



Legislative Assembly of Alberta

The 27th Legislature  
Third Session

Standing Committee  
on  
Community Services

Department of Education  
Consideration of Main Estimates

Wednesday, March 10, 2010  
6:31 p.m.

Transcript No. 27-3-4

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The 27th Legislature  
Third Session**

**Standing Committee on Community Services**

Doerksen, Arno, Strathmore-Brooks (PC), Chair  
Hehr, Kent, Calgary-Buffalo (AL), Deputy Chair

Anderson, Rob, Airdrie-Chestermere (WA)  
Benito, Carl, Edmonton-Mill Woods (PC)  
Bhullar, Manmeet Singh, Calgary-Montrose (PC)  
Chase, Harry B., Calgary-Varsity (AL)  
Johnson, Jeff, Athabasca-Redwater (PC)  
Johnston, Art, Calgary-Hays (PC)  
Notley, Rachel, Edmonton-Strathcona (ND)  
Rodney, Dave, Calgary-Lougheed (PC)  
Sarich, Janice, Edmonton-Decore (PC)  
Vacant

**Also in Attendance**

Leskiw, Genia, Bonnyville-Cold Lake (PC)

**Department of Education Participant**

Hon. Dave Hancock, QC                      Minister

**Support Staff**

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Wednesday, March 10, 2010

[Mr. Doerksen in the chair]

**Department of Education  
Consideration of Main Estimates**

**The Chair:** Good evening, ladies and gentlemen. I'm pleased to call this meeting of the Standing Committee on Community Services to order. I'd like to welcome everyone here this evening and note that the committee this evening has under consideration the estimates of the Department of Education for the fiscal year ending March 31, 2011.

At this point I'd like to go through some introductions. First of all, I'd ask the Minister of Education to introduce himself and his staff at the table with him, please.

**Mr. Hancock:** Dave Hancock, MLA Edmonton-Whitemud, Minister of Education. I have with me Deputy Minister Keray Henke, Assistant Deputy Minister Michael Walter, and I'm not sure exactly what his title is but the guy who knows everything there is to know about money, Gene Williams, and a cast of thousands.

**The Chair:** Thank you and welcome, Minister and staff.

Let's go around the table and introduce the committee members and members at the table.

**Mrs. Leskiw:** Genia Leskiw, MLA for Bonnyville-Cold Lake.

**Mrs. Sarich:** Janice Sarich, MLA for Edmonton-Decore and parliamentary assistant to the Minister of Education.

**The Chair:** I am Arno Doerksen, MLA for Strathmore-Brooks and chair of the committee.

**Mr. Hehr:** Kent Hehr, MLA Calgary-Buffalo and vice-chair of this committee.

**Mr. Johnston:** Art Johnston, Calgary-Hays.

**Mr. Bhullar:** Manmeet Bhullar, Calgary-Montrose.

**Mr. Benito:** Carl Benito, Edmonton-Mill Woods.

**Ms Notley:** Rachel Notley, Edmonton-Strathcona.

**Mr. Chase:** Harry Chase, Calgary-Varsity.

**The Chair:** Thank you.

We'll just review a few details regarding the function of the meeting this evening. Standing Order 59.01(4) prescribes the sequence as follows: the minister may make comments in introduction at the beginning of the meeting not to exceed 10 minutes; for the hour that follows, members of the Official Opposition and the minister may speak; for the 20 minutes that follow, the members of the third party, Wildrose Alliance, may speak; following that, any member may speak.

With the concurrence of the committee the chair will recognize the members of the fourth party, NDP, following the members of the third party, and for the next 20 minutes the members of the fourth party and the minister or the member of the Executive Council acting on the minister's behalf may speak.

I will call for a five-minute break following the Official Opposition's time at approximately 7:45.

Just to note, committee members, ministers, and other members who are not committee members may participate, and I think we're all aware that department officials and members' staff may be present but may not address the committee.

Members may speak more than once; however, speaking time is limited to 10 minutes at a time. A minister and a member may combine their time for a total of 20 minutes. Members are asked to advise the chair at the beginning of their speech if they plan to combine their time with the minister's time.

We do have three hours scheduled to consider the estimates of the Department of Education this evening. If the debate is exhausted prior to that time, the estimates will be deemed to have been considered for the allotted time, and the meeting will be adjourned. Otherwise, we will adjourn at 9:30 this evening.

Just for further clarification, points of order will be dealt with as they arise, and the clock will continue to run.

As we're also aware, the vote on the estimates will be deferred until Committee of Supply on March 18, 2010.

A written response by the office of the Minister of Education to questions deferred during the course of this meeting can be tabled in the Assembly by the minister or through the Clerk of the Legislative Assembly for the benefit of all MLAs. A copy to the committee clerk would also be appreciated if that takes place.

With that, I'd invite the Minister of Education to begin his remarks. Minister Hancock, please.

**Mr. Hancock:** Thank you, Mr. Chair. I was a bit facetious earlier in the introductions, but I do want to start by acknowledging the staff from the Department of Education who are with us tonight. I have the privilege of working with a very, very talented and dedicated group of people, and I want to start by saying thank you to them. So with a more proper introduction, then, Keray Henke, the Deputy Minister of Education, is sitting at the table with me, and with him is Michael Walter, assistant deputy minister, strategic services, and Gene Williams, executive director of strategic services. We also have with us Kathy Telfer, who is our communications director; Leona Badke, senior manager of fiscal analysis; and George Lee, director of finances.

I wanted to reiterate that they are with us, but they represent a larger group of people who work every day for students in Alberta to make sure that we have a system which is recognized by many in the world as being among the best in the world. Over the past year and a half we've been talking about how we can make our system better and also how we can make our system the best in the world in 15 or 20 years. I think that's very important because although students in Alberta have opportunities which many students around the world do not have and we have a system which is recognized among the best in the world, we cannot stand still. We must continue to look at what will make it possible for each and every one of the students in Alberta to be successful, to be the best that they can be so that they can grow up to take care of themselves and their families and contribute back to their communities as meaningful citizens.

So I wanted to start by saying thank you because the people who work in the Department of Education and through them the people who work in the system – on our school boards, on the administrations for school boards, and particularly in our schools, the principals and the teachers in the classroom – do stellar work for Albertans and for Alberta students. As Alberta trades out into the world and as Albertans play a role as citizens in the world, it's very important that we recognize the foundational and fundamental role that education plays in our success going forward.

Alberta's kindergarten to grade 12 system is grounded in the principles identified in the 2010-13 business plan, and the purpose of the plan is to engage Albertans in the transformative changes needed to ensure that learning in Alberta is centred and continues to be centred on students, families, and communities.

Our core business supports four goals: high-quality learning opportunities; excellence in student learning outcomes; success for First Nations, Métis, and Inuit students; and a highly responsive and responsible education system. I want to just briefly break down some of the key strategies that fall under each goal.

Goal 1, high-quality learning opportunities, is really about ensuring that students have the supports that they need to be successful, that they have access, and that we're meeting their learning needs, capitalizing on emerging technologies to improve student outcomes, being flexible and looking at innovative teaching approaches, expanding students' learning horizons in areas such as arts education, wellness, languages, and building on an inclusive education system. These are some of the areas that we're focusing on throughout this business plan.

Excellence in student learning outcomes is goal 2. It's about ensuring that students are adequately prepared and possess the competencies that they will need to prepare for life after they graduate, whether it's further schooling, the world of work, or other ventures. Part of ensuring that students are equipped to learn is ensuring that they have the supports they need before they even enter the K to 12 system. Working with our partners in Children and Youth Services and Health and Wellness, we're developing collaborative approaches to identify and address the learning needs of children and their families. Early childhood is perhaps the best place to make sure that we are successful long before students come to school.

We're focusing on ensuring that at-risk children are identified early and have access to programming appropriate to their needs. We need to do this because the learning that occurs in a child's first few years has a profound influence on their success at school and their overall quality of life.

We're also looking at ways to integrate innovative practices like those discovered through AISI, the Alberta initiative for school improvement, into the everyday work of school authorities and teachers to promote excellence, and of course we continue our work to improve student achievement and completion rates.

#### 6:40

Goal 3 is perhaps one of the most important things we can focus on. That's success for First Nations, Métis, and Inuit students. It was in last year's business plan. The more we make progress on this goal, the more critical I view the need. Over the past few weeks we've made announcements that have had a profound impact on FNMI students, in my view: the announcement about an MOU that we've signed with the federal government and the grand chiefs of treaties 6, 7, and 8, and last fall, actually, the partnership council that we set up with those three treaty grand chiefs and the leaders of the Métis Settlements General Council and the Métis Nation of Alberta together with other partners from the community. It's going to be critical to our success because it's not simply about having the best teachers and the best schools available. It's also about having a community value and a parental value for education if we're going to be successful.

A highly responsive and responsible education system is extremely important for all students. Over the past year and a half, of course, we've undergone a vigorous, dynamic, and game-changing process through Inspiring Education. We have engaged people from across the province and across the spectrum to envision a future for

education in Alberta, the result being the development of a policy framework, a long-term vision for K to 12 education, and increased public appreciation of the importance of education in Albertans' lives and in Alberta's future.

Key to ensuring that our vision is attainable is ensuring that we have an education workforce with the capacity to meet the needs of tomorrow's learners. We're working with our stakeholders on strategies to attract, develop, and retain competent, skilled individuals in education careers, careers that will require new skills and new approaches to ensure that students benefit from individualized learning opportunities.

That's a quick overview of the business plan and our focus.

Moving on to the budget estimates, there are six programs that will be referenced in the budget this year. Our voted estimates begin on page 123 of the estimates book. We have two primary funding streams that are important to note: the voted government and lottery fund estimates, totalling about \$4.2 billion, or 68 per cent of the budget, which we'll be voting on, as noted by the chair, later in the session; and education property taxes, which total approximately \$1.8 billion. About \$1.6 billion of this amount resides in the Alberta school foundation fund, which is governed by statute. The remaining \$199 million goes to local separate school boards that choose to collect their education property taxes directly from their municipalities.

In addition, \$80 million is allocated to statutory expense for the work in progress on the Alberta schools alternative procurement program, or ASAP, and \$261 million is the statutory expense for government contributions made to the teachers' pension plan. The \$4.2 billion in voted estimates, the \$1.8 billion in education property tax, and the \$341 million in statutory expenses bring the support to the K to 12 system to nearly \$6.3 billion. The overall operational increase is 4.6 per cent or .8 per cent with capital.

The breakdown of the ministry's six programs begins on page 126. The first program in the budget, ministry support services, represents the corporate function of the department. The program is being reduced by \$0.2 million as part of our internal value reduction strategy.

The second program is operating support for public and separate schools. The voted portion of this program increases to \$3.3 billion. If you include the nonvoted portion from education property tax and statutory obligation for teachers' pension plan, operating support to public and separate schools increases by \$249 million to \$5.4 billion. This increase provides support to school boards to complete the 2009-10 school year, provides the necessary support for the 2010-11 school year to address expected student enrolment increases and other changes to student demographics and programming.

Announced grant increases for the 2009-10 school year will continue, which provided a 4.8 per cent increase in base instruction and small class size grants, 3 per cent for transportation and plant operations and maintenance grants, and 1 per cent for other grants. So of the increase that comes to us this year, a significant portion is to annualize the increases that were in last year's budget.

For the 2010-11 year we're holding the line with no grant increases. However, the budget will accommodate an expected student enrolment increase of .76 per cent, or about 4,200 new students; a 12 per cent increase in the number of students requiring English as a second language or francization programs; and an 8 per cent increase in the number of young children with mild, moderate, or severe disabilities. We'll continue to provide \$456 million for the operation and maintenance of school buildings through a plant operation and maintenance grant and \$259 million for student transportation services. Provincial initiatives will continue, with \$79 million supporting AISI to support local projects that help improve

student learning, \$49 million for the student health initiative to increase student access to specialized support services such as speech language pathologists or audiologists, and \$222 million for the small class size initiative.

During our value review consultation with education stakeholders we heard that school boards wanted more flexibility in class sizes. As a result, the distribution of funds will change to a per-student allocation with a focus on kindergarten to grade 6, where smaller class sizes make the most impact on a child's learning experience.

There's a lot more to be said, Mr. Chair, but I'm assuming you want to get on to the questions.

**The Chair:** Thank you, Mr. Minister. Just before we move on, I do want to acknowledge the earlier arrival of Mr. Jeff Johnson, MLA for Athabasca-Redwater, who did come in before the minister's speaking began, and also the Member for Calgary-Lougheed, Mr. Dave Rodney.

With that, let's begin the first hour. I'll offer the time to Mr. Chase.

**Mr. Chase:** Thanks. I'm going to use the full 10 minutes in the three sessions. I'll try and go a little bit slower so that people have a chance to make some response tonight.

The most compelling reason for my seeking elected office was the results of the budget of 1993-94. I was a member of the negotiating subcommittee for local 38. We brought back to the membership a minus 5 per cent, and that minus 5 continued over years following. I vowed at that time that if I had any say, I would fight cuts such as that. We haven't recovered from those original cuts. I must admit, Minister, that when this budget came down, I was – I won't say pleased, but I'll use the word "relieved." While I believe that we could be taking advantage of the 40 per cent reduction in the cost of labour and the cost of materials to do a lot of catch-up on decaying school infrastructure, things could have been worse.

I really believe that one of the reasons they're not worse is the Stop the Cuts program. I want to give full credit to the Alberta Teachers' Association, that worked with the Alberta School Boards Association, which worked together with the parents' home and school associations across this province to say: enough is enough. That enough was an \$80 million clawback that, despite the department's comments, did have an effect on front-line operations and did affect students. Hopefully, with this budget we're seeing a return to sanity. I've put out the message that education equals economy, and I'll be going through that tonight.

Operating funding to school boards. The fiscal plan pledges operating and property tax support to school boards at \$5.4 billion, an increase of 4.8 per cent, or \$250 million, from the '09-10 forecast. The ministry is anticipating student enrolment growth of .76 per cent in '10-11, and given the fact that we're just on the crest of a baby boom, we may get some surprises with regard to that percentage figure.

The fiscal plan identifies early childhood education and ESL programs as two priorities for the increases seen in the Education budget. I will note that a number of school boards have had to eliminate the full-day kindergarten programs that they were funding out of their own reserves and surpluses because those reserves and surpluses have been worn down, the clawback being part of it. Speaking of the clawback, school boards got a strange message. If they did manage to set aside a surplus for future needs, they were penalized. If they had no surplus funds, they just stayed in their underfunded circumstance.

