I indicated before, my department has and will continue to develop methodologies for accumulating costs by client. As a first step, the department created an element in the '94-95 estimates which identifies the personnel support services component in the supports for independence program. That is the first step in going in that direction.

MADAM CHAIRMAN: Final supplementary, Yvonne.

MRS. FRITZ: Thank you. I'll just refer, then, to the last paragraph on page 105 where it says:

Reliable information about the costs and effects of training and employment initiatives could also be a basis for future resource allocation and program design decisions. Information should also be obtained on how long ex-clients stayed employed and, if they return for assistance, the reasons why they return.

I certainly appreciate what you've said in regards to is it a cost-effective measure to do that. I was originally going to ask whether or not you would even revisit the 1993 files that have been closed and add more information in that regard. But really, I wonder if from this point on you will be doing that.

MR. CARDINAL: Yeah, it's something, I think – because the caseloads are down considerably now and we haven't made adjustments in our staffing component, the staff have a lot more time now to concentrate on the situation of individual files and families. I believe the cost would be too high to revisit over 100,000 closed files. I'm not sure if that would be a wise way of expending both financial and human resources. We can no doubt put in a system to do a cross-reference on people that repeat on our caseload, but just to go through the 100,000 closed files to try and determine what happens to those would be too costly. It probably wouldn't be a wise move to do that.

MADAM CHAIRMAN: Thank you, hon. minister.
Alice.

MS HANSON: Thank you, Madam Chairman. Mr. Minister, my question is about the Auditor General's report at the bottom of page 111 and page 113 in regard to the co-ordination of child welfare services, co-ordination of resources and activities. My first question is about the fact that the Child Welfare Act requires that placements of aboriginal children take into account their heritage and their familial, cultural, social, and religious heritage. There is a lack of co-ordination and communication, apparently, between four branches that handle this, and these arrangements with the federal government appear to function in isolation and it slows everything up. I wonder if you have been able to do something about communication to speed up the process.

MR. CARDINAL: There are a number of ways we're dealing with that particular issue. It's been a real problem because, like I indicated before, unfortunately 50 percent of the 2,300 or so children we have in foster homes, for example, are of aboriginal ancestry. It was always tough to find aboriginal foster homes. In fact, during '92-93 only around 12 percent of the foster homes were of aboriginal ancestry. Through changes we've made, we've

increased that to 20 percent, and I believe out of the 44 bands in Alberta we've signed 21 child welfare agreements where the bands are now running their own programs. They are definitely expanding. I suspect in just a number of years all the bands will be running their child welfare programs, and probably all the foster homes that deal with aboriginal children will be aboriginal foster homes. In fact, I see a time in the near future when Indian bands themselves will no doubt be providing foster care and support systems for their children, even off the reserves. So we are working very closely with that particular community. The only way we find it will work is for the aboriginal communities themselves to design and run the programs. That is the general direction they want us to go, and I think that's the direction government at all levels should go.

MADAM CHAIRMAN: Alice, a supplementary.

MS HANSON: Thank you. Mr. Minister, I'm curious about the four departments that are involved in this and apparently were working pretty independently: program policy, aboriginal relations, aboriginal child welfare, and aboriginal liaison co-ordinators. It seems that has complicated the issue in terms of getting it running smoothly and quickly. What is the role of each of those, or have you been able to amalgamate some things to make it more simple?

MR. CARDINAL: In relation to co-ordination of services, we are not only looking within our department when we put in the welfare reforms but we are also putting processes . . . I believe we have five pilot projects operating in Alberta right now – and they do deal with children – between Justice, Education, Family and Social Services, and Health, where we are co-ordinating services with educational institutions and aboriginal groups in a number of areas, including Calgary, Edmonton, Lethbridge, Wetaskiwin, and Wabasca-Desmarais, I believe. That's outside the department, but I'll get Mat to maybe expand a bit more on within the department.

9:10

MR. HANRAHAN: Just a point of clarification. It's not four different departments; it's four divisions within the department.

