

[Vice-Chairman: Mr. Day]

[7:55 a.m.]

MR. VICE-CHAIRMAN: Good morning, ladies and gentlemen. I'm pleased to have everybody here. I'm Stockwell Day, vice-chairman of the Select Special Committee on Electoral Boundaries. Other members of the committee who are here today are Frank Bruseker, Calgary – Frank also represents the Liberal Party, not on this committee, I'm sure, but he's from the Liberal Party – Tom Sigurdson from Edmonton, NDP; Pat Black from Calgary, Progressive Conservative. We also have Doug Jeneroux and Vivian Loosemore, who are *Hansard* staff, and the support staff with the committee. The senior administrator is Bob Pritchard. And Robin Wortman is with us; there he is right there.

I would invite you folks, if you would like, at this point just to introduce yourselves so we know who we're talking to exactly and who's here and have it recorded.

MRS. DEMPSEY: Thank you very much, Mr. Day. I'm Rita Dempsey. I'm the chairman of the Calgary public board, and the two trustees here with me this morning are Ann Craig and Diane Danielson. Ann represents wards 12 and 14, and Diane represents 10 and 5. I represent 11 and 13.

MRS. DANIELSON: You're close to my ward here.

MR. VICE-CHAIRMAN: Great.

MRS. DEMPSEY: Mr. Wills is with us. He is the superintendent of finance for the Calgary board, and he will be doing the technical part of the presentation.

We do appreciate this special opportunity . . .

MR. VICE-CHAIRMAN: May I just . . .

MRS. DEMPSEY: Yes?

MR. VICE-CHAIRMAN: If I could just interrupt to let you know this is a meeting of the select special committee. This committee is struck in the Legislature, and therefore all our deliberations are in *Hansard*. The microphones aren't so that you can be broadcast out to the street here; it's just that we have everything duly recorded and copies of same.

I'd like to just ask you folks if you're familiar with the process and what we're doing and why we're doing it. If you've been following some of the proceedings, we may be able to dispense with the usual preamble which we get into in terms of going through some slides and showing present distributions and things like that. If you'd prefer, we can go into that presentation. What's your pleasure?

MRS. DEMPSEY: We had planned that I would make a few introductory remarks to state our board's position on this issue, and then Mr. Wills would show some slides which demonstrate the points we're making, if that's all right.

MR. VICE-CHAIRMAN: All right. Okay. That would be fine. Is that all right with the committee members?

MRS. DANIELSON: And I know I'd feel comfortable if you didn't have to go into your spiel at the beginning, because I think we've probably seen a lot of the slides.

MR. VICE-CHAIRMAN: Yes, I think you probably have. If that's all right with the committee members?

HON. MEMBERS: Agreed.

MR. VICE-CHAIRMAN: All right. Rita Dempsey, then, we'll ask you to proceed.

MRS. DEMPSEY: We really appreciate this opportunity to meet with you. We know you have a very busy schedule today, but we did request the opportunity because we believe the review of electoral boundaries for the election of Members of the Legislative Assembly may indeed provide an opportunity for you people to look at rationalizing school board boundaries at the same time as the electoral boundaries of the province.

Our board has taken the position that program and fiscal equity in education cannot be achieved at a reasonable cost without first dealing with the structural inequities brought about by the proliferation of the small school jurisdictions. Further, we take the position that this matter needs to be addressed urgently as part of public policy. We wish to make this presentation to this particular committee – we have already made it to the Calgary caucus MLAs – because one solution may be to make school board boundaries in rural Alberta coterminous with the boundaries of electoral divisions or ridings, similar to the way it's done with the urban areas.

I'd like to just give you a couple of examples from other provinces which will put it in perspective. With the exception of Saskatchewan, Alberta has substantially fewer students per board than any other province in Canada. British Columbia has 25,000 more pupils with only half the number of school boards. Ontario averages about 11,000 students per school district. Alberta averages less than 3,000, but half the boards in Alberta have less than 1,000 students. Our conclusion is that Alberta is dissipating its financial resources over too many small school jurisdictions which enjoy no economies of scale. Scarce educational dollars are being allocated to administration and overheads rather than to direct services to students. Also, as small boards form, they receive capital funds for new schools when there is space available in the original school district. This practice will drain provincial capital funds and, indeed, is doing it, and changes the priorities. The example I would give is the Okotoks separate school division, which was recently formed with, I believe, about 120 students.

I would now ask Mr. Wills to make a presentation which will elaborate on these points.

MR. WILLS: Mr. Vice-chairman, we do appreciate you squeezing us into your busy schedule. I'm sure that sometimes you probably feel a little bit like this guy, so we do appreciate this opportunity.