How much funding is being provided to each of these priorities, early childhood and ESL? I'll note that we still haven't got the

Learning Commission's full-day kindergarten funding or half-day junior kindergarten. Will the government's increases in early childhood education programs be targeted to particular school districts, or are these across-the-board increases? If the former, where will the funds be targeted? How many additional ESL courses or instructors does the government intend to fund with the increases identified in this budget?

6:50

The estimates list specific operational funding for public and separate school boards that's approximately \$2.76 billion for 2010-11, an increase of \$133 million, or 5 per cent, from the '09-10 forecast estimates, line item 2.0.1, page 126. Were the minister's repeated warnings in the summer and fall of 2009 that further cuts were likely in education an attempt to reduce expectations for a status quo budget? Last year's budget documents also boasted of large increases to operational funding, but the minister ended up repossessing \$80 million from the system mid-year. How can boards be certain that in 2010-11 funding won't be subject to a similar clawback? Will the minister provide a guarantee?

Is the value review exercise complete, or is the ministry continuing to search for efficiencies that it will announce at a later date such as the staff reductions recently brought forward? If the value review exercise is ongoing, will operating funds to school boards be targeted, or will savings be looked for within the department?

One source of financial insecurity for school boards is funding teacher salaries in accordance with the new Statistics Canada formula for the average weekly earnings index. After a 10-month dispute with the ministry an independent arbitrator sided with the teachers that a new formula adopted by the federal statistics agency to calculate the AAWE should be used. The gap in the formula works out to \$23 million for '09-10 and \$40 million on an ongoing basis.

I talked about déjà vu in terms of cuts and clawbacks. The same arbitrator that awarded the teachers the 1 per cent increase also awarded in an arbitration with the Learning Commission back in 2003-2004 that teachers receive a 13 per cent increase. At that point the government only covered half the funds, and school boards were left scrambling to cover the other half.

Why did the minister not initiate arbitration immediately in the spring of 2009 so that a decision on the correct wage increase to provide to teachers could be included in Budget 2010? Is the minister prepared to go to the Treasury Board in March or April as he indicated in his press conference accompanying the arbitrator's decision? Will the minister seek funding for the '09-10 as well as the 2010-11 academic years? Can the minister assure boards that future budgets will reflect the higher salary figure?

Again, historical facts: in that year, 1993-1994, the boards lost the opportunity to collect the education portion of the property tax and use it locally, and that loss of autonomy has greatly affected their ability to make decisions in the best interests of their students.

Shortly after the arbitration decision was released, the minister was quoted in the *Calgary Herald* as saying:

I do have to work with school boards with respect to paying back those funds, or whether that's a long-term investment they have to make . . . But we've made sure school boards are in a position to deal with it without affecting the classroom.

February 4, 2010. Is this quotation accurate? If so, was the minister suggesting that boards might have to absorb these increases for the long term? If not, what was the minister trying to suggest?

The business plan identifies health and wellness as a strategic priority for the ministry, strategic priority 4, page 69. The significant opportunities and challenges portion of the business plan also

notes that the ministry must grapple with rising childhood obesity rates, page 68. Given this focus on healthy students why has the ministry eliminated the daily physical activities program, which provided \$1.7 million in grants to school boards to purchase sports equipment? In the absence of this program what initiatives or programs are offered in Budget 2010 to advance the goal of a healthier student population? What is the total amount of funding provided to these programs?

Alberta has one of the lowest high school completion rates of any province, but Budget 2010 eliminates a high school completion grant intended to help boards address this pressing issue, fiscal plan page 34. The province announced these \$4.2 million in grants in May of 2009. Why was this grant discontinued? What criteria did the ministry use to evaluate this grant for cancellation?

According to the 2008-2009 annual report high school completion rates within five years of entering grade 10 actually fell in 2007-08 from the previous year. If this is the case, why isn't the ministry maintaining funding to address these rates? Does the ministry have any other programs or initiatives directed at raising the high school completion rate? If not, what is the ministry's strategy for reaching the target of 80 per cent identified in the business plan, performance measure 1(f), page 71? Is the ministry hoping the employment contraction will force more students to finish high school? If so, how will the ministry maintain higher completion rates when the economic recovery begins? As I've said numerous times, if you want to stop the early departure, then more emphasis has to be put . . .

**The Chair:** Thank you, Mr. Chase. That exhausts your first 10-minute segment. I'll call on the minister, please, for 10 minutes.

**Mr. Hancock:** Thank you. Well, a number of questions there. I'll try and go through them quickly but, hopefully, completely. The hon. member started by noting a 5 per cent cutback in 1993, I think, or 1994 was referenced, and says that the system hasn't recovered. I'd note that the system has had a 115 per cent increase in its budget since that time, so it's very difficult to understand how one could say that it hasn't recovered from that.

The Stop the Cuts program and its success. It wasn't really a question, but I do want to comment that the best way to be successful, I guess, is to create a straw dog and then kill it. The fact of the matter is that we'd never indicated there was going to be \$340 million worth of cuts to the education system. I want to refute the comment that the hon. member made that I had gone out and promised cuts or threatened cuts or said that there were going to be cuts. What I did through last fall was talk with school boards about how we could effectively and efficiently use the resources that we had in the system because we were in a period of fiscal restraint, and I couldn't promise them what was going to happen in the budget, so we ought to be appropriately prepared for whatever may come, and in any event we needed to make the best use of the public's resources. The Premier has always put an emphasis on education. I think that the budget indicates this government's emphasis on the fundamental value of education to our society.

The .76 per cent growth in population: will we have a surprise because there's a baby boom? I served as minister of health. I have a pretty good idea of what was happening in our maternity wards across the province, but a better indication other than my anecdotal one is the fact that we have some of the best demographic analysis and planning in the department, so they have a pretty good idea of the number of students that are coming in, both what the birth rate is and what the in-migration has been. There's always a chance for that to change, obviously, because you can't absolutely predict how

many people will move into the province, but you have a pretty good idea how many kids turned five and turned six.

Boards eliminating full-day kindergarten because their reserves and surpluses were worn down. I think that's a supposition on the hon. member's part that he would find very, very difficult to substantiate. We asked boards to help us with finding \$80 million, a good chunk of which we found within the department itself by reprofiling some of the work that we were doing, by engaging in the government hiring freeze, by reorienting our staff. We actually led by example in finding more effective ways, hopefully, of doing things and, quite frankly, by delaying some things that, although we would rather do more quickly, could take a little bit longer without impacting students in the classroom.

The focus was always on making sure that whatever we did, the first and most important focus was children in the classroom. We asked boards to honour that, and I'm very surprised by the hon. member's comment that it has affected the classroom, because I have not had any evidence to that effect. Yes, some boards have made some adjustments, but I would guess that if you went to any of the boards that have made some adjustments, I could show you why they had to make those adjustments and that it had nothing to do with the \$80 million. It's about \$50 million that actually came from school boards. The rest came from the department budget.

How much are we spending on early childhood ESL? The total is \$86.2 million to serve 106,000 students. The grant is a flat per-student but recognizes the 12 per cent growth in the number of students served. That's right across the board to school boards.

7:00

I guess the question is with respect to the value review process and how we adjusted back in August and whether there was a promise of paying that back. There was no promise of paying it back. It was indicated to the system that we needed to do a one-time adjustment. The system is very, very fiscally sound. There was at that time some \$440 million in operating reserves. Yes, those had been saved by school boards for particular purposes, but we are and were in the middle of a recession. It was important that we adjust our numbers. It was important that we share that adjustment, and unfortunately it did hit some school boards a little bit harder than others. We tried to ensure that no school board was asked to go below 3.25 per cent of their operating budget and operating reserves. It's not fair; I acknowledge that. I acknowledged that to the boards, but we felt it was a necessary adjustment, and for the most part boards, although they weren't excited about it, have participated and, as I say, done it in a way that didn't affect their classroom operations.

The value review: is it done or ongoing? I would hope the value reviews are always ongoing. I think it's always essential to look at what you're doing to see if you're getting the best value for your money invested. It's important for us to continue to talk to school boards about how we can do things collaboratively. For example, if it makes sense to collaborate on busing rather than everybody running buses down the same road, we should be looking at doing that. If it makes sense for us to collaborate on technology and move to a generation of having programming clouds – I think that is the language they use. In other words, not everybody needs to buy all the programs. You can buy them as a group or as a province; for example, as we did in the Microsoft licence and achieved some successes. We ought to be always looking at those opportunities. So for value reviews, while there was a particular push this year, I think we always have to be looking at what we're doing.

Teachers' salaries. The adjustment based on the arbitration award: you're right. There's a \$23 million adjustment in the 2009-

10 year, and that would be annualized to \$40 million over the next year. As I said to school boards, I can't do anything about that just at the moment, but I am committed to seeing what we can do, including going to Treasury Board to see if we can't deal with that particular issue.

In 2010-11 and budgets going forward we have a zero increase in the school board budget in the grants, and that will provide us with a problem with respect to the September 1 adjustment, which the average weekly earnings at the moment are tracking at about 3 per cent and projected for next year, September 1, 2011, at perhaps 2.9 per cent although that's purely a forecast. It's not based on any real numbers, of course, because there aren't any real numbers yet. I've said that I'll have to work with the ATA and with the School Boards Association to develop a longer term plan to deal with those increases.

I can't project whether we'll have any increase in the budget next year at this point, but in our current three-year business plan it shows zero growth or at least sufficient growth only to cover the increases in pension and the increases in student population and those things which we have to deal with. We've got an issue on the table where I have to negotiate with the ATA and with the school boards as to how we handle that. We had a very successful five-year agreement. It's proven to be beneficial for teachers, beneficial for school boards, and beneficial for the province, and I think we can learn from that and work on extending that agreement. It won't be easy, and it's something that I'm committed to getting done.

Daily physical activity. When we consulted with the school boards last fall, one of the things they told us is that if we had to do anything, we should move away from targeted grants and give them the flexibility to use the money they have in whatever way they need to do it. We didn't cancel very many grants, but we did cancel the daily physical activity grant, and I think it's fair to say that that was put in place as a starter incentive. It doesn't actually cost money for people to have 30 minutes of activity a day, but in order to incent it and to get that program going, that grant was put in place. Most schools – and that's been running five years – should have acquired whatever equipment they might need to do it. It's not a big grant for them. It really was an incentive grant, and it's there.

They're still expected to carry out daily physical activity. It's not a hard thing to do. I think the culture is ingrained now, and I don't anticipate that cancelling the grant will have any effect whatsoever on that program. We are obviously developing our wellness curriculum, and we'll be working at implementing that over the years to try and ensure that a healthy lifestyle is part of the education process. I don't anticipate that being affected by the grant change.

The high school completion grant. We really had hoped that that grant program would allow us to fund some innovative programs and pilots, but when we had to find some money, that was the one that wasn't embedded yet. It's just a new program. In fairness, it's the easiest one to remove without affecting what schools are doing in their classrooms. It doesn't mean that there's any less priority on high school completion. In fact, we're expecting schools and school boards always to work on student engagement, on student transitions, and on the other things which help make students successful. We don't anticipate that that will have any bearing on high school completion rates. It was an incentive-type grant to find and to employ new ways of doing things. Unfortunately, we'll have to find a different way to do that.

**The Chair:** Thank you, Mr. Minister.

I will also note and welcome Mr. Rob Anderson, MLA for Airdrie-Chestermere.

Mr. Chase, you've got 10 minutes.

**Mr. Chase:** Thank you very much. With regard to my comment about schools still recovering, I'll point out two things. One, the infrastructure deficit, that has been built up over the period 1994 through to 2004, when considerably more schools were closed than reopened. The new set of P3 schools and about three high schools that are being traditionally built are a new change. Kids have been in cramped circumstances. They have been in schools that have not been maintained beyond just the straight safety factor for a number of years.

I'm going to be getting into capital and infrastructure, but one of the points I made earlier – and I'll backstop it with the fact that we still have \$14 billion left in the stability fund, that started out at \$17 billion. It seems to me that a terrific investment would be the catch-up on the deferred infrastructure. My estimates in Calgary for that infrastructure deficit in terms of repairs is rapidly approaching a billion dollars, and I think there's probably a similar debt because a number of schools in Edmonton are even older than the 40-year average, as is the situation in Calgary. Hopefully, in our next round of providing answers, that will be dealt with.

Capital and infrastructure. According to the fiscal plan \$513 million is provided for school capital projects in 2010-11, which includes \$120 million in capital maintenance and renewal. As I say, that \$120 million is about one-twentieth of the money that would actually be needed to bring the schools up to par. There's no expectation that that would all be done in a single year. I'm not suggesting that. But the longer it's waited to be repaired, the worse it gets.

What is the ministry's estimate for the total dollar amount of deferred maintenance across the public education system? What is the ministry's strategy to reduce this backlog of deferred maintenance? Again, will we take advantage of this 40 per cent discount in terms of labour and materials while the recession remains? It creates jobs. It brings schools up to standards. It's a win-win. What portion of capital maintenance and renewal funds will go to rural schools? How will the remaining \$228 million the ministry is committing to capital maintenance and renewal be distributed over 2011-12, 2010-13?

The fiscal plan, page 34: \$348 million over three years minus the \$120 million for 2010-11.

7:10

**Mr. Hancock:** Could I ask you where you're getting those numbers? Where are you getting the \$120 million number?

**Mr. Chase:** The fiscal plan, page 34, the \$348 million.

Last year's fiscal plan pegged capital expansion spending at \$760 million for '09-10, the fiscal plan 2009-12, page 37, which is more than the three-year total now estimated to be spent in the 2010-2013, \$631 million, in the fiscal plan 2010-2013, page 34. Why is the ministry reprofiling capital spending over a longer time period when it could be taking advantage of a favourable construction market to complete capital expansion projects at a reduced cost?

The ministry's business plan commits to enhancing "capital planning processes to develop more effective and innovative approaches to planning, managing and investing in school infrastructure." That's from 4.6 on page 75. Is the ministry committing to a formal review of the capital planning process? If so, what is the timeline for executing this strategy? Will this review include a reconsideration of the per pupil funding model adopted by Alberta Infrastructure in 2004-05? Will the utilization rate formula be considered?

I've mentioned frequently the lack of connect between the Learning Commission's class size and the space utilization formula,

that is particularly punitive on old schools, like what we're seeing in the inner core here in Edmonton. They're sandstone frequently in Calgary, and they are three-storey brick here in Edmonton. Those inner-core schools are suffering from the space utilization formula, which sees the hallways as teachable space. If the ministry is reconsidering its capital planning processes, is it prudent to allow the wave of possible school closures in Edmonton and Calgary to proceed?