We'd acknowledged from the Auditor General's report that that was a concern, and we've been working on it. We've established an ongoing committee to plan and co-ordinate aboriginal activities within the department. It reports to a very senior manager in the department, and I think they will be able to pull their activities together. Another point is that in the spring of '92 the department created the position of associate director of child welfare for native issues. It's a senior management position. The person in the position is aboriginal, and his role is to act as a co-ordinator in some instances, ensure that services to children and families in child welfare are culturally sensitive. He gets involved in specific cases as well.

MS HANSON: I'm not sure if there's a connection between these branches and this issue, but again it's around aboriginal child welfare. The Auditor General commented on page 112 that "agreements with aboriginal bands and the federal government" have been "unduly slow"; also, they were "not being adequately monitored." Has that issue been dealt with?

MR. CARDINAL: Yeah. Like I said earlier, the department is giving priority to negotiating agreements with the remaining aboriginal bands. Like I said, I believe 21 out of 44 bands now

have negotiated agreements in place and have the delegated authority to run programs. Negotiating these agreements is generally a lengthy process because it is very sensitive and complicated, and the department is not always able to control the process. There are three major players in the process. It's not only the province and the aboriginal communities. There's also federal government participation, because as soon as aboriginal communities take over the services, number one, they're funded a hundred percent by the federal government. Sometimes there are delays because of the nature of the discussions, which sometimes involve legislation and jurisdictional and constitutional and political issues. Additionally, there are no standard agreements. Each agreement is negotiated separately with each band member, and that is why it takes time.

The future with the plan of reshaping child welfare – a high percentage of involvement in that overall plan, I would say almost 25 percent, involves the aboriginal community in helping us design a new process that may see the speeding up of aboriginal communities taking over services and working in various ways toward ending the poverty of the aboriginal community, because it's all tied in with that. The sooner we end poverty, the less problems we will have in the child welfare area, for example. We know that, and as part of the overall plan, wherever possible we're trying to allow the aboriginal community to have better control of their own economies and life-styles. Of course, that impacts the child welfare also.

MADAM CHAIRMAN: Thank you, hon. minister.

Gary.

MR. FRIEDEL: Yes. I'm in volume 2, page 2.71, vote 3.3, services to persons with disabilities. I'm wondering if you would comment on the \$98,000 prior year liability and just explain what that is.

MR. CARDINAL: Okay. As I indicated in my opening remarks, this liability resulted from an overexpenditure in manpower in the '91-92 fiscal year. It occurred because the employer contributions were higher than originally budgeted. In 1991, of course, responsibility for the Michener Centre was transferred to another minister because the Michener Centre was in a vote by itself in Executive Council. Surplus funds from another program could not be transferred in to offset this additional cost. This bookkeeping entry would have been avoided if Michener Centre had been part of the Department of Family and Social Services.

MR. FRIEDEL: Thank you.

Going to page 2.73, still the same vote reference, 3.3.1, indicates that program administration was overexpended by some \$3 million. If you would care to comment on that, please.

MR. CARDINAL: Yeah. Of course, at the beginning of the year all the staff doing community work were budgeted in the community-based individual services element. During the year this element was broken into service groups to better track expenditures. Examples of these groups include group homes, day programs, and vocational training. It was decided that manpower-related expenditures should be charged to program administration, because it is not possible to accurately break down these charges to individual service groups. That is why there is an overexpenditure in program administration and a surplus in community-based services. This budget has now been transferred to the appropriate elements, and this variance will not appear in future budget years.

MR. FRIEDEL: You mentioned the Michener Centre, and just going a little further down on the same page, vote 3.3.6 indicates that in that fiscal year you had a \$758,000 deficit. Has that to do with the fact that it was transferred from departments, or is there a different reason?

MR. CARDINAL: The Michener Centre had a significant number of staff who took advantage of the government's employee voluntary options program. The cost of that program was over \$2 million. However, this cost was partially offset also by a hiring freeze and savings in contracts and travel of staff.