According to the most recent data from Alberta Education, the province has approximately 431,000 resident students in grades 1 to 12. Fifty-six percent of these students, about 242,000, reside in the seven urban centres and are resident students of the 14 related public and separate school boards within those centres. Fourteen boards account for 56 percent of the education and students. In this particular paper we're using urban as you use it in your select committee. We've picked the seven urban centres as defined in your particular paper, and there are two boards in each of these centres. That's how we came up with it. They're responsible for 56 percent of the students. The remaining 44 percent are dispersed among about

174 rural boards, of which the majority, 66 percent, have less than 1,000 students.

Clearly, Alberta is dissipating its financial resources over many small school jurisdictions which enjoy no economies of scale. Far too many scarce education dollars are being allocated to administration and other overheads rather than to the direct service of students. The local tax base or assessment in rural Alberta has also been badly fragmented by this number of small school boards, and this has led to a large number of inequities and the need for equity grants which could have been saved. Now, equity grants are provided by Alberta Education to school jurisdictions because of scarcity of students, if you like, but also one of the main driving factors is an assessment base that is below the average.

The boundaries of the seven urban centres and their related 14 school boards, a public and separate school board in each of the urban centres, are generally coterminous with one or more of the 42 urban ridings. It's just the opposite in rural Alberta, where there can be as many as 13 school boards in a single riding. For example, the ridings in Calgary used to be coterminous, but as you know, Calgary just recently had an annexation, so there is some misalignment. But, clearly, in Edmonton they're coterminous with the number of boards and so forth. On the other hand, the rural riding of Wainwright has 12 school boards with only 5,500 students in total. The riding of Vermilion-Viking also has 12 school boards with about 7,600 students in total. Other examples include Cypress-Redcliff, which has six school boards and a total of 5,400 students, and Banff-Cochrane, which has eight school boards, one with only 66 resident students.

MR. VICE-CHAIRMAN: Excuse me. What was Banff-Cochrane again?

MR. WILLS: Banff-Cochrane has eight school boards and a total of 9,665 pupils.

Banff-Cochrane and Cypress-Redcliff ridings provide dramatic examples of property tax base inequities which could be corrected and equity funding which could be saved by making school board boundaries in rural Alberta coterminous with electoral divisions. There should also be substantial savings in administration and other overheads. Even assuming two boards per riding to allow for the constitutional rights of the Catholic or Protestant minority religious groups in each riding, the number of boards would be reduced by more than half. A public and separate school board in each of the 41 rural electoral divisions would result in a total of 83 rural school boards compared with the existing 174. It may not be necessary to have two in each riding if the separate school supporters don't want a separate school board. That's really an option up to those individuals.

While there's no data available to indicate the actual amount of savings in administration and other overheads which might be achieved through such consolidation, there are some indicators. For example, the audited financial statements of Alberta school boards filed with the province include a line item for trustee remuneration. A summary of this line item for the province as a whole in the 14 urban boards is on this following slide. It's interesting to note that while the 14 urban boards serve about 56 percent of all students in the province, its share of the remuneration for trustees is 15 to 17 percent over those three years for which we've had the data from the province.

The high cost of trustee remuneration for the province is only

one of the costs of so many small boards; it represents only the tip of the iceberg in terms of the administration overheads. These boards must also be supported by administrative infrastructures: superintendents, directors, secretary-treasurers, and so forth. By the way, the trustee remuneration is only the taxable portion; the one-third nontaxable and all the travel and expenses are in another area of the reporting. So you can see that there's a very substantial portion within these function administrations that could be saved; there's potential for savings by just the reduction in the number of school boards.

Other economies of scale are also likely, as are the potential savings in provincial capital grants and equity grants. For example, the Exshaw school district - does everybody know where Exshaw is? It's on the way to Banff; you see all the cement plants as you go by it. It's within the electoral division of Banff-Cochrane and has a high industrial/commercial property tax base, with cement plants in the area, and a low educational mill rate, about 9.34 mills. Now, all the mills have been converted so that when I talk about them, they represent a common base through an equalized mill rate. They only have 66 resident students in Exshaw. Its neighbouring board, Mount Rundle, which includes the village of Canmore, is predominantly a residential area with a much higher educational mill rate of 25.35 mills compared to Exshaw's 9.34. In addition, Mount Rundle receives an equity grant. It is unlikely any equity grant would be necessary to a school board coterminous with the electoral division of Banff-Cochrane. In Banff-Cochrane you have a much more balanced local property tax base, a mixture of industrial/commercial and rural, residential, and farm.