The Alberta School Boards Association has declared that school infrastructure is one of its top priorities for the 2007-2010 time frame. ASBA's report *Building Together – It's Time to Act* argues that school boards are concerned about the lack of clarity, transparency, and feedback in the provincial approval process related to their three- and 10-year capital plans. I know my hon. colleague from Airdrie-Chestermere has some school questions, and I'll help him in that area.

Will the views of the ASBA be reflected in the review of capital planning processes? Will the ministry ensure that school board planning documents are integrated into the government's capital planning priorities? It's almost as if there were two different tracks, one where the school boards list their priorities and then another track where the government sets its own priorities, which don't necessarily mesh, unfortunately.

Class sizes. Page 34 of the fiscal plan notes that the funding for the class size initiative will remain at \$222 million in 2010-11, which is equivalent to last year. This funding, however, will be redirected primarily to kindergarten to grade 6 classes. I fully understand the importance of finally getting to our Learning Commission requirements in the K to 3. I've said over and over again how much I wish the funding was there for half-day optional junior kindergarten and full-day kindergarten because I believe that that alone, those two initiatives, would dramatically reduce our dropout rate. However, that hasn't happened.

My concern is that instead of dealing with lower class sizes throughout the system, we're going to be taking money from the high schools, from the junior highs, from division 2 to accomplish this goal at the expense of the other areas. To me, as I say, we've got \$14 billion in our stability fund. It doesn't need to be an either/or choice.

Given that the government has invested \$1.2 billion in the class size initiative since its inception in 2004-05, why are 70 per cent of school districts still not meeting one or more of the Learning Commission's class size targets? I appreciate the minister talking about going back to Treasury to resolve the funding issue, but the reality is that if that issue isn't resolved, school boards are going to be cutting teachers, and class sizes will be going up.

The government had originally pledged to meet the Learning Commission's class size guideline within three years. Six years later this has not been done. Has the ministry set a new deadline for reaching these targets?

The class size initiative is a separate line item in the estimates for '09-10 but appears to have been folded into operational funding to boards in the estimates for 2010-11. This change is confirmed by the ministry's funding booklet for '10-11 as well. Why has the government opted to roll class size funding into operational funding in its financial documents? Are we going to lose the class size initiative as a result? Is the government combining class size funding with operational funding in order to disguise future decreases to this initiative? If the Learning Commission's findings were so important – and the Krantzmann report of 1980 put this class size initiative out there – hopefully it will not get abandoned or reduced. Is the government relaxing any of the restrictions on class size funding by combining it with base funds? How will the

government and Albertans know this money is being directed specifically toward class size reductions?

Aboriginal education. According to the ministry's annual report for 2008-09 dropout rates for FNMI students are more than double the rates for students overall. That's page 36 of your report. Only 52.3 per cent of FNMI students complete high school within five years.

**The Chair:** Thank you, Mr. Chase. I invite the minister to respond for the next 10 minutes, please.

**Mr. Hancock:** Thank you, Mr. Chairman. Schools are still recovering in the infrastructure deficit. We have invested a considerable amount of money on new schools and creating – over the next I believe it's three years, there will be 30,000 new school spaces created, and the increase in student population is only anticipated to be about 3 per cent over that. That's in the next three years. Over the last 10 to 12 years I think it's fair to say that the school population actually was flat or went down.

So there's been considerable investment in school infrastructure. In fact, less than 2 per cent of schools are considered to be in poor condition at what point in time. Now, that doesn't mean there isn't work to be done. There is work to be done. We have \$96 million per year in IMR, infrastructure maintenance renewal, projects. We have 58 modernization projects under way. Between new and modernizing I think we have 101 new and modernized schools. So there's a lot of work on school infrastructure being done.

I want to put that into a context. We have to be a little careful not to go too fast on it from the perspective that we really ought to be looking at what kind of schools we need for the future of education. We're still building the schools of the last century in my view. While we anticipate that kids will go to school and they will be in classrooms, we really do have to have a good close look at what the makeup of the school going forward needs to be. We are building very quickly. As I say, \$980 million over the next three years is a lot of money being invested in school infrastructure.

There was a lot of the talk about the review of the capital plan, and I've made no bones about the fact that I think we need to review capital. In fact, we're working hard on bringing forward another 10-year plan with respect to school capital. I hope to be able to present that to Treasury Board sometime in the very near future.

We have much better information now, modelling information, about the demographics, about projected growth. It's still difficult to predict exactly where the students are going to be in any particular area, but I think we can do a better job of understanding where we're going to need student spaces and where the shifts are going to be and where the challenges are going to be because, essentially, the growth doesn't all happen in the same place. There is declining enrolment in other areas. So it's very definitely important to do a capital plan.

The school boards' capital plans are important. They know their local areas, and of course we take into account the input from all of our stakeholder organizations, including school boards and the School Boards Association. When we look at how to do capital planning going into the future, obviously they will have a role to play in providing advice on how that can be more effectively done, how we can more effectively plan, how we can reduce the amount of information overlap that happens, so we can make the process more effective and efficient. We can also make sure that there's better clarity on what happens.

7:20

At the end of the day we have 63 school boards. Right now each one of them comes up with their top priority for a new building and their top priority for modernization each year over a three-year plan. There are not the resources to build 63 new schools every year and



63 major modernizations every year. So, of course, there has to be some prioritization that goes into how you allocate the resources in the most effective ways.

Sometimes that's not going to satisfy someone who believes that they have higher priority, so you have to look at the rationale that goes into it, health and safety being the number one issue, student spaces availability being a key issue, and there are others. Only one of those issues, and, I would suggest, not nearly the most important one, is the utilization formula. Obviously, how existing schools are being utilized is important, but the safety issues and the question of whether there actually is any space have got to be the most important drivers.

The class size initiative. We're not intending to force school boards to do anything in terms of robbing from high schools. What we've done by reprofiling it into a per-student grant is recognize the fact that there's going to be growth, that most of that growth is going to happen at the K to 3 level. Therefore, if we want to institutionalize this approach towards smaller class sizes at the lower levels, where it has the most efficacy and has the best results, we have to incent that by putting the funding in that direction.

Now, that doesn't actually stop a school board from using their funds. That's a formula for the allocation of funds. They're the ones that have to decide how to allocate their funds most appropriately, and they're the ones that have to report to their parents and their communities about how they've allocated the funds and what results they've got. I'm not going back in with a stick, saying: show me that you used all the money that you got in your K to 3 grant to hire K to 3 teachers. That's not the nature of the business. School boards have a role to play, and they have to be treated as responsible partners in the education system.

I think that by reprofiling the grants, we're saying two things. One, that it's unacceptable that K to 3, where small class sizes may actually make a difference in student outcomes – that's the one area where we haven't achieved the goal. We've got to put more focus on that. The other piece that's important is in high schools, where options can be smaller for either safety reasons or just to provide a wider variety of options or where cost factors may be higher. That's important to focus resources there. So we've taken the money, reprofiled it in that way, trying to incent that kind of an understanding.

The question of space is a bit of a red herring, actually. While I understand and appreciate that in some places schools have space issues, that shouldn't necessarily affect their class size piece because there's nothing stopping them from hiring assistants or two teachers or finding other ways to provide the complement of teacher to student ratio, if you will. There are ways to get around that.

You were beginning to ask about aboriginal education, but I didn't catch the question.

**Mr. Chase:** Okay. I'll come back to them.

**The Chair:** Go ahead.

**Mr. Chase:** Thank you. I just wanted to make sure that officially I was back on.

One of the things I would appreciate you commenting on is preserving the city cores. I think you talked about a review of the space utilization formula, and that's absolutely essential, that the space utilization formula has to be updated to reflect Learning Commission class sizes. I'm also in absolute agreement with you in terms of what type of school we need to be building. You know how opposed I am to P3 funding, but the concept of modulars – a core, administration, gymnasium, and library, with modulars that can be

brought in and taken out – with the construction quality now is no longer the old-style sit-alone portables. I do believe that this is going to be part of the solution for wise building.

We have invested so much money on these inner-city schools that the idea of just simply closing them down and shuttering them and the effect it will have on that inner-city community is of concern to me.

Going back to the FNMI business, only 52.3 per cent of FNMI students complete high school within five years of entering grade 10 compared to 79.2 per cent of the general student population, page 38-39. Only 38.5 per cent of FNMI students transition into postsecondary education within six years of entering grade 10 compared to 60.7 per cent of students overall.

I tend to lump a similar circumstance in terms of completion rates with English as a second language students in high school. We have a terrible dropout rate for English as a second language students. Almost 75 per cent of the students fail to complete within the five-year period. I could see similar programs targeting the need to retain and make education relevant and supportive for both FNMI students and for ESL students at the high school levels.

The business plan identifies the success for First Nations, Métis, and Inuit students as an important goal for the ministry, page 73. If the ministry is serious about addressing some of the worrisome statistics I've mentioned, why are per-student grants for FNMI learners being frozen in '10-11? We know that the First Nations is the highest part of the population growth, and we know that the majority of those students are off-reserve. Again, a tremendous number of them are living in the city cores, and a number of First Nations parents and ESL parents have been expressing concerns about the loss of their neighbourhood schools.

Considering the low high school completion rate for FNMI students, why did the ministry cancel the high school completion grant? Why not redirect these funds to focus specifically on FNMI students?

In the business plan the ministry commits to increase the number of FNMI teachers in the public education system, strategy 3.5, page 73. Does the government have any specific targets or timelines for this strategy? Why is this strategy not featured as a performance measure? What progress has been made on this strategy? How many teachers have entered the system since the ministry adopted this strategy?

In June of 2009 the government pledged to provide \$4 million to the community-based teacher education program over four years to subsidize FNMI individuals who wished to become teachers. The funds would be used to cover tuition and moving expenses for up to 40 prospective teachers. Has this funding been maintained in Budget 2010? How many teachers will be subsidized in 2010-11?

In June of 2009 the government also announced a bursary to attract new teachers to live in northern communities for three years after graduation. Applications for the new funding were due by September, and bursaries were to be distributed in December. Has the funding for this program been maintained in Budget 2010? How many new teachers received these bursaries in December?

Private schools. According to the estimates private school funding is set to increase by \$2.7 million, or 2 per cent, from the '09-10 forecast. Private operators of early childhood services are receiving an increase of \$1.6 million, or 3.6 per cent, from the previous year's forecast. Now, this is going to bring the total expenditures on private schools fairly close to the \$200 million amount. I know the government uses choice as their reasoning, but every dollar that goes to a private school is a dollar that a public school doesn't receive.

Given the funding pressures felt by school boards in the public system, why did you increase the amount of funding for private schools? Given the number of children going to school hungry, especially in these tough economic times, why did you not fund a school nutrition program instead of giving this money to private schools?

7:30

Staff reductions. The *Herald* reported on March 3 that Education was streamlining its operations by reducing its staff by 35 positions, realizing a saving of \$4 million. The reductions take effect April 1. Can the minister provide a breakdown of where these 35 positions come from throughout the ministry? Is the ministry continuing to review its staff complement for more efficiencies, or will these reductions be all for 2010-11? Page 85 of the fiscal plan provides the full-time equivalent employment for each ministry in 2010-11, but Education was listed as receiving no decrease. Why weren't these staff reductions included in the budget 2010 announcements with cuts to other departments? Some have interpreted the departures to signal a change in the ministry's approach to assessment, accountability, and reporting. Can the minister confirm if this is indeed the case? I'm referring specifically to Jim Dueck.

Strategy 1.2 of the business plan commits the ministry to implementing the setting the direction framework for special education, page 70. What is the timeline for executing the strategy; i.e., when will the next phase of setting the direction begin? Will the ministry finally attach resources to the setting the direction initiative? Why does the business plan not include performance measures related to special education?

It's a concern of mine that special education funding has been frozen this year again and previously last year. It's also a concern of mine in terms of the blending of things that the coding of kids has been abandoned. It's been suggested that we want each kid to achieve to their best degree, but unless we take into account learning disabilities, behavioural difficulties, which the coding process required and then the funding followed, my fear is that if these kids who are suffering whether from disabilities or fetal alcohol syndrome or whatever it is that prevents them from functioning to their success in a regular classroom don't have the aides and the extra supports, I'm afraid we're going to lose them. I'm also afraid of what the effect will be on the other students in those classes if these students don't receive the support they need.

When it comes to the line between public schools, private schools, charter schools, it's being blurred, and the best example of that blurring is the Edge school. There's Edge 1 and Edge 2. Edge 1 is the school out of Springbank that is now being run by the distant Grande Prairie school division, where there's an Edge 2. Now, these schools are both private schools because they charge tuition, but they're receiving full per pupil grants as though they were public schools.

We also have confusion with I think it's four religious schools in Calgary. They're geographically based in Calgary, but they're being administered, I think, at Chinook's Edge, down in southeastern Alberta. I'm concerned that with the reviewing of the education act, this blurring of what is public, what is private, what is charter is going to cause a great deal of confusion. I do believe in choice, but I think that within the public school system, if properly supported, there would be a lot of choice. Public schools don't have restrictive charters. They allow every child to potentially attend regardless of their economic stature, regardless of their religious beliefs. I'm seeing an erosion of the public system; Bill 44, for example, which allows parents under the topic of choice to pull their kids out of programming.

**The Chair:** Thank you, Mr. Chase.  
Mr. Minister, please.

**Mr. Hancock:** Thank you. Well, we started with the concept of preserving the city core. Of course, it's very important that school boards engage with municipalities, particularly with respect to: when they are in a position where they no longer can properly utilize a school or where they can no longer provide the appropriate educational programming for students, they need to be able to rationalize their school space. I think the best example – I mentioned this in the House today, and I've used it often – is when the Edmonton public school board did the city centre school project. They actually closed three schools, including Alex Taylor school, which was an icon in the community, but they renovated and created better learning opportunities for the students in that area in the receiving schools. They have to be able to do that. We cannot be keeping schools open right across the city because we want to have a school there. There has to be an appropriate educational opportunity for the students. That's got to be first and foremost.

Having said that, school boards do need to work with municipalities with respect to the evolution of those communities and the evolution of the public buildings and the green space and how it works forward. We do need to work on better ways of ensuring that that can happen so that the investment that the public has made in public space can be appropriately used for public purposes where necessary. I would also say that where no longer necessary, where it's not needed for green space, and where we can project that we don't need the school, we ought to be able to remove that embedded capital and use it to renovate the schools that do need renovation or to build new schools.