MADAM CHAIRMAN: Thank you.
Leo.

MR. VASSEUR: Thank you, Madam Chairman. Good morning, gentlemen. On page 2.74, on the revenue side of the picture, the first item there of the \$788 million that comes from the feds is about \$608 million. What formula exists or is in place at the present time to dictate the amount we get from the feds, and do the cutbacks now affect that formula?

MR. WILSON: If I can answer, Madam Chairman, the formula for cost-sharing is based on eligible expenditures as defined in the Canada assistance plan. If an expenditure is acceptable for cost sharing, then we receive 50-cent dollars. Primarily, most of that money comes from supports for independence, child welfare, AISH, and then smaller amounts from such programs as family and community support services, family violence, and so on. Presently the federal government has imposed, based on the 1989-90 fiscal year, a 5 percent ceiling on the amount they will pay under the Canada assistance plan. So whatever we claimed in 1989-90 has been escalated by 5 percent for the last four or five years, and that ceiling will change at the end of '94-95.

9:20

MR. VASSEUR: But it's still at 50 percent overall.

MR. WILSON: It's 50 percent of eligible expenditures. Some of our programs, like the Alberta assured income program for seniors, are not shareable with the federal government; neither is the widows' pension. But most of our other programs are either fully shareable or partially shareable.

MR. CARDINAL: Because of the reduced caseloads in Alberta, of course we are now in a position where we do recover all the share that is required for the province in the cost-sharing agreement even though the cap is there. We're considerably below the cap at this time; therefore, there is a full recovery of the eligible costs under that agreement.

MR. VASSEUR: You're saying below the 5 percent cap.

MR. CARDINAL: Yes, considerably below.

MR. VASSEUR: The second line item there: \$137 million. Can you explain where that money goes? Is that part of the same formula, extended health care, or is there a specific area where you have to spend the money?

MR. WILSON: This is money received under the established program finance Act which was introduced in 1977. What it did was take part of education and health out of the Canada assistance plan, and the federal government moved to block funding. So

what we receive under that is based on population and a per capita grant per population. This is automatically sent to the provinces. There's no real claiming mechanism on this, but it was introduced to replace part of the Canada assistance plan in 1977.

MADAM CHAIRMAN: Final supplementary.

MR. VASSEUR: Okay. Previously, Mr. Minister, you indicated that the \$107 million and \$4.7 million transferred from Executive Council and Municipal Affairs for whatever reason became part of your department. If I look again on page 2.74, I'm not an accountant but I would think those moneys would be indicated there as revenue. How come they didn't appear as revenue?

MR. WILSON: These are not revenue items. These are expenditures to make the accounts comparable. When you take responsibility for a program that exists in another department, they transfer the prior year expenditures as well. It's not a revenue issue at all; it's what the other departments actually spent on those programs. So they're not revenue items at all.

MR. VASSEUR: It was budgeted in another department, you're telling me.

MR. WILSON: Yes, it was. It was in Executive Council.

MR. VASSEUR: Okay.

MADAM CHAIRMAN: Barry.

MR. McFARLAND: Thank you, Madam Chairman. Good morning, Mr. Minister and staff. I'm on page 2.73 of Public Accounts, under vote 2.2.3, Alberta assured income for the severely handicapped. The first question I would have: could you give me a rough approximation of how many clients are serviced?

MADAM CHAIRMAN: Could you just hold for a second, Barry. It's 2.73 and line 2.2.3.

MR. McFARLAND: Yes, 2.73, volume 2. It shows Alberta assured income for the severely handicapped, estimated \$149 million, expended \$151 million.

MR. CARDINAL: Okay. The actual caseload is 15,284, at an average cost of \$827 per case.

MR. McFARLAND: I didn't quite get the last part.

MR. CARDINAL: Eight hundred and twenty-seven dollars. That was on AISH, right?

MR. McFARLAND: Right.

MR. CARDINAL: Assured income for the severely handicapped.

MR. McFARLAND: So 15,284 cases . . .

MR. CARDINAL: That was the actual caseload, yes.

MR. McFARLAND: And the program cost \$149 million.

MR. CARDINAL: Yeah, \$149.8 million.

MR. McFARLAND: Right.

MR. CARDINAL: The budgeted amount was \$149.8 million; the actual cost was \$151.7 million. Again, the projected caseload originally was 15,100 and it went up to 15,284, and that was the variance in the two figures.

MADAM CHAIRMAN: Supplementary, Barry.

MR. McFARLAND: Thank you. Mine isn't a critical question. I know there are a lot of people that do require assistance. When I look at the name of the program itself, severely handicapped, how many of those 15,284 are actually severely handicapped as opposed to somebody with — I don't want to talk about it in a light sense — a minor handicap?

MR. CARDINAL: Of course, the program is very complicated. When people apply, they have to have, number one, a medical certificate from a doctor that they are handicapped, and in most cases it's the severely handicapped that require the assistance. In fact, when the welfare reforms were introduced, one of the things we had indicated was that the programs were always designed as number and priority to look after people that really can't fend for themselves and that we would review all the programs that were there. One of the first steps we took was to review many of the files of the 15,000 or so people on AISH or assured income for the severely handicapped. In fact, we've increased that caseload now by a thousand, and we don't mind that. If people need assistance, then that is why we're here. Initially we were criticized a bit. People thought we were just going to cut that particular area, and we didn't. In fact, we increased the numbers by reviewing the files carefully, and we'll continue monitoring that and continue reviewing the needs of those particular people. That's a group of vulnerable people on very, very fixed incomes, and we will continue reviewing that very closely to ensure that wherever possible if a change in direction is required, we must do that.

MADAM CHAIRMAN: Final supplementary, Barry.

MR. McFARLAND: Your answer may have eliminated the final question I have, because I realize there have been changes, Mr. Minister. Do you see this as an ongoing process where those that truly need them will actually receive more of the benefits than those who may be — and I hate to use the term — manipulating the system, or doctors who are a little too lenient in giving them certification?

MR. CARDINAL: That is the plan. I've always indicated to this Assembly that I believe there are enough dollars out there. In this fiscal year, which is ending soon, I operated with a \$1.6 billion budget. Unfortunately, our caseload had increased less than a year ago to 94,000. We've reduced that now by 31,000. We've indicated we will always have an ongoing review of the high-needs area and make adjustments as they are required. I believe that because we've moved a lot of the single, healthy Albertans and couples without children off the system into training programs and jobs and so on, that will allow us to now carefully review the high-needs area. You will see the reforms have three phases, and they're very critical. One is dealing with young, healthy Albertans. The second phase is reshaping child welfare, making sure the dollars there are spent properly. The third phase of the reforms, which is about a \$400 million budget, deals with persons with disabilities. That's a very, very complicated and critical area. It needs very careful review, of course involving the communities that represent persons with disabilities in the whole process of review, with the intention of developing a long-range plan for

those particular people so they feel secure that we will look after them.

9:30

MADAM CHAIRMAN: Thank you.

MR. WINGATE: Madam Chairman, just a point of clarification. The minister said earlier that the cost per case on average was \$827. I believe that should be \$8,200.

MR. WILSON: No, that's the monthly rate.

MR. WINGATE: Oh, I see. Okay.

MR. CARDINAL: Per month. Sorry about that. I didn't answer that.

MR. WILSON: It is per month; it's not per year.

MADAM CHAIRMAN: Thank you.
Sine?

MR. CHADI: Thank you, Madam Chairman. Mr. Minister, I'm on page 2.73, under vote 4, native affairs. I appreciate the fact that this category or this vote was put into Family and Social Services not long ago. My interests lie with respect to firstly 4.0.2, land claim negotiation and administration. We touched on that previously, but what I'm interested in knowing is: what sort of land claims are we looking at in terms of negotiation and administration in this province?