This is not a school purpose. You know, maintaining the core of a city is not a school board's job, but of course they're one of the players in creating community, and schools are very much a community facility. It's an important issue. It's one that we can't ignore. But we also have to keep our eye on the ball; that is, first and foremost, providing appropriate educational opportunities for students to engage them, to make sure that they can find their passion, make sure that they can maximize their skill sets. That's the first and most important role of the school board.

Updating the utilization formula. I think we do need to update our processes of determining both how we fund the operations of schools and how we determine when and where we need to build new schools. Formulas are always problematic because they're simply a rule-based way to distribute funds, and they're never right. They're based on averages, and so far as I can tell, nobody is average anymore. What you do need is responsive needs analysis, and that's what we're trying to incorporate into a new capital planning model.

With respect to how we fund that, I note your opposition to P3 funding. But I tell you that as Minister of Education it's my job to find the most innovative and practical ways to get the schools we need in the places we need them. If that means doing it through a private building model or a P3 model or some other model, collaborative ways of building space and using it as community space, that's what we need to look to. School boards are coming up with some innovative ways to co-operate and collaborate, and I think we're seeing some very, very good initiatives in that way.

Fifty-five per cent of FNMI students completing high school and the concern in that area. Obviously, that is a concern, and we've made great strides on that. I can tell you that while excellence in teaching is the most important indicator of a successful school system, you will not have a successful school system unless the community and parents value education. So our partnership that

we've created with treaties 6, 7, 8, and the Métis Settlements General Council, Métis Nation of Alberta is I think the most important step forward we could make in that area because it needs to be a partnership. I cannot as Minister of Education go into communities and tell them that education is important to them. The communities have to create that importance, and the leadership of those communities are going to be effective. I can support those leaders in doing that, but I can't do it directly.

What we can do is work with them to make sure that we have access to some of the best teachers, that we have access to good facilities, that we have access to the transportation, all of those things, but we also need the community partnership to make sure that the value for education is understood because if the kids aren't at school, they're not going to get the education.

I would contest your suggestion that 75 per cent of ESL students failed to graduate in five years. That's not supported by our research. Expansion of ESL funding to seven years from five years enables increased programming support for ESL. ESL students do well on PAT and diploma exams compared to general student populations. I would suggest that there's no evidence to support your allegation of that high dropout rate and that failure rate.

7:40

In terms of the support for new teachers, I believe we have bursary funding for 40 teachers, and I believe that's been taken up. The funding will be maintained. The bursary program is in place, and that's been taken up, as far as I understand. If it's not, I'll let you know. Those two programs are very embryonic. It's very early stages, so I can't tell you they're successful other than that we've had good take-up on them, so we expect them to be successful.

Private school funding. I can tell you that there have been no increases to private school funding other than the annualization of last year's increases. They're in exactly the same position as the public school boards. It looks bigger because they went from 60 to 70 per cent last year, but all they got was an annualization of last year's increases. They're on exactly the same footing as public school boards except that they don't get the class size initiative funding, and they don't get some other funding.

With respect to your suggestion that if we didn't fund the private schools, we'd have more money for the public schools, I'd suggest to you that if we didn't fund the private schools, there'd be more kids in the public schools, so we would have more pressures on the public schools. It's a choice in the system. It's a very small percentage of the students that have that choice.

I would suggest that your suggestion that they don't take any except certain select students is also wrong. They select on the basis of religion. They select on other bases, as you noted yourself later on when you talked about the 3.6 per cent increase in the special funding, because there are special-needs schools in that area that do some pretty decent work. I think the funding there is \$41 million for ECS and \$45 million for ECS operators. So of the \$171 million, a significant portion goes to private schools which actually do that type of work.

No, not everybody is a supporter of private schools, but I think you have to accept the reality that they educate some Alberta students. They educate them successfully. They do it with fewer public dollars than the public system does. To suggest that they all should be collapsed into the public system would mean that there was a huge increase necessary on the public system funding side, and there wouldn't be extra resources to do what you're talking about in terms of the nutrition programs and those sorts of things.

The reorganization of the department. We've realigned the assessment and accountability division, accountability and reporting,

and realigned it into the program development and standards division and learning supports. You can say that there's been a change in the focus on assessment and accountability. That's an ongoing project because we're in the Inspiring Education process, and we're looking at the role of the provincial government in education, what role we should play. We're looking at, of course, the changes to the School Act, which I hope will end up with an education act that is less prescriptive, allows school boards to do what they're supposed to do, and clearly defines the roles that we play, allowing us to move into a role which emphasizes more on research, for example, in keeping us current and ahead of the curve with respect to how learning is done.

Obviously, we need to look at assessment for 21st century skills. There's a project that I've talked about a number of times that's being done out of the University of Melbourne on what assessment might look like going forward. Clearly, for now aligning our assessment and accountability process more with our curriculum and learning supports program makes sense.

With respect to special-needs students, I'm looking forward to implementing the process coming out of setting the directions for special needs. We're in a policy approval stage right now.

We'll continue later.

**The Chair:** Thank you, Minister Hancock.

I'm going to suggest that we take a five-minute break now and ask committee members to be back in five minutes, please.

[The committee adjourned from 7:44 p.m. to 7:50 p.m.]

**The Chair:** I'd call the committee back to order, please.

Rob Anderson, you've got the next 10 minutes or 20 minutes in exchange with the minister, at your discretion.

**Mr. Anderson:** Just an exchange will be fine if that's okay.

**The Chair:** Okay. Thank you.

**Mr. Anderson:** Thank you, Minister. I'm going to break up the topics just into two. The first is going to be regarding the allocation of infrastructure, just basically the ideas you covered earlier about how you determine which schools go where. Obviously, I'm going to be using my home jurisdiction as an example, and I'll read some facts to you. That'll be the first part.

Then the second part will be on Inspiring Education, the initiative which, of course, the hon. Member for Athabasca-Redwater chaired and, I thought, did a fantastic job on. I also want to say that in my experience I don't think we agree with everything, Minister, but I honestly do believe that you understand your file, you're very competent, and you don't use the public purse for politics. Unfortunately, I don't think I can say that about every minister, but definitely you're on top of it.

I want to start, though, with a mess that you inherited. It is a mess – and if you can justify the mess, that's fine, go at it, but I don't think it is justifiable – and that's what's happened in the Rocky View school division, specifically in Airdrie and Chestermere, over the last several years. I'm just going to give you some facts as they were communicated to me by Rocky View, but these are backed up by Statistics Canada and every other body that I can get a hold of with regard to this information.

Just to start out with growth, Airdrie and Chestermere are under huge growth pressures right now. We are the fastest growing area in the province, even faster than Fort McMurray. Canada grew by 5.4 per cent from 2001 to 2006. Alberta grew by 10.6 per cent. The

Calgary metropolitan area grew by 13.4 per cent. The population within the area served by Rocky View schools grew by 25.6 per cent in that five-year period. You probably know this: we're currently the fifth largest school division in the province according to Rocky View. We'll be very soon the fourth largest school board. Only Calgary public and Catholic and Edmonton public will be larger.

The CMA, the Calgary metropolitan area, is experiencing extreme growth pressures as a result, of course, of the economy in the area recently. People don't know this, but actually in the midst of the recession last year Airdrie grew from 35,000 to 40,000 people, and Chestermere grew from 12,000 to 16,000 people. That's in the midst of a recession. The school infrastructure as it currently exists does not have the excess capacity to absorb the growth. It's just not there. I mean, I'm sure you have the same report that I'm looking at. It's hitting critical levels.

This is where the problem is. I have to admit I have severe fault in this, and I can take much of the blame. Approximately 22.6 per cent of the population in Rocky View school division is of school age. There are just so many young families, and we're all having babies. I'm the first to admit that I've contributed to that problem a great deal.

The growth in the school-age population is more significant in the centres of Chestermere and Airdrie than anywhere else in the Calgary metropolitan area. I mentioned that Airdrie's current population is 40,000 people, and it's projected to be 70,000 people by 2025, so in 15 years we'll be at 70,000, one of the larger cities in Alberta. Chestermere by 2025 will be at roughly 30,000, up from its current 13,000. These are pretty conservative growth projections as well.

Basically – and this is kind of the crux of it – from September 2009 to September 2014 there will be an additional 3,171 students attending schools in the Rocky View school division. That's their estimate. By 2020 Rocky View schools will educate roughly 50 per cent more students than in September 2009. I can tell you that in Airdrie there are nine new communities right now all actively building, and that's not including the community that I'm in, that just had one street left to develop. They popped half of that street up last year; like, 30 houses popped up. They're popping up the other 30 this year. It's nuts. That's the growth we're facing.

Now that we understand the growth, I want to go to how the Ministry of Education has handled that in the past. Most of these decisions were made prior to your tenure there, so I don't by any stretch fault you. From 2004 to 2008 Rocky View schools grew by roughly 1,100 students, and it's projected, as I said earlier, to be 3,100 by 2014. In that time we received approval for two new schools, one in Chestermere and one in Langdon, okay? So that's two schools for 1,100 new students and 3,100 new students by 2014.

During the same period the Calgary board of education received approval for 15 schools – it grew by roughly 1,500 students – plus they received a grant of \$30 million to replace the Ernest Manning high school to accommodate the Calgary LRT. So 1,500 students necessitated 15 schools. Now, I understand that the population has gone out of the core, so there's a need to build new schools. I get that. That's 15 schools for 1,500 new students; two schools for 1,100 new students in that same period. That just does not seem right to me. Calgary Catholic received approval for eight new schools. It shrank by 124 students during that same time. So eight new schools, 124 shrinkage; 1,100 increase for Airdrie, two schools.

Edmonton public schools received approval for 10 new schools and shrank by 1,000 students in that time period. That's 10 new schools, and they shrank by the same amount that Rocky View grew. Edmonton Catholic received approval for four new schools and grew by 1,000 students.

School authorities in Grande Prairie received approval for four schools. They grew by 800 students. Again, we grew by 1,100, and we only got two.

Those are some of the inconsistencies I see. You know, I don't want you to make excuses for the previous minister or anything like that. What I just do want to say on behalf of my constituents and on behalf of Alberta parents is that on a go-forward basis, Minister, we've got to make sure that these schools are not being built for political reasons but that we're separating needs and wants and we're building where they're needed.

The three questions I have are: will you, first, please explain on a go-forward what you're doing to address this critical situation in Rocky View? The second is: is there a decision-making matrix for deciding where schools go, how you prioritize? Is there an actual priority list for new schools? Would you, please, table publicly that list and that matrix?

**Mr. Hancock:** Just a couple of points, I guess, in that litany. I guess I'd start by saying that I'm maybe not surprised that you're focusing on the Airdrie area as an example of what's happening across the province but surprised given the context of your suggesting that we could balance the budget by taking a couple more years to build; in other words, reduce the capital plan. I don't see how the capital plan could be reduced in this year and next year and extrapolated out over a couple more years without it impacting what we're doing in education. The reality is that I don't need a reduction in my capital budget. I need to find better ways to lever the capital budget that I've got to get more schools. I just want to put that on the record because I hope that when you get advocating, you'll stop advocating for us to stop building and start advocating for us to build more.

**Mr. Anderson:** Well, we'll talk about that in the future.

8:00

**Mr. Hancock:** Now, the other piece that I just want to mention. You've mentioned, I think, two schools for Chestermere and Langdon. You neglected the new Catholic school being built in Airdrie and the new francophone school, albeit a small one. So there are actually four schools, but your point is still valid.

**Mr. Anderson:** Okay. That's not what I said, though. It's the public school system. Calgary Catholic, as I said, had eight schools. One of them was in Airdrie, but those numbers I just gave you were Rocky View public school division numbers. Calgary Catholic is separate.

**Mr. Hancock:** Yeah, but it would leave the impression that there has been less service to that area than there actually has been. I'm not going to make any particular points about . . .

**Mr. Anderson:** And there's no new francophone school done. I don't know where you got that. We'd love one. They're dying to have one.

**Mr. Hancock:** There is one.

**Mr. Anderson:** No, there is not. It's in a trailer. It's not a new school. It's in a portable.

**Mr. Hancock:** In any event, your point is well taken. There are areas in the province – and Airdrie-Rocky View is one of them – where there are growth pressures that need to be addressed. We could argue over which one is the highest priority. You heard a

question in the Legislature the other day about Beaumont, which has growth pressures, and you cannot detract from the fact that although the large metro boards overall don't have the same growth pressure, they certainly have regional growth pressures in terms of their areas, and some of those areas are larger than some of the suburban areas that you're talking about. So we have growth pressures, and we're going to have to deal with those growth pressures.

The P3 projects that are in place: ASAP 1 is moving on very well, and it is going to be completed on time and under budget, or at least we did it for less than we thought. It's good value for money. Yes, when they put together the first P3 and the second P3, there were some adjustments that had to be made to priorities, or picking what fits into the appropriate bundle, which maybe wasn't necessarily every school that might have been the next in priority on the list, but it was part of putting together a manageable budget that would get us the savings and get us more value for the money.

So I don't believe that that's a political choice. I believe that's just practical, how you put together a bundle that works. They've learned from ASAP 1, and we've learned from ASAP 2, and I hope that there will be an ASAP 3, which will allow us to go more broadly. Of course, economic circumstances have changed, so you could configure the bundles a little bit differently. They don't have to be as big as the first ones, as we can see in ASAP 2, where the four high schools were taken out of the process and done on a more conventional build process, and then the remainder were done on the design, build, finance, and maintain model of the P3.

Anyway, no question that one of the real challenges that we've got right now is how we come up with – and we've got five different bundles of projects that are a top priority for us. Some of them are health and safety projects. Some of them are occupancy, the need for space. Some of them are, I guess, what I'd define as unfulfilled obligations. There's a need for a francophone school. We've got an obligation for francophone schools, but they've got to get in line with the priorities like everybody else.

Then, some of them are what I would call opportunities. Calgary: you talked about the \$30 million for that school. Well, that wasn't the highest priority school in the province, but it was an opportunity to build a new school that was going to be needed, and the city had a problem because they needed the spot for LRT and for an LRT station, I believe. So instead of getting into protracted discussions or perhaps expropriations or whatever, it made sense to collaborate and come up with a better win for everybody. You're right: it wasn't the highest priority. But it was an opportunity.

There are other opportunities like that around the province that we should take advantage of, and we don't have the budget flexibility to do that. So we're working on a capital plan, which I hope will get some approvals, which will help us to move to a more flexible or nimble model to both deal with the urgent priorities and to have the opportunity to take advantage of the opportunities. We'll see if that happens.

Right now there's a process for infrastructure, which means that every project that our capital plans go into is assessed on a strictly formulaic, I would say, basis to say: how many points do you get for various things in the process? If you rise to the top, then you get funded with the next dollars that dribble down. We've got to be more nimble than that. We've got to work on what the best model is for a particular area. In your particular area it may be that there are enough schools needed that we could put a P3 package together just in that area. That's a possibility.

There are other options. They, for example, have the Alberta Transportation maintenance facility, that I think they got for a dollar. That provides some opportunities either for using that space or, perhaps, with the permission of Transportation for turning that into

equity to do something else. They also have a considerable amount of land at their disposal.

One of the things – and this was raised in the House the other day. In St. Albert, for example, in the northeast portion of the city, there's a proposal by a developer working with the school board on how they could do a one-off P3 project. There's a good reason to go to developers in an area – and Airdrie might be a good example – where there are two or three or four developers and say: "We are going to build one school in this area. Come with sharp pencils and tell us what you can do. We've got three or four pieces of land that don't have schools. We'll contribute that to the bundle."

That's the type of thinking we have to engage in so that we can lever the resources we've got to get more done on a more timely basis. So I'm hopeful that we'll be able to be successful with that kind of planning because, quite frankly, it's what we need to do: to be more nimble, to take advantage of opportunities, and to help school boards design the best result for their needs. We've got other areas in the province, Jasper for example, where a public school needs extensive renovation and a francophone school is in the Legion and a church. It's not acceptable. We need to find the solution to that.

I understand your concepts. We certainly are developing the priority lists based on – we have a priority list with five different bundles, as I said. Here's the problem with publishing that list: everybody looks to see where they are on the list, and it's not an order ranking. It can't be because you have to be able to move with where the opportunities are. We may be able to do an opportunity that would build three or four schools in Airdrie or five schools in that area if we could put a P3 bundle together. All five wouldn't be on the priority list, on the top of the priority list.

So that's the nature of what we're trying to accomplish, to get the schools where the children are, where they need them, with a focus on those areas which don't actually have space, first and foremost, and those areas which have safety issues or health concerns. Those would be, I think, the two major priorities that would go into a ranking process.

**Mr. Anderson:** I appreciate those comments. Sometimes when I'm doing the family budget or something, I'll go in and I'll see this \$1,500 purchase or \$1,000 purchase that my wonderful, sweet companion may have made. I go to her and I say: you know, this wasn't exactly in the budget.

**An Hon. Member:** No.

**Mr. Anderson:** I would. I am cheap. I admit that.

But then she'll go: oh, but I got it on sale, and it was such a good deal. Well, you know, we still can't afford it. So I think that I understand that sometimes you can package stuff up and you can get a good deal, but the fact remains that you have a budget and you're trying to live within your means. I mean, if that was the case, why don't we just build 3,000 schools, leverage our province to the hilt. They're all assets, right? You've got to draw the line somewhere. You've got to be reasonable.

Earlier you asked me, you know: how can I claim that I want to cut the infrastructure budget from \$7 billion to \$4.6 billion under the Wildrose plan and still ask for these schools? Quite simple. Really, what we should have done is – probably we didn't need 32 P3 schools. You just said earlier tonight that there was actually a reduction in school-age kids overall in the province. What year was it? Anyway.

**Mr. Hancock:** But going forward, we're projecting growth.

**Mr. Anderson:** Projecting growth. That's right. I forget which year it was, but you said there was a reduction in the school-age population. Well, okay. Good. So maybe we needed 16 or 20 schools and not 32 schools. The problem is that those schools should have been targeted instead of nine for Edmonton, nine for Calgary, you know, four for Calgary Catholic, and four for Edmonton Catholic. Maybe we should have just looked at where the school is actually needed the most. That's just part of budgeting. That's just part of running a province competently. So I don't think that there's any incongruity between saying that we need to live within our means and that we need to make sure that the infrastructure dollars we do spend are spent exactly where they're needed. Any business that doesn't run that way . . .

8:10

**The Chair:** That concludes the time, actually, 20 minutes in exchange.

**Mr. Hancock:** The only comment I'd make, Mr. Chair, to that, just very briefly, is that I haven't seen a school yet – and this itself may be a damnation of the capital planning process – that opened that wasn't full when it opened. So to say that any one of those schools isn't needed – I think all you need to do is visit any one of them when they open, and you'll see that they're all needed. They all are priorities, and getting the best value for money is a good business decision.

**The Chair:** Thank you.

With the concurrence of the committee, I will recognize Ms Notley for the next either 10 minutes or 20 minutes in an exchange, your preference.

**Ms Notley:** Okay. I think we'll try the exchange thing, see how well that goes. I say this most of the time: if I happen to interrupt you, it's not out of disrespect; it's because I want to move on to a new topic. Please know that in advance.

**Mr. Hancock:** Can I do the same?

**Ms Notley:** Absolutely, but I may still keep talking.

I want to maybe just carry on a little bit on the topic that we've just heard about, although I have to say that I think I'm probably approaching it from a very, very different point of view. It's interesting because, certainly, we just had a very interesting illustration of the really emergent pressures that the ministry faces and that the province faces in terms of the needs for schools. Whether we're talking about sort of the emergent situation in Airdrie or the emergent situation that we heard about a couple of days ago in Beaumont, with, you know, school kids walking across the road, carrying their desks over to the community league in the morning and then carrying their desks back in the afternoon and all these kinds of things, what that shows me, of course, is that we have some very emergent short-term problems.

But I wanted to sort of step back a little bit from that and step back even a little bit further from the comments you made in response to the Member for Calgary-Varsity's comments with respect to: well, you know, we need to work a bit with the municipalities, and the school boards have to try and see what they can do there, but at the end of the day it's not a school board's job, and we just provide education, and that's our job, and we just want to get people under roofs and get them an education.

My concern is that, quite frankly, we're in a crisis situation now, and it's a situation that could have been predicted 15 or 20 years

ago. The one point that I would have made to the Member for Airdrie-Chestermere, of course, when he was talking about his new schools is that in lots of places you were putting new schools in to replace broken old schools, so it wasn't really valid to compare the new students to the existing. He was not taking into consideration the many existing students who were in schools that were falling apart. But, of course, that all comes into play with the fact that we need to plan well, well in advance, not four years in advance, five years in advance with growth projections just a few years down the road, because as you just pointed out, we're in a situation where you open a school, and it's full.

But we also have this other problem, which I know you're aware of, which is very clearly defined in the city of Edmonton, where we've just had the school board come out with a plan to review 70 schools that reside in the so-called inner city. That's an inner city that is 100 blocks long and 120 blocks wide. I mean, that's an inner city that is effectively what the whole city was 35 years ago or 40 years ago. It's a ridiculous range. I have to tell you – I know you've heard a little bit about it in the Legislature already – that people are apoplectic over this issue. I think you're going to be perhaps a bit surprised at the level of anger that you come up against over the course of the next few months or years around this if this problem is not managed.

So what does that mean? I know it's not your fault, and it's certainly right now not your responsibility. It's a function of a school board that's in one silo; a city that's in another silo; a Ministry of Municipal Affairs that's in another silo; SRD, which is starting through their land-use framework to talk a little bit about these issues; and then the Ministry of Education, which, unfortunately, based on your comments, is in still yet another silo.

I think that if you're going to deal with this issue and get out of this crisis management mode and get out of a strategy which predicts and ensures that 20 years down the road we have created a Bronx-like hole in the middle of our capital city from which we cannot recover, then there needs to be leadership taken. There needs to be more leadership taken, whether it's from the Minister of Education or the Minister of SRD or Municipal Affairs or the Premier. I know you like to talk periodically about the independence of the municipalities and the school boards, and so do I, but this is clearly an issue which independently none of these bodies have been able to address. So now we're at this point where we have inner-city schools, a raft of them, closing all over the place.

What does that mean? Well, we've talked in other contexts about, you know, kids at risk, aboriginal kids, immigrant kids, wraparound schools, having the community support the child in the school, all these different services to help our at-risk kids, many of whom are not getting through the school properly, through the school. How do we do that? Well, we don't do that by putting them on a bus and shipping them out to a suburb in a great big school that's got thousands of kids in it. You keep them in their community.

That's my rant, and thank you for being patient for it, and I won't do any more of that. There's not really a lot that I expect you to answer right now because I've already heard your comments in response to the Member for Calgary-Varsity. I just want you to know that this is a huge issue that's not going to go away, and as I see it, notwithstanding all the yeah buts, yeah buts, yeah buts, at the end of the day this government either shows leadership or it doesn't. Anyway, I meant to wrap up, and then I stopped wrapping up, so I'll stop.

From all of that I have one question for you. You talked about the whole idea of coming up with a responsive needs analysis, and last year in the budget debate we talked as well about, whatever it's called, the capacity tool that the ministry uses. At that point there was talk about reviewing it.

**Mr. Chase:** The space utilization formula.

**Ms Notley:** The space utilization formula. You mentioned then that it would be reviewed. I'm sure you're aware that, you know, certain school board trustees are out there advocating other space utilization formulas. My question is simply: what is the status of that review? If it is sort of what you started to talk about with respect to this notion of a responsive needs analysis, can we get all the documents that are created to this point with respect to how the ministry is looking at that? If it links into the capital plan, I guess we need that, too, although, again, the capital plan is very much putting out fires right now; it's not looking forward. I'd just like to get a copy of the responsive needs analysis, to find out if there is such a document, and find out where we're at with reviewing the utilization formula.

**Mr. Hancock:** Well, first of all, in terms of planning well in advance and knowing about 20 years ago, 20 years ago people were facing declining school enrolments, and there was no projection that I'm aware of – and I believe it's safe to say that there were no projections – which would suggest that school populations would be going up or that the growth in the Alberta economy and, therefore, the growth in our population would be what it is. You know, I'm a big believer in planning and in long-range planning, but the reality is that 20 years ago they faced and feared significant student declines, not growth.

We're the only jurisdiction in Canada that I'm aware of with the challenge of student population growth. The issues that we're dealing with in terms of Rocky View, in terms of the suburbs of the city, in terms of Fort McMurray, and in terms of some of the other jurisdictions like Beaumont and a few other nodes are relatively recent and unique phenomena that the earlier demographic planning hadn't actually shown. If they had the plan, they wouldn't have planned for that. We are planning for that now, and we have much better demographic modelling, in my view. We also have good historical growth information, so we should be able to do a better job of planning for the school growth.

I want to assure you that nobody is operating in a silo. I have been working with the municipality, with the school board. We've been talking about how we can make better community use of those facilities, how public facilities can have an ongoing life and come back to be a school when they're needed again. The fact that Edmonton public school board is being very responsible in reviewing 70 schools does not mean that they're planning to close 70 schools. We should be very careful not to scare the community with those sorts of concepts. This is not about closing every school in a 100-block by 140-block area. This is about reviewing the educational opportunities for students in those areas, and Edmonton public school board has done that very well in the past. The city centre school project was an outstanding success and continues to be so because they focus on the right supports for the students, working collaboratively and co-operatively to make sure that those communities continue to exist.

So, yes, they will probably have to close some schools because they don't have enough students for all their schools, but . . .

8:20

**Ms Notley:** The reason they don't have enough schools is because we have unchecked suburban development, where the city goes out and says: "Yeah. Off you go, developers. Build all these houses here. We'll figure out the schools later."

**Mr. Hancock:** And the capital region growth plan is dealing with

that and dealing with that very effectively by talking about densification and where growth will happen.

**Ms Notley:** I know, but you can't talk about densification while you're closing the schools in the neighbourhoods where you want people to densify, right? That's the problem.

**Mr. Hancock:** That's why the ongoing conversation has to happen with respect to where we need to retain public school space and where we don't need to. We don't need all the spaces we have. I don't think there's anybody who would say that we need all the spaces. We don't build schools like that anymore. We don't put a school on every corner anymore. That's not the model, and that's not what will happen going forward, where you're talking about any place, any time, any pace learning. So we really do have to look at what we're doing from an education perspective going forward and then, of course, what you need from a community facility and community growth.

The reality is that we cannot plan the future community based on the past community. We've got to look at what the future communities are going to need, and that's a very difficult discussion for people to have. We're all experts at education because we all went through it about 40 years ago. Well, some of you maybe 30 or 20 years ago. The fact of the matter is that we've got to look forward. That's what Inspiring Education has been about, and we have been looking at what we need to do going forward.

When it comes to the capital planning process, I was very keen at the start of my tenure as Minister of Education to deal with the capital planning process because I'm tired of opening schools that are already full and being behind the eight ball on where schools need to be, but the reality is that it made more sense to talk about what the future of education looked like before we talked about building more schools. So there's an iterative process that has to happen. We're completing Inspiring Education, the first part of that dialogue, and talking about what education looks like in the future. Coming out of that, there will be very important granular discussions about what that means for capital, what that means for curriculum, what that means for educating the teachers, and the role that we expect teachers to play.

**Ms Notley:** I appreciate that. I think we're kind of going off topic. We're getting back into the education stuff, which by all means we should be, but the comment that I was trying to make is that I think that, notwithstanding everything that you're saying, we are still siloed. Thirty years ago people understood urban patterns of development, understood very clearly that this was what the two major cities were at risk of doing. Unfortunately, our school building pattern has simply followed behind a very dysfunctional developmental pattern.

**Mr. Hancock:** We'll have to agree to disagree on that.

**Ms Notley:** Well, anyway, the problem with that, unfortunately, is that I don't see you, then, saying that you're going to actually take a leadership role to try to stop it. But, nonetheless, if I could get your responsive needs analysis document.

**Mr. Hancock:** As I said, we have to get into the granular process. We're working now on the capital planning model, but we spent more time last year on Inspiring Education.

**Ms Notley:** Okay, so if that's not done, was there a review that was completed of the utilization formula?

**Mr. Hancock:** No.

**Ms Notley:** Okay. So that wasn't done. Is that going to happen, then?

**Mr. Hancock:** I hope so.

**Ms Notley:** Okay. So let's move on to a much more specific topic. There was a lot of good discussion already with respect to aboriginal students. You mentioned the memorandum of understanding on First Nations education. That was great, and of course I also heard about that yesterday from the minister of advanced education, although in both cases what I heard was that this was all about making sure that we supported the communities to be more supportive themselves of the education of their kids. I can't help but tell you that in both cases I had a little whiff of sort of: blame the victim. I know that wasn't what you meant, but I will say that that's how it sounds because it's what I heard from both ministers.

Notwithstanding that, there were some funding commitments that I believe were to have been attached to that memorandum of agreement. The first one was the Alberta First Nations education circle. Was there funding set aside for that, yes or no, and if so, is it in your budget or ought it to be in your budget?