MR. CARDINAL: Okay. Because I originally mentioned the budgets and stuff, some of the activities we've had, I think it's a very good question. I believe we in Alberta no doubt are ahead of most jurisdictions in Canada. We recently settled seven land claims. Fort Chipewyan, Sturgeon, Whitefish, Woodland, Grouard, Janvier, and Tallcree were the seven settled. There are five under negotiation at present, and that includes the Alexis band just outside Edmonton; Loon Lake, north of the town of Slave Lake; Lubicon Lake, around Peace River; the Alexander band, which again is outside Edmonton; and the Bigstone band, which is in Treaty 8. The cost of settlements, and I think it's quite important to be identified — I believe a total of 172,000 acres of Crown land has been transferred with minerals.

The way that happens is that the land claim, of course, is with the federal government, but under the 1930 natural resources transfer agreement with the federal government and the province, once settlement is achieved, we have to transfer the land along with some compensation dollars to the bands. Like I said, to date, of course, we've transferred 172,000 acres of land to the federal government; they in turn then transfer it to the individual bands. Along with that, the Alberta government has put in \$53.1 million, and \$144.7 million is from the federal government.

I believe we are moving quite rapidly in this area. Out of the five that are under negotiation, the five remaining, I would indicate that at least three of those could be done within this fiscal year. So we are moving quite rapidly, and we will continue to do that.

MR. CHADI: Madam Chairman, the hon. minister was speaking with respect to the \$53 million and the \$44 million the federal government was going to pay. Did you say \$53 million was from the federal government as well?

MR. CARDINAL: The \$53.1 million was from Alberta . . .

MR. CHADI: Oh, from Alberta.

MR. CARDINAL: . . . and \$144.7 million from the federal government. Of course, out of the \$144.7 million from the federal government, close to \$100 million of that would have been normal construction costs anyway. So I think Alberta was very generous in the contribution from the province itself.

MADAM CHAIRMAN: Supplementary, Sine.

MR. CHADI: Thank you. Mr. Minister, with respect to this program being in your department, I note that there are other areas within different departments that have dealt with the same realm of negotiations, particularly with respect to land claims. Last night we were dealing with the estimates debate of Environmental Protection, and it came up there that actually land claim negotiations took place and claims were paid out. I recall from the heritage savings trust fund with respect to the Metis settlements that funds were set aside there as well. I guess my question is: firstly, are we talking only about the treaty bands here? Are we mixing it with Metis settlements, and if we aren't, then are there other areas within the different departments that are doing the same things?

MR. CARDINAL: No. All of that is under my department. Under aboriginal affairs I'm responsible for the land claims, the eight Metis settlements, and also the Metis Nations framework agreement.

I'll expand a bit. The land claims area with the treaties – treaties 6, 7, and 8 – is the issue I just discussed with the Metis settlements, and again that's a very critical issue. Of course, we do have an agreement in place to assist the Metis settlements in moving toward self-sufficiency and independence. In fact, at this time the budget over the 17 years is \$310 million, and within that 17-year period there are, I believe, two or three reviews, a financial review and legislative review. This year is one year when we are doing a financial review of that particular budget and also a legislative review. You know, there are eight Metis settlements, and legislation was put in place in 1989 to deal with that. I believe the total amount of land transferred to the eight Metis settlements was 1.25 million acres.

The Metis framework agreement itself is a separate issue. We do fund a portion of that particular program from this budget, but a portion – the higher percentage, in fact – is funded through the federal government. They don't have a land base at this time, but I believe some of the members would be eligible to go through the process.

MADAM CHAIRMAN: You really have to keep the conversations down. We can't hear the minister. Thank you.

Continue.

MR. CARDINAL: We have to make sure the processes are in place for some of the Metis of Alberta to look at joining Metis settlements if that's the choice. If not, then we try to provide support programs of various natures with the six Metis zones out there and basically work very closely with the Metis nation itself.

MADAM CHAIRMAN: Final supplementary.

9:40

MR. CHADI: Yes, thank you. The total amount expended the last fiscal year was 4 and a half or so million dollars in native affairs, with the native services unit taking up most of it. I know

that within the native services unit you mentioned things like assistance in negotiations on self-government and this sort of thing. Then we've broken one step out of there and said: this is land claim negotiation and administration; there's more administration within the next subprogram. I'm wondering if, firstly, these two couldn't be combined to assist us in any way in terms of cost saving of administration. It would seem to me they're closely related, particularly with respect to the administration end of it. I can't see where there could be a great deal of difference other than maybe one or two people that are in land negotiation and administration, because I'm sure the federal government has got its own team of negotiators sitting there, and I question why we need to have our own. Can't we just have somebody that goes tagging along to collect the information and bring it back to the minister? Why are we spending all this money when the feds are duplicating it anyway?

MR. CARDINAL: One of the reasons is that because it involves the land base in Alberta, I believe it was a wise move for the Alberta government and the people of Alberta to have an active land claims team in place to make sure that when we go out there to deal with the treaties and claims it's done co-operatively with Albertans. There is a major concern out there also by municipalities across the province. There's a concern out there by hamlets within, say, the improvement districts in relation to land claim settlements. A high percentage of these people in municipalities and hamlets and villages and towns and cities are not a part of the land claims process. Therefore, it's very critical that as we move forward with the land claims issue, it is co-ordinated and we actively participate on behalf of those people that may be concerned about the process. So far we find it would be nice if that job were done by the federal government at the cost of the federal government, but on the other hand, we find that with the process in place we're considerably ahead of any jurisdiction across Canada as far as land claim settlements. We manage also to keep municipalities and residents out there in Alberta that may be impacted reasonably satisfied. Also, of course, industry – the forestry projects, the oil and gas developments, agriculture, and businesses out there – is always impacted any time there's a land claims settlement. So far in Alberta we've managed to coexist in all areas, and I think the few dollars we've spent in that particular area are probably a very wise investment for all Albertans, including the aboriginal community. But you are right in what you say.

MADAM CHAIRMAN: Thank you, hon. minister.
Pearl.

MS CALAHASEN: Thank you, Madam Chairman. Mr. Minister, good morning. On volume 2, page 2.73, vote 3.2.6, prevention of family violence, what I want to know is: could you give me some indication, before I go into the numbers, what preventative measures are being taken within the family violence area?

MR. CARDINAL: Do you want to expand on that, Mat?

MR. HANRAHAN: We have a number of initiatives on the prevention of family violence that have been ongoing for some time. We're significantly involved in the prevention of family violence month every year. We generally have a very extensive campaign of public education around family violence. Most years we focus on a specific group of people. I'm sorry, I don't remember '92-93; I think it was on youth and violence against youth. In addition to that, we have a number of grants we issue

to various service groups around public education initiatives. We call them grants that are very small in nature but are geared toward mostly public education, education of professionals, those sorts of things.

MR. CARDINAL: I'll expand on that, if you don't mind, just to give you some idea where the dollars are going. We are increasing dollars as we move forward in that area. At this time we have 17 shelters with 344 spaces, six rural family violence prevention centres with 21 spaces, and one second stage housing with 54 spaces for a total of 419 spaces provided at this time. Also, thanks to the federal minister, yesterday he announced a number of programs. In fact, a good percentage of the \$11 million or so announced yesterday was to go toward that type of support, which is a timely move.

MADAM CHAIRMAN: Supplementary, Pearl.

MS CALAHASEN: Thank you. I think that's very important when we begin to look at addressing the needs of the communities.

My second question is relative to vote 3.2.6. Considering the importance of this specific area, could you tell me why we would have a \$300,000 surplus?