**Mr. Hancock:** No. We haven't specifically set aside targeted money for that at the moment. I mean, that agreement has only just come together. We do have resources. The primary focus from a funding side of that MOU is to get the federal government to the table to fulfill their responsibility on funding. We fund our students in Alberta very well. The federal government does not fund the students on reserve as well. That creates a disparity, so that's one issue that needs to be addressed.

There are some other things that are very important that we need to work on, the protocols with respect to data sharing. We're going to work with them on the indigenous knowledge and wisdom centre. We're working on the plan with respect to outcomes and those sorts of things. Not everything is first and foremost a resourcing issue in terms of more money. While we haven't actually targeted the funding on that piece, we're certainly going to live up to our commitments to work as partners in that, and if there's some funding that's needed, we'll find the funding.

**Ms Notley:** With respect to the indigenous knowledge and wisdom centre and all the things that you did commit to, what do you see as being the dollar amount attached to it? Does it exist in your budget at this point?

**Mr. Hancock:** Well, you're putting the cart before the horse. First of all, we have to deal with the concept of what that is and what it means. It could be a virtual centre. It could be an actual building. But the work needs to happen to create that. The first step is getting all parties to the table to agree that that's a useful step forward.

We started talking with the federal government at the end of June last year. As the federal minister said at least three times during the signing ceremony, he's never seen anything move so fast to get an agreement in place by February.

Obviously, there's more work to be done in terms of refining what goes into the knowledge and wisdom centre. We're all committed to working on that. We think it's an important way to raise the value of education, which is an important success tool. That's not blaming the victim. It's recognizing the reality that we're all in this together. Some of us can do more on some sides of the equation; some of us can do more on the other sides of the equation. But all of it's going to be necessary in order to make it work.

**Ms Notley:** One of the key issues, of course, is increasing the number of First Nations and Métis teachers. I know that there was some talk about a bursary and some effort. I'm trying to get a sense of what you think the number increase is there that you've been able to accomplish so far. What is the funding that's dedicated towards that this year?

**Mr. Hancock:** There was \$4 million in the one program, a total of \$8 million in the two programs that were mentioned. One program supported 40 students. I presume the other one would support about that many as well.

**Ms Notley:** Those are students that have graduated and are in the system?

**Mr. Hancock:** In one case it's students going in that we're supporting, so aboriginal students who are going to postsecondary that we're supporting through the process.

**Ms Notley:** To education?

**Mr. Hancock:** Yes.

**Ms Notley:** Okay. To education, to be teachers?

**Mr. Hancock:** Yes.

**Ms Notley:** Okay.

**Mr. Hancock:** Then the other program is a bursary program which supports students that are already in the system but who will commit to coming out. Those ones don't have to be aboriginal. They just have to commit to spending some time in the rural north.

**Ms Notley:** Okay. So it's really more like \$4 million, then, for the actual sort of increasing the number of aboriginal teachers per se.

**Mr. Hancock:** Yes. Although the priority is to get students who are from the north to go back to the north.

**Ms Notley:** So they're eligible for the second \$4 million. They just aren't necessarily the people that are taking it up. How long has that been in place now?

**Mr. Hancock:** We announced it last June. It's in its first year. This is the first cohort of people in it.

**Ms Notley:** Okay. So we don't have a real sense yet of the success because we don't have anyone graduating.

**Mr. Hancock:** Yeah. As I mentioned earlier, the only success so far is that the take-up has been phenomenal.

**Ms Notley:** Okay. What else did we have? Alberta had agreed to pursue targeted strategic funding opportunities designed to increase the success of First Nations students in Alberta. Am I to then interpret correctly that that means you've agreed to ask the feds for money?

**Mr. Hancock:** Well, we're actually doing something which is unheard of. Treaties 6, 7, and 8 and the provincial government came together jointly – I think it's the only province where this is happening – and went to the federal government and said: we've got



this first problem that we have to overcome, and that is the disparity of funding, so we need you to come to the table and talk with us not just about the disparity in funding but particularly about the disparity in funding.

That's important because we fund Alberta students very well, and we top up funding for self-identified First Nations, Métis, and Inuit students by an amount of \$1,125 per student, which the federal government doesn't do. That is great except that it creates problems. We've got First Nations students on reserve that are not funded to that level. In some cases they're in schools on reserves; in some cases they're under tuition agreements to local school boards. There are a wide variety of tuition agreements across the province. There's some research happening on that.

8:30

The really important part of this is that we've got leadership at the provincial government level in three departments. At the First Nations level in all three treaties the grand chiefs have been committed to this, and with the Métis settlements and the Métis nations the presidents are committed to education. We've got aligned leadership in favour of education, which is a phenomenal opportunity for us that we can't waste. The partnership agreement and the partnership council and this MOU are very, very important steps because it's everybody's signature on the line saying: yes, we're committed to doing this together and going forward together.

**Ms Notley:** Just going back to the First Nations education circle, my understanding is that you had committed to support the secretariat functions of that. Will there be money flowing?

**Mr. Hancock:** We've got departmental staff in that area, and we're providing secretariat support for the partnership council and will be for the education circle.

**The Chair:** Thank you, Minister.

At this point we'll go to Mr. Bhullar, either in exchange for 20 minutes or 10 minutes and 10 minutes shared with the minister.

**Mr. Bhullar:** I trust the minister to share the 20 minutes. I reserve the right to interrupt just like my colleague from Edmonton-Strathcona, but I don't think I'll be needing to do that.

Minister, we spend about \$31.5 million every day that children are in school. Other than educating our children, where do we rank with this internationally or nationally? Where does Alberta's system rank, and how do we know that what we are doing is in fact effective and, quite frankly, the most effective way of educating our young people?

**Mr. Hancock:** Well, that's an interesting question. There's no definitive answer to that. I don't think you can say, "Where do we rank?" just by measuring how much money we spend. I don't think that's, in fact, the most important measurement of where we rank. I think it's fair to say that by many international standards we're considered to be among the top five in the world in terms of our education system, whether you use the PISA results in maths and sciences, not so well on some of the other results. I guess one of the real measures of success is the fact that people come from all over the world to take a look at what we're doing and to see why we're doing as well as we are.

I was able to go to Singapore in June and July at the invitation of the Minister of Education in Singapore, who cosponsored a conference with only six other jurisdictions in the world, so it was a very exclusive group. They invited people because they wanted to look

at what makes the best the best and what we do to stay the best. I think those are types of things which tell us that we're on the right track. I can also tell you that when I went to London to a conference of ministers of education, 69 ministers of education from around the world were there. It was very affirming because most of them were looking to accomplish what we already have, but we were also able to understand that if we're not nimble, they're going to move past us very quickly. That was the whole basis of the Inspiring Education project, to make sure that we understood what we needed to be successful in the future.

There's no definitive way to rank a school jurisdiction, but I think we can confidently say from all the various studies and assessment results that we're certainly in the top 25 and often considered to be in the top five.

**Mr. Bhullar:** Excellent. That sure is good to hear. What's even more refreshing to hear is the fact that you realize the fact that we may be wonderful and great today, but we live in an ever-changing world. To ensure that Alberta's young people remain global leaders with respect to education and the competencies they develop, we need to be quick on our feet to respond. We live in a world where the Indias and the Chinas of the world are rapidly changing. I believe China was able to transform their educational curriculum within a period of five or six years. Now, I can't even imagine how long that would take us to do here, quite frankly. So that is refreshing to see.

Next, Minister, I'll get a little bit into a motion that was passed in the Legislature last year, conveniently sponsored by myself.

**An Hon. Member:** No.

**Mr. Bhullar:** Yeah. Yeah. I must have stolen the idea from someone else, Minister, because it seemed to be a good one. Nevertheless, this motion talked about creating more linkages between high schools and postsecondaries and what I deemed to be real-world learning experiences in high school. My objective in this motion was to say: look, high school students shouldn't be leaving high school and then facing this massive shock of the real world. We should find ways to help them experience the, quote, unquote, real world while they're in high school. If that means more real-world job training opportunities, then that should be it. If that means giving them the potential to actually take postsecondary courses and get credit for it while they're in high school, then I think that makes a heck of a lot of sense. If a young person is ready and eager to learn, then why should our rules, quite frankly, slow them down?

**Mr. Hancock:** I couldn't agree with you more. In fact, you'll know from our support of the WorldSkills 2009 project the very strong emphasis on making sure that, first of all, we inspire students to engage in whatever their passion is. It doesn't have to be academic. There can be, certainly, trades. There can be technologies. There could be a number of different areas. We need to make sure that those learning opportunities are there, first and foremost.

We have the RAP program. I'm sure you're aware of the registered apprenticeship program, which helps students who want to start to take a trade while they're still in high school and, in fact, can graduate ready to challenge the first-year apprentice exams if they want.

We need to build more of those opportunities. We have some very good examples around the province. If you go to Cold Lake, Portage College is a wing of the same building of the Cold Lake high school, or Rocky Mountain House, where Red Deer College has a campus between the public and the separate high schools in the

same building. We have partnerships. I think Red Deer College has a partnership in either Wetaskiwin or Ponoka that they're building. We need to create those linkages.

Olds College is probably one of the best examples with the new high school on the Olds College campus and an ability for students to have exactly that type of cross-pollination, where a high school student can start to take their courses. That's helpful in terms of the high school completion because it helps the student see the long-term future for themselves, and also that helps with the transition process. Lots of opportunity to work in that area.

I think Careers: the Next Generation, which is an organization which we are one of the sponsors of, helps to also assist with students' knowing and understanding what career paths they may have. I think that's very important. We need to work to make sure that our work experience programs are designed in such a way to encourage work experience but also to ensure that it happens in a safe manner and with appropriate supervision. There's some work being done on the structure around that. There are a number of different opportunities there, but that's extremely important.

**Mr. Bhullar:** It's absolutely important, Minister. But, I guess, I'd like us to take a step further and really push this because I see this as being so absolutely critical, and I see us often getting stuck in structures that, quite frankly, are a little outdated. I'll be very honest with you, I mean, and I'll pose this question to you. I've posed these questions to many stakeholders within, you know, the education sector – many, many stakeholders from government to boards to teachers, et cetera, et cetera – and everybody seems to say: we are doing just fine, thank you very much; if you want to really improve the system, give us more money. I just don't know if that's entirely accurate, to be quite honest. I mean, we're doing fine. We're doing well. We're doing great in some cases, as you said. I think the motivation to understand that we must remain very quick on our feet and ready to adjust and ready to change and ready to adapt to a new world really needs to get out there with respect to all the stakeholders in education.

8:40

Now, I'm going to ask about a specific program that was a pilot with SAIT and the Calgary board of education whereby a group of students were able to graduate from high school. Actually, they were able to get a diploma as a certified retail pharmacy technician before they got their high school diploma. That was one pilot project, and it's wonderful. But what in your budget can give me the assurance that we're going to have five and 10 and 20 of these sorts of programs out there in the near future?

I ask this in the context that one of the reasons why I'm so committed to this is increasing postsecondary engagement. Representing an area that has quite a few young people that actually have to be concerned about financial matters, I've got many, many young constituents that carry their own financial weight themselves, Minister. They say: look, during high school I can't work as much, so after high school I need to get out into the workforce and make a dollar right away. I'd love for them to be able to better optimize their time in high school and get some credit towards postsecondary so that once they leave high school, even if those particular young people are working part-time as a pharmacy tech, that's a great part-time job while they pursue greater postsecondary opportunities.

This is something, as you can tell, I'm very passionate about, and I'd like to see and question whether or not you have any specifics in your budget that will promote more of this. Instead of having just that one pilot project, how we can have an abundance of these projects?

**Mr. Hancock:** The short answer, I guess, would be no because most of the funding in our budget does go to the school boards. The CBE project that you referenced we featured, actually, in a presentation to the OECD last fall when they were here for the WorldSkills. A very good project, but operationalizing that type of a project is something that happens within the school board.

Now, as we come through Inspiring Education and talk about any time, any place, any pace learning, our job is to inspire school boards to push the envelope to find newer, better ways to deliver programming and to work on making sure that the funding is there for the technology pieces, that we make the best use of resources in terms of getting everybody up to the technological level and the pedagogical use of that technology. We're seeing it now. We're seeing different ways of program delivery which provide those opportunities.

A lot of it is us partnering with school boards because the school boards are the delivery end of the system, encouraging them to push the envelope and to create those types of opportunities, and it's working. It is working. As I said, Red Deer College is working with I think it's Wolf Creek school board to do that kind of programming between the high school in either Ponoka or Wetaskiwin – I think it's Ponoka – with Red Deer College. We have the building pieces that are together. In Olds their Bell e-Learning Centre is opening up a whole technological delivery system through their whole school division.

So there are some good things happening. I can't point to a line in the budget that says that this is what we're using to inspire that, but certainly the Inspiring Education project is designed to push that envelope so we look at new styles of learning and new opportunities.

**Mr. Bhullar:** Fair enough.

Now, if the school boards are the delivery end and the money sort of flows through your department to the school boards, then what leverage do you have there to sort of incent this sort of behaviour? It doesn't have to be a specific line item, but what leverage do you have to really promote this and promote innovation and truly create what I'd call a culture of innovation in our province?

**Mr. Hancock:** The real emphasis is in our accountability process, which puts a focus on certain things like high school completion. When we're talking with school boards about what they do to engage in high school completion, that's providing options to students that engage students and make schooling relevant to them. A lot of it is in the collaborative process rather than in the financing process, but certainly school boards are looking to different ways, and we do incent some of that. We've had, for example, the CTS grants, getting the equipment from the legacy project out of WorldSkills into schools to provide better platforms for the schools.

There are a number of different ways that we work collaboratively with the school boards, but most of our outcomes, I would suggest, are really looking at saying, "These are the expected outcomes that we have, and that's what we're going to hold school boards accountable to" rather than being prescriptive in terms of how they do it. But, certainly, I think everybody is looking at how we make it possible for students to engage in relevant learning processes, whether they believe they're headed to university or to a trade or to technology, and how you can bridge that.

The key to success is engagement, is successful transitions. Those are the things we need to focus on.

**Mr. Bhullar:** Absolutely. It's that successful transitions piece that I think this will really help with in promoting the real world and the postsecondary learning opportunities within high school. Quite

frankly, I think it'll help with creating a bit of a culture shift within our young people, where they realize they can have fun and be very, very, very productive at the same time, something I know a few of us wish we had learnt a little earlier in life.