MR. CARDINAL: Yeah, there was a surplus of over \$300,000. In '92-93 the department budget for the operation of two new women's shelters, one in Edmonton and one in Calgary – what happened is that the start-up of these centres was delayed and they only became operational in '93-94. Therefore, of course, the budgeted operation funds for these two centres were surpassed at the time.

MADAM CHAIRMAN: Final supplementary, Pearl.

MS CALAHASEN: Thank you, Madam Chairman. Related to that vote again, 3.3.1, on program administration, the difference between expended and the estimates is considerable. Could you tell me why that would be? Does it have any relation to the whole vote 3?

MR. CARDINAL: You're referring to 3.3.1, program administration?

MADAM CHAIRMAN: I believe the minister – hasn't he given an answer to that already?

MR. CARDINAL: Yeah, that particular one was answered.

MS CALAHASEN: That's all right. I didn't hear. Sorry.

MADAM CHAIRMAN: Would you like a . . .

MS CALAHASEN: No. I think that will do. Thank you.

MADAM CHAIRMAN: If the members of the committee would allow me as chair to acknowledge the presence of – I believe they're cadets. This is the Public Accounts Committee, and the Minister of Family and Social Services is appearing before the committee. Also present is Mr. Andrew Wingate from the Auditor General's department. I'd like to welcome you to the Legislative Assembly of Alberta. If you'd like to stand.

Alice.

MS HANSON: Thank you, Madam Chairman. Mr. Minister, I'm on page 113 of the Auditor General's report, and it's in regard to

child welfare services, assessment of prospective adoptive parents. According to this report, in December of '92 there were 2,000 children under permanent guardianship orders waiting for adoption while there were 500 prospective parents who had been waiting for assessment for at least three months. Since the cost of completing assessments ranges from \$300 to \$1,200 while the cost of keeping children in care pending adoption ranges from \$16,000 to \$82,000 a year, the Auditor General suggested that we'd better get to work and clean the backlog. I wondered what your department has been able to do in this regard.

9:50

MR. CARDINAL: Yeah. Although there were 2,000 permanent wards, a large number of them may not be appropriate for adoption. For example, over 60 percent of those 2,000 are over 12 years old, and the Child Welfare Act requires that they give consent to the adoption. In fact, there were only 60 children who were identified as requiring an adoption placement, and no adoptive homes were available. With regard to the assessment backlog, we spent an additional \$100,000 this year to help with the assessment of prospective parents. Of course, I've indicated also that because of our reduced workload within the department – we haven't reduced any staff; therefore, we should be more effective and more efficient in dealing with issues of this nature. That was always the plan: that we will keep as many staff that are required to do a good job. Another item I'd like to mention, of course, is that most of the children placed for adoption by our department are older special-needs children.

MADAM CHAIRMAN: Supplementary, Alice.

MS HANSON: First, could I just clarify something about the figure from the first question? Mr. Minister, you mentioned only 60 children were actually available for adoption. Do you mean 60 out of the 2,000?

MR. CARDINAL: Yes.

MS HANSON: Then the great majority of those children were over 12 years of age. Okay. Thank you.

MADAM CHAIRMAN: Supplementary, Alice.

MS HANSON: Yes. I wonder if you can tell me how many children are awaiting adoption and, if possible – I'm speaking of now – what the average length of the wait is for them.

MR. CARDINAL: Maybe I'll get Mat to answer that one.

MR. HANRAHAN: Sure. I don't have an exact figure in terms of the number of children in the system who are eligible for adoption today. We could get that, I believe. As to the average length of stay, it very much depends on the child. An infant born and surrendered for adoption doesn't stay in care more than a week or two – it's a very quick process – whereas children who are under permanent guardianship orders generally have been in care for at least two or three years under temporary guardianship arrangements and are eligible for adoption only when they become permanent wards, so it could vary in length from two years to five years.

MS HANSON: Okay. Thank you.

MADAM CHAIRMAN: Final supplementary.