Minister, I'm going to next ask a brief question on financial literacy to see if you have anything within your budget that can sort of promote that initiative and that agenda. I am still surprised – I should say, actually, not surprised anymore – at the number of people I run into, a number of young people in particular, that have made very poor financial decisions. Unfortunately, they're, in many cases, very, very intelligent people who just lack basic financial literacy. What do you have in this budget and in this business plan that's going to promote greater financial literacy within high schools?

**Mr. Hancock:** First of all, financial literacy has become sort of the new objective. Everybody's talking about financial literacy now. I met with some people, for example, at the Securities Commission. The Securities Commission has an education fund. They're looking at how they can do financial literacy because there are a lot of people playing in the market who don't understand the basics of the market, and they feel an obligation in that area. There are a number of different issues around that.

First and foremost, our CALM curriculum, career and life management curriculum, is supposed to be the place where life skills are part of the education process in a formal way. I think we're in the process of reworking the CALM curriculum. There's also knowledge in employability areas within the curriculum for some students.

I have to say that there is no specific line in the budget. There are lots of programs that we promote. I, for example, am a big fan of junior achievement and the work that they're doing across the province. Mentorship is one of the most successful ways to do education. Rather than having a specific course in something, having a junior achievement program, where students get a chance to participate with real world mentors and learn about business and learn about how to do things, is a great educational process. So we've got to encourage more community engagement, more mentorship processes, and we're doing that. That ties into other success issues as well, but it does certainly touch on the financial literacy.

Federal government is engaged, I think, in a consultation on financial literacy. We need to watch and see what's happening on that so we don't duplicate.

I think that when it comes to a formal process, it would be, for the moment at least, lodged in our career and life management but should also find its place in other aspects of the social studies curriculum, for example, of the math curriculums. There are a number of different ways it can be embedded.

**Mr. Bhullar:** Well, Minister, I agree. I mean, programs like junior achievement are wonderful. I was actually a part of junior achievement, and I still remember my company's name, Cup of Caffeine. We produced a profit, and I was the president of the company.

**Mr. Johnson:** You don't drink coffee.

**Mr. Bhullar:** No, I drink a lot of coffee.

I remember that process being very, very valuable. But, Minister, there were few of us from our school that did that. This very basic understanding of everything from income tax to mortgages, quite frankly, I think, is something that everybody needs to have an understanding of. The number of young people that get into trouble

with the CRA because, quite frankly, they have really no idea and they don't have the dollars to go and spend on a chartered accountant to talk about basic income tax law – I would say that this needs to be something that needs to be embedded in the CALM curriculum. Or, quite frankly, I think this is significant enough that this should be an item on its own. This should be a mandatory high school course on its own, Minister.

**8:50**

You brought up something else with respect to the mentoring piece. Study after study shows that for young people at risk having a positive mentor in their life is perhaps the greatest determinant of whether or not they're going to be able to change and go down a more positive, empowered route. Now, how is it that we can promote that within your area, within your business plans?

**Mr. Hancock:** A couple of ways to do that. We have a project under way right now. I think Big Brothers Big Sisters is our community-based partner on it. It's a mentoring project. It's a pilot. It's a cross-ministry partnership with Children and Youth Services. We're looking at how we can actually enhance the mentoring process. That's from the side of direct support for students in that area.

Other ways they can do it – for example, there's a school in Edmonton that I happen to know very well because my wife happens to be the principal of it which has an initiative: 1,000 mentors for 1,000 students. So they're actively making it one of their pillars of success to go out and recruit mentors in addition to the teachers, who are the usual mentors, recruit community mentors to support their students.

**The Chair:** Thank you, Minister.

We'll now go to Kent Hehr for up to 20 minutes.

**Mr. Hehr:** Thank you, Mr. Chair, and thank you, hon. minister, for your comments tonight. I appreciate your understanding of the file and your commitment to education. You know, I've sort of been following you around a little bit to the ATA events. I had the opportunity of teaching in the classroom at that outreach session back in October, and I just recently went to their meeting arranged in Calgary by their political action team, where numerous members from both your party and my party were in attendance. We learned from the various stakeholders, too.

I, too, understand you saying that we're all experts because we went to school 20, 30, 40 years ago. I was under that guise until I had the opportunity of teaching in that classroom and saw how much more advanced kids' learning is, what they're doing in the classroom, how they're organizing themselves, how teachers are working with technology. I can say that I'm nothing but impressed. I'm of the full belief that kids are learning more now than they ever were. My parents were long-time schoolteachers. I would say that towards the end of their career they would also agree that students who were participating in their classrooms, say, in 2003 were learning more than they were in 1973. But that's just an aside.

One of the comments you sort of brought up earlier was about the way education is moving in the future. You're right. Right now we're building buildings that may not be the most appropriate for how education is going to be 30, 40 years from now. I don't know how that plays out. You may have some better ideas than I do about what education is going to look like 40 years from now and about, I guess, where people go to school, how they're going to school, whether it's from laptop at home or the like.

I guess where I'm going at with this little bit of a rant here is that currently our system has some schools that would be just classified, like our high schools, as neighbourhood high schools, more like Sir Winston Churchill, where I attended as a younger guy. Still it draws most of its population from the northwest quadrant of the city whereas we have some high schools that are based on the charter high school model, where, then, you have people driving all across the city taking part in education. In fact, that's happening more at even, I believe, elementary and junior high schools. Although when they were brought in, I was obviously concerned about whether these charter schools were going to be successful, the marketplace, for better or for worse, has adopted them, and parents seem to like them and send their kids to them.

I guess where I'm going with this is that I see the future direction of schools still being centred 40 years from now around the neighbourhood school concept, where kids are going to school in the neighbourhood they live in, they work in, they play in. Some of these are to where the price of gasoline is going. Some is the direction of how we're going to work in the future, more closely centred in neighbourhoods. I see less driving, some of those things.

I was just wondering if you see those things or if you could comment on what I've tried to sort of comment on or how you square the difference of how charter schools are emerging, where people seem to be driving all over the city of Calgary or busing all over the city of Calgary to take part in this. Are these things really going to be sustainable or rational in the future? I'd just like to hear your comments.

**Mr. Hancock:** Well, I think it's an interesting observation. I wouldn't limit it necessarily to charter schools but rather choice in schooling because the public schools offer options as well, and people are travelling to the options that they want. I think that I would agree that in my view, in going into the future, particularly in the elementary end of the system, you're talking about some form of neighbourhood school concept, but we're defining neighbourhoods a little differently.

The traditional model was an elementary school on every corner, a junior high in the middle, and then a senior high to serve four or five or six sections sort of thing. Obviously, we're not doing that anymore. That's, I think, because of the first part of your comment, and that is that the amount of learning that's taking place and the technology that's involved in it and the extent of it mitigates against the small school. You still can do the small school, and rural areas certainly can be successful. I was down in Gem not too long ago, you know, two classrooms and a very viable school which the community likes. You can certainly do that.

I think the community school is still a very important piece, and I think schools and community go together very closely. To go back to the discussion I was having earlier with Edmonton-Strathcona, it's something that we have to be very focused on and work with our municipalities on to make sure that we keep that model viable. That doesn't necessarily speak to what's in the school and how the school is configured and what the learning spaces look like. That might change. But the concept of a community school, I think, is still a very valid concept going forward.

As you move into the higher years, the range of programming will create a dual model, one of the local school which may have the programs you want. Again, a good bulk of the students will go to the school that's in their draw area, so to speak, but they will have choices. If they want to take Japanese or if they want to take a different language, they might go to a different school. Not all languages will be offered in every school, not all trades or technologies will be available in each school, and in some cases there are other specializations that will be afforded.

We see IB schools or an academic school or a sports-based school or a science school, so there will be that mix of a good number of students who go to the school that's closest to their neighbourhood or most convenient for them, and transportation issues, those sorts of issues, may drive more of that. But there will also be the need for people to be able to move to their school of choice because of the programming which can't possibly be offered in every school.

Now, you layer on top of that the any time, any place, any pace learning concept. You know, if you're out in Buffalo Trail school division, you can be in a physics class that exists in three communities with the same teacher. Perhaps in the future you might be in a language class that happens to be coming out of Germany. So technology will allow us to change that model as well.

**Mr. Hehr:** I was learning some of that at the last PAC meeting of the ATA, where the Calgary system is going more online, where learners can tap into what learning materials they want to get and things like that, that I thought was very commendable. I guess it's good that the concept of the neighbourhood school isn't being lost and that it's still going to be sort of a hub of learning in various jurisdictions going forward.

9:00

I guess another comment I had is based on some of your comments to Mr. Chase, that you understood that kids appear to learn better or the greatest advantage in learning comes in the kindergarten through grade 3 levels and that there should be, possibly, lower levels of teacher-student ratios. On that note and given that understanding, are there any plans for Alberta to move to a junior kindergarten system or a full-day kindergarten program? I see that as essential. I see it as leading to better students going forward, and I think it's something that governments that are really looking forward to the best education system possible, whether they are your party, my party, or any party, just recognize that the best way to educate kids is as young of age as possible. I just want to hear your thoughts on that.

**Mr. Hancock:** Well, I'll start by saying that I'm a big fan of full-day and junior kindergarten in the right places for the right students, certainly at-risk students, and that isn't necessarily limited to inner-city students. Students who need earlier access to learning opportunities and a more structured environment, perhaps, can benefit from a junior kindergarten and from a full-day kindergarten.

There's a lot of discussion on the efficacy of that. You know, people talk about Finland as being the model for real learning first, and if you're going to look at that, you have to look at the whole model. Well, students don't start school in Finland until age seven, and there's a good argument to be made that a later school-starting age is actually better because students are better developed and better able to deal with the structure and process of education as we do it now. Of course, that leaves out the fact that there are some earlier support pieces that you'd need to have in that kind of model.

I guess the best thing I could say is: I don't have the resources this year to engage in full-day kindergarten and junior kindergarten, so it gives us the opportunity to really examine what we should be doing in early childhood to support parents and to do early screening. For example, if we can determine whether a child has autism by age two, the resources that go into assisting with that developmental problem can achieve real success by the time they are of school age. If you don't discover it until age five, you're going to spend a lot more resources over a longer period of time and not achieve the same success.

The short answer is that we don't have the resources right now to fund full-day kindergarten and junior kindergarten. Thank goodness many, many school boards, I think all school boards, are actually doing it out of their resources, which is a good thing. In the meantime, we need to work more closely with Health and Children and Youth Services on the whole early years program.

A book called *Disrupting Class* has a very interesting chapter on this. I commend it to you if you haven't read it. It talks about that perhaps the best thing we can do is have parents talking to their children between zero and 18 months of age because that helps develop their literacy skills better than anything else you can do. Now, that's an assertion I don't have the data to support, but it's a very interesting concept, where they basically say that the money we spend on the later year programs, the kindergarten programs, actually could be better used if we put it in the earlier years, in the real developmental years of zero to three. We have some time to look at that because we haven't got the resources to fund the full-day kindergarten and the junior kindergarten at the moment.

**Mr. Hehr:** I don't know if the average Alberta citizen is quite ready for the state to be involved in the zero to 18 months.

**Mr. Hancock:** I'm not suggesting we should go and read to them; I'm suggesting they should go and read to them.

**Mr. Hehr:** I know that. I would totally agree with those comments. I do think junior kindergarten with our model – we don't have a Finland model – would be best for all kids, not even just kids who are in need. But that is neither here nor there. I've heard your thoughts on the matter, and I appreciate that.

Those are the two areas I wanted to discuss with the minister, and I thank the minister for his comments.

**The Chair:** Thank you, Mr. Hehr. Thank you, Minister. At this point we'll go to Mr. Johnston, please.

**Mr. Johnston:** Thank you, Chair, and thank you, Minister and staff, for coming here today. My questions are mainly from three categories: the Alberta average weekly earnings, administration, and ministry mandates. Recently an arbitrator awarded just under 6 per cent as what teachers should receive for '09-10 based on the Alberta average weekly earnings. How are boards going to cover that cost?

**Mr. Hancock:** Well, at the moment I would say that last year, when we were looking at needing to get some in-year adjustments, we worked with school boards, and we tried to ensure, if they had operating surpluses, that the extent to which we did an adjustment did not take them down past 3.25 per cent of their operating revenue. In those cases, which is about 60 to 70 per cent of the school boards, they have the resources in their operating reserves to deal with the salary adjustment.

Now, having said that, I certainly have every intention of going back to the Treasury Board at the appropriate time to say: we've got this adjustment; it's \$23 million for the '09-10 school year, annualized to \$40 million, and we should look at seeing if we can fund that. There are certainly some school boards that don't have the reserves, and those that do have the reserves have saved those reserves for other purposes, and they are going to have some short-term financing challenges meeting the adjustment for this year.

While I'm working on that, I've basically said that we would ask them to please not adjust their staffing component in this year – they are making those staffing decisions right now – because we are going to come to a longer term adjustment relative to when we

actually fund them for the salary adjustments. There's the immediate issue of the 1.19 per cent adjustment from the 4.8 to the 5.99 per cent that we funded.

**Mr. Johnston:** Okay. Even if the boards find the resources to address the increases for teachers for '09-10, the budget provides no grant increase for the '09-10 school year. In 2009 the Alberta average weekly earning index is expected to be . . .

**Mr. Hancock:** It's expected to be about 3 per cent.

**Mr. Johnston:** Okay. Also, inflation is approximately 2 per cent. How are the boards expected to fund increases in salaries, support staff increases, and inflationary costs without the additional funds?

**Mr. Hancock:** Well, as I said, we've asked them to finance it for now. Most of them have operating reserves, so they can. They would essentially run a deficit in their operating budget for the year, and then they would apply their operating reserves to pay for that. If they don't have operating reserves, we will work with them.

It's not a licence to run a deficit for any purpose, but for the purposes of managing through this year, we would prefer that they did that rather than lay off staff that they're going to need as their student populations grow. Now, obviously, there will be some boards that are losing population and will make staff adjustments because of that, and there are others that have other budget issues that they have to deal with.

Over the longer term what I need to do is to sit down with the ATA and the Alberta School Boards Association, the metro boards and other boards, and take a look at how we can take the existing five-year agreement, which has two years to run, and extend that out. For every party to the agreement – the teachers, the teaching profession, and the school boards – there are some niggling issues that they want to resolve, but for the most part everybody agrees that this five-year agreement has really afforded us an opportunity to look at the profession and look at education in a bigger way.