MS HANSON: Yes. My final supplemental is in regard to assessments done for international or private adoptions. That's down at the bottom of page 113. Has the department referred to adoptive parents directly to — sorry; this is complicated — changing to have regular assessments done for international private adoptions so they're done previous to the child being placed in the family? Now it often waits about three months or longer.

MR. CARDINAL: Mat, maybe I'll get you to answer that.

MR. HANRAHAN: Yes. With the international adoptions that's not such a big issue, in terms of the child being with the adoptive parents prior to the home study being done. With the private adoptions that is in fact the case. In a lot of instances the child is placed and then the home study is completed. We are looking at alternatives to that right now. That's part of the adoption material the minister is looking at around the open adoption and part of what we're looking at within that package as well.

MS HANSON: Mr. Minister, it would seem you have a child where no home study has been done.

Thank you.

MADAM CHAIRMAN: Jocelyn. We'll try and get as much of your question as we can.

MRS. BURGENER: Thank you, Madam Chairman. Just prior to starting my comments, Mike — and I realize we're coming near the end of the discussion — in looking at the recommendations that have come through the Auditor General regarding the entire department, I get the sense at a personal level and also talking to constituents that significant reforms that are occurring in this department are going to assist us in shaping a new generation of Canadians over the next generation. This is a tough issue to deal with, to break the dependency cycle of government support and looking at other initiatives. I also note that a fair amount of frontline work is done by the department and your staff. I think it's important to note at this time that support is there from the public, because you don't often get a chance to initiate these reforms without somebody carrying the ball. Beyond policy, it's the people in the front lines. So this is by way of a thank you to your department and the people who work initiating these reforms.

I am also focused on the adoptive parents on page 113 of the Auditor General's report, recommendation 32. I would like to get some assurances of the relationship between the private adoption process and what we currently practise in government so that Albertans need not fear complications, legal battles, those kinds of things. I think it's an important element to just comment on. What is the difference between the private process and the process that belonged within the department in the past?

MADAM CHAIRMAN: Hon. minister, before you start to answer, approximately one minute is left to answer a number of questions that have just been put to you. So could we have in writing what can't be answered verbally?

MR. CARDINAL: You sure can.

You mentioned earlier the percentage of frontline workers. I think of all departments in government here in Alberta, we have probably the least management staff. We only have 5 percent management and the rest are frontline workers, and we like to keep that direction. In relation to the question specifically, it is a very, very complicated and sensitive issue when you're dealing with adoptions, adoptive parents, adoptees, and others, even

grandparents. I'm going to bring forward legislation early next fall to deal with that issue. Mat, do you have anything to add to the process?

MR. HANRAHAN: To the question: there are essentially three types of adoptions in Alberta. There are adoptions that are completed by our department. Those are typically children who have been in the system and have been made permanent wards after some time in care. There are also adoptions done by licensed, regulated private adoption agencies where a birth mother will go and say, "Would you find a home for my child?" Then there are adoptions done by private, third-party intermediaries who will place a child — lawyers, doctors, those sorts. As the minister indicated, we're looking at that within the legislative framework.

MADAM CHAIRMAN: Thank you.

Because of the hour, we'll have to cut questions off at this point. I would ask members — I've been very liberal in the statements or preambles to your questions. What I'm observing is that it is eating into the actual question time. I would ask you to reflect on that between now and our next meeting, because it's not allowing enough members to get their questions to the ministers appearing before us. Everyone is guilty of it.

I'd also like to bring to your attention that we have some rescheduling. The hon. Mr. Klein has canceled the 25th, and we're attempting to schedule the hon. Mr. Rostad for that date. We are looking at our next meeting of Public Accounts on Wednesday, April 13, when the Hon. Ken Kowalski, Minister of Economic Development and Tourism, will be in attendance.

I'd like to once again thank Mr. Wingate and Mr. Morgan for being present. To the hon. Minister of Family and Social Services, Mr. Cardinal, thank you for being co-operative and answering the questions in a very open and frank way. Also sincere thanks to your staff.

We stand adjourned.

[The committee adjourned at 10 a.m.]