I haven't met anybody yet who doesn't appreciate where we've been, and that gives us a good platform for where we need to go, which is to extend that agreement out for a few more years, figure out the funding piece within that but, more importantly, start to direct our attention to the areas that, again, all parties think are important. How do we make sure that we get the best people into teaching, that we educate them well to be teachers and provide the kind of professional development we need going forward? How do we focus on some of the other issues that are there?

There's a lot of good will. There are a lot of important issues to be dealt with, particularly coming out of Inspiring Education. Yes, there's the salary issue, which needs to be dealt with, but it doesn't need to be dealt with in a one-year time frame. That's my message to the boards and to the teachers. Yeah, we have this zero per cent increase to the school grants, and if they need to resolve that in one year, that would be a problem for them although most of them, over 60 per cent of them, I think close to 70 per cent of them, could finance that out of their operating reserves because we still have probably \$370 million in operating reserves in the province.

**9:10**

**Mr. Johnston:** Now, this one I kind of sneaked in there because a constituent was asking me. How do the teachers' salary increases compare to MLAs' salary increases?

**Mr. Hancock:** From 1994 to 2009 there has been a 71 per cent increase in teachers' salaries. MLAs' increases have been closer to

– that one is a little bit more difficult because it does depend over those years on what committees you've served on, I guess. It's closer to 43 per cent.

**Mr. Johnston:** Thank you.

My next few questions will be under administration. This budget will be a challenging one for school boards as they're expected to look at ways to stretch their dollars, obviously, to deal with salary increases and other inflationary costs. What is the ministry doing to reduce its spending and ensure that maximum funding is being directed to classrooms?

**Mr. Hancock:** We started last year, when we were assigned an \$80 million adjustment. We went out to school boards, and we provided leadership. We took I think it was \$28 million out of our budget, and we did that, as we did across government, by freezing positions, so only filling those that were essential, and reprofiling some of our projects. New curriculum development was slowed down, some technology evergreening was slowed down, and of course more recently we've had some staff adjustments. I take this opportunity because it was mentioned earlier. The estimates show a 701 staff complement and not changing. The reality is that we had more than 701 staff, so we needed to get down to our complement. Those are monies that we had targeted to people in the past because of areas that we felt we needed them in, and now we're reorganizing our structure to better deal with the realities coming out of Inspiring Education in terms of what the role and function of the ministry is.

**Mr. Johnston:** Okay. If the ministry is reducing its internal administration spending, why is the basic education program initiative increasing by \$2.2 million?

**Mr. Hancock:** The basic education initiative is an area where we provide direct support to school boards. There are two ways. Most of the money flows to the school boards through their budget, but we also have an area where we provide support. The materials resource centre, for example, would be in there. Some of that is flow-through funding. The Learning Resource Centre is in there, the high-speed networking for the SuperNet, for example. Those areas are direct support that affects the classroom, so that wasn't an area that we wanted to impact.

**Mr. Johnston:** Okay. What's in this budget to address the Premier's mandate to improve broad-based supports and early intervention for at-risk children to improve their learning outcomes?

**Mr. Hancock:** Well, one of the things I could say is that we have got a very good working relationship with Children and Youth Services and with Health. For example, there's a pilot project under way now about information sharing. Children who are wards of the state tend to be moved more, and it's important that they have a stable school and learning environment. There are some real anecdotal examples of people who can tell you how important that was to their success, having gone through the foster care system. We're doing some important work there on making sure that those children do not fall through the cracks, that they do have a good educational experience. That's often where the stable adult in their life comes from. We're working on the early childhood side with \$352 million for kindergarten and preschool programs across the province, support for children with severe disabilities as young as two and a half years of age as well as funding for children with mild or moderate disabilities or who are gifted and talented. You'll note in the budget that there was a 12 per cent increase for that area based primarily on an expected increase in numbers.

**Mr. Johnston:** Okay. My final question. The Premier's second mandate is to develop a long-term vision for education that ensures that students have the knowledge, skills, and abilities to be successful. What is the ministry doing?

**Mr. Hancock:** That's part and parcel of the Inspiring Education project. We had under the leadership of the Member for Athabasca-Redwater a 23-member task force of very strong people guiding the process. We had conversations across the province, community conversations that were not just with the usual suspects. We went out and recruited one-third of the participants by directly calling them and asking them if they would come on a random-selection basis. We got very good take-up.

We had very robust conversations in that way, but we also reached out, for example, to youth in Calgary who were living on the streets. We bought them dinner, got them in, and talked about what it was that were the barriers to their success and what they could see as helping us to be successful, a very robust conversation that will come out in the task force report, which I'm expecting imminently.

Then we will turn that into some further online and face-to-face discussion around more granular concepts relating to the principles of education to go into a new education act; the roles and responsibilities of parents, students, communities, school boards, and the province in the education system, including the role and function of private schools and charter schools in that process, with the new education act to come forward in the fall; and a policy framework for education. There will be additional work that comes out of that relative to what that means for excellence in teaching, what that means in terms of the development of 21st century curriculums, and what that means in terms of our capital, in terms of our infrastructure for any time, any place, any pace learning.

**Mr. Johnston:** Last year the government stripped boards of their reserve funds. What financial shape are the boards in now?

**Mr. Hancock:** They're still in excellent shape. We didn't strip them of their reserve funds. We did not take any more than 11 per cent of anybody's reserves, and, as I said, we ensured for those who had the reserves that they didn't go below 3.25 per cent of their operating reserve. The recommended level of operating reserve for school boards is 2 and a half per cent. So we left them with 3 and a quarter per cent advisedly because we didn't know what was going to happen in the arbitration or whether I'd be able to get the extra resources to deal with that issue.

I think the reserves last year were at about \$440 million, and we're projecting that they're still around \$370 million, so the school system is well financed. Not all school boards have the same level of reserves. That depends on how they've done their financial planning and what they're saving for and some of those things.

**Mr. Johnston:** I understand that the ministry is eliminating specific grants for the 2010-11 school year. What are those grants, and why are they being eliminated?

**Mr. Hancock:** Well, we talked earlier tonight about the DPA, the daily physical activity, grant. It's a relatively small grant in terms of how it hits each school. It's been in place for a number of years, I think about five years, and it was really an incentive grant to get them started. They will have acquired equipment already, and it is not seen as being a big impact to remove that grant.

The high school completion grant is a little more unfortunate because I really would like to put some resources into piloting different things and trying things. But the reality is that the expecta-

tion we have for school boards is that they will work on their high school completion rates, and it's everyone's job to do that. That specifically targeted grant was one that, essentially, school boards themselves in our consultation last fall said: if you have to do anything, eliminate the targeting grants, and start with the ones that haven't been embedded.

The last grant that we lost was the CTS health strategy grant. It was to be a three-year thing, and I think we've put it into two years. That will help some of the pilots that were up and running to meet the commitments that they've made. It'll give us some good understanding and results. It was a three-year pilot, and we cut it back to two.

9:20

**Mr. Johnston:** Sorry, Minister. Was that CPS?

**Mr. Hancock:** CTS, current technology studies, particularly with the health pathways. It's a new program that we're bringing in, and we had some school boards who stepped forward with projects to pilot that and show how we could be successful with it. It can still happen. The pathways curriculum is there. The technology is there. There are technology grants. They don't actually need that to do it, but what we were trying to do was to give it a kick-start with some piloted projects, and we've had to curtail that a bit.

**Mr. Johnston:** Okay. Thank you, Minister.

**The Chair:** Thank you, Minister. Thank you, Mr. Johnston.

At this point we'll go to Ms Notley for the remainder of the time in exchange with the minister, I assume.

**Ms Notley:** Yes, I think so.

Okay. I have just a few – well, actually I have quite a few questions left but a few that I want to get through definitely. Really quickly I just want to go back to the issue of the arbitration award and, effectively, sort of an unfunded liability or whatever that appears to exist right now. I just want to double-check the numbers. That's really all I need at this point because we've had lots of discussion about it. My understanding is that for the '09-10 year we've got a \$23 million liability at this point arising from the arbitration award, and that, annualized over 2010-11, comes to about \$60 million.

**Mr. Hancock:** Forty million.

**Ms Notley:** Forty million dollars. Okay. Oh, yeah, that's right.

**Mr. Hancock:** So \$23 million, and not to be picky, but it's not actually a liability. There is a hole of \$23 million.

**Ms Notley:** Right. There's a commitment to pay without money attached to it.

**Mr. Hancock:** And then \$40 million to annualize it.

**Ms Notley:** Right. Going forward to the end of the budget that we're discussing here today, that's a total of \$63 million. Then my figures were based on a 3.2 per cent cost of living in September, and it may be down. My figures had been about \$110 million for that. Are those a little bit too high? It's \$91 million, I hear?

**Mr. Hancock:** Yeah. Well, it's actually about \$70 million for the seven-twelfths and then about \$120 million annualized. This year

a 3 per cent adjustment would be about \$70 million. Well, \$70 million is the adjustment for teachers; \$90 million is all staff. A lot of school boards have the same average weekly earnings adjustment for all staff. So it's \$60 million to \$70 million for teachers – and that would be annualized to about \$120 million – and another \$33 million for support staff, which we have made no commitment to but school boards have got contracts for.

**Ms Notley:** Right. Okay. That was exactly the question I was going to ask you, what the numbers were for the support staff because I've had less success getting hold of that. Just to clarify, then, at this point by the end of 2011 the expectation is that \$120 million – is it \$120 million or \$153 million?

**Mr. Hancock:** The annualized amount is \$120 million, but for this year we only actually need the seven-twelfths of that, which is \$70 million.

**Ms Notley:** So for the remainder of this and for up to 2011 what are we looking at for all staff?

**Mr. Hancock:** It's \$23 million for the remainder of this year and \$110 million for the annualized \$40 million and the additional \$70 million. That doesn't deal with other staff; that's the commitment relative to teachers.

**Ms Notley:** Okay. So that's teachers.

Then what's the other staff for this year and for next year?

**Mr. Hancock:** Support staff this year would be about \$13.2 million, annualized to \$23 million. Then if there was a 3 per cent, that would be another \$33 million. In essence, you'd get to \$63 million for 2010-11.

**Ms Notley:** So it's \$179 million, basically, in total?

**Mr. Hancock:** It's \$154 million.

**Ms Notley:** A hundred and thirty-three million this year and next year for teachers, \$13.2 million this year for nonteachers, \$33 million next year for nonteachers.

**Mr. Hancock:** Twenty-three.

**Ms Notley:** Oh, twenty-three.

**Mr. Hancock:** No. I'm sorry.

**Ms Notley:** Well, I just want to double-check. If you could just get me those final numbers, whatever they are.

So the idea at this point is for that to be paid for out of the reserve funds. Is that correct?

**Mr. Hancock:** We're asking school boards to finance that this year.

**Ms Notley:** This year being '10-11, or this year being '09-10?

**Mr. Hancock:** Well, '09-10, '10-11. Right now we're saying: I haven't got funding approval for that amount of money. I would like them to fund that. In some cases they will have to run a deficit if they don't have reserves. In all cases they would run a deficit. In some cases they'll be able to fund that deficit out of their reserves. In any case, it's not prudent, in my view – and I can't tell them what to do – to lay off staff if they're going to need those staff.

**Ms Notley:** But that's the key. That's what I'm getting at here: notwithstanding that you're suggesting that some of them ought to run a deficit and/or go into a reserve fund for which they may have made other commitments.

**Mr. Hancock:** They wouldn't have other commitments necessarily, but they may have other plans.

**Ms Notley:** Right. So what we don't know, then, is that there won't be layoffs.

**Mr. Hancock:** No. I can't guarantee that there are no layoffs because I'm not the employer.

That total number is \$190.3 million.

**Ms Notley:** Okay. That's what I thought. I thought it was about \$189 million, and I wasn't doing the decimal point. Thank you for that.

Okay. I want to quickly, then, because we talked about the nonteacher staff, go over to the issue of special-needs funding. We're talking now about special needs and the staff in there, of course, who are part of the nonteachers group. What we've got, then, is a situation where we've given the same funding as we had last year. We have staff cost pressures that are not funded. In the midst of that, we've created a new policy, that may or may not be implemented at whatever time, to remove coding and clarity and to give more discretion. Within that policy, that discretion or that needs-based assessment that you're moving to from a medical one is primarily driven by teachers. All I want to say is, "What?" because it's such a mess, and I know already that it's starting to cause huge problems. Where have you accounted for the need to train that very, very untrained population of teachers whom you are now asking to do essentially what used to be coding? I'm just looking at your policy, and that's basically what it says in your policy.

**Mr. Hancock:** No, I wouldn't agree that that's what it says in the policy. You're not moving away from diagnosis. You're moving away from basing the educational needs on a diagnosis.

**Ms Notley:** Exactly, and you've got basically the needs being defined primarily by the teacher's assessment. Then what you do is that you move into – and this is what I'm already hearing is happening in some school boards – a focus on behavioural control

versus learning opportunities. Most teachers get almost no training or are lucky if they get one class in their whole career at university about actually how to teach learning-disabled and special-needs kids. Of course, that very phrase in and of itself is a problem because there are about 15 different special needs, each of which has its own different strategy.

The problem is that what happens is that it turns into a behavioural management strategy. This is what I'm hearing already from the St. Albert school division, that they are starting to move to that place. The focus is now becoming about controlling the behaviour of the special-needs kids in the class, and lo and behold the number of supports in classes are going down. How are you going to measure this and evaluate this and at least provide some transparency to what is happening to the system? You brought in this plan to change special-needs allocation right at the same time that you've created a funding crisis for special-needs provision. I have some real concerns that there's a big mess in the offing here.

9:30

**Mr. Hancock:** Well, I prefer to think of it as a real opportunity that is a work-in-progress. We have not finished the project.

**Ms Notley:** But these kids don't have time for a work-in-progress.

**Mr. Hancock:** Well, there's no change to what's happening with the kids now. The current kids are not affected by a change. There's no rationale for anybody to be implementing the Setting the Direction piece because that hasn't been completed yet. Why they would be moving to it, how they would be moving to it when they don't know what it is yet would boggle the mind. They should be . . .

**The Chair:** I'm sorry to interrupt. I'd like to thank you all for your participation here this evening, but I must advise that the committee has exhausted the time allotted, and this item of business has now concluded. I'd like to thank everyone for their participation.

I would also remind committee members that we are scheduled to meet next on Tuesday, March 16, to consider the estimates of the Department of Housing and Urban Affairs.

Thank you to the committee members, the minister and his staff, and to all of the support staff, who have ensured that this meeting ran smoothly this evening.

Pursuant to Standing Order 59.01(2)(a) this meeting is now adjourned. Thank you.

[The committee adjourned at 9:31 p.m.]