An even more dramatic example of assessment inequities with a much higher potential for savings in provincial equity grants is found in the electoral division of Cypress-Redcliff. The Cypress school division enjoys a substantial local property tax base and an extremely low educational mill rate, 4.27 mills, as a result of the extensive oil and gas, pipelines, refinery activity in the area. On the other hand, the Redcliff school district, which is generally coterminous with the village of Redcliff, is essentially a bedroom community with a very low property tax base and a high educational mill rate, 32 mills. The Redcliff school district received \$519,000 in provincial equity grants in 1989 to help compensate for its low property tax base. The county of Forty Mile school board, within the riding of Cypress-Redcliff, also has a low property tax base and a high educational mill rate, 32 mills again. They received \$574,000 in provincial equity funding in 1988.

It's unlikely that any of this equity funding would be necessary for school districts coterminous with the boundaries of the electoral division of Cypress-Redcliff. Extremely high commercial/industrial assessment within Cypress would be shared more equitably and create a more balanced tax base. These are only two examples of potential savings in equity funding to be found in combining a number of school jurisdictions into school boards coterminous with electoral boundaries. A cursory review of the remaining rural electoral divisions suggests similar results would occur in a number of other areas.

Clearly, Alberta is dissipating its financial resources over too many small school jurisdictions that have fragmented the local property tax base in rural Alberta and enjoy no economies of scale. They also tend to fragment the student population so that it is increasingly difficult to achieve the critical mass of students required to offer economically a full program of educational courses and services, and they drain the available capital resources as well. In our view, they are educationally and

financially indefensible, and we urge you to give serious consideration as a matter of urgent public policy to creating school boards coterminous with rural electoral divisions. It is our belief that much more effective use of scarce educational resources will accrue and that the government will achieve many of its objectives with respect to corporate pooling without the major disadvantage of corporate pooling, the further erosion of the local tax base and local economy.

Thank you, Mr. Chairman.

MRS. DEMPSEY: Thank you, Mr. Wills.

Again, we do ask you to review these facts as you carry on with your deliberations. We do not believe that we have overstated our case when we say that this is a matter of urgent public policy. If you have any questions, we would certainly try to deal with them.

MR. VICE-CHAIRMAN: We've been joined – and I'm trying to read your name tag from here.

MRS. WILSON: Anne Wilson. Sorry for being late this morning.

MR. VICE-CHAIRMAN: Anne Wilson; thank you. No, actually we started a few minutes early, so I think you caught the gist, obviously, of the presentation. You're familiar with it.

MRS. DEMPSEY: We do have some handouts for you.

MR. VICE-CHAIRMAN: Okay, that would be fine.

There's also some coffee here. Is that what you were pointing to, Robin? Actually, if we put the coffee right here, maybe people could just help themselves.

Anne, I just explained that this is a select committee of the Legislature. Therefore, all proceedings are recorded, and that's what the microphones are for.

Questions of the committee members? Frank?

MR. BRUSEKER: Yes, thank you. Rita, I appreciate your presentation. I think it's a very well-thought-out presentation. The question that sprang to my mind, however, is – if you think back to the last redistribution, there was a constituency over in what is now the Hanna area that was basically eliminated in redistribution. I'm wondering: were that to happen again in the future, would that not create a problem? If this were to come to pass, that we redefine the electoral boundaries and then match school board boundaries to them, would it create a problem if there were subsequent redistributions that changed boundaries? Would it be a problem, then, for school boards that would then change their population?

MR. WILLS: Can I answer that perhaps on a technical basis? Every time we annex a property in Calgary, the tradition has been to change the school board boundaries. And, clearly, when you look at electoral boundaries, it would seem to me that you would be taking into consideration natural community groupings. So I don't think it's an insurmountable problem. It's something to be dealt with, and maybe it would be useful that it be reviewed on this frequent basis, because you have this type of growth taking place and changes in density. Perhaps there would be some advantage to that.

MR. BRUSEKER: Okay, then. So related to that, then are you

suggesting that we have – this may be a little off our mandate – in terms of school boards a maximum number of school boards in the province of, say ballpark, around 125 or something?

MR. WILLS: I don't know what that maximum would be, but clearly I think the evidence is pointing that there are substantial savings to be had in administration and, I would argue, in equity grants, where you can focus the money to more, well, direct support of students. That's just not happening in this particular . . . But what the maximum should be – we found it convenient to link them to electoral boundaries simply because that happened to be in review and we had data available so that we could do the analysis.

MR. BRUSEKER: Right. Well, my own bias – as you may know, I was a schoolteacher – is that if we put more money in classrooms, that's the way we've got to go.

One more question, and then I'll let some of my colleagues ask questions. Over the past number of years, actually since the province was created, we've added electoral boundaries. We started with 25, and we're now up to 83. So in the future if the population grows and warrants it, should we then consider adding school boards as well?

MR. WILLS: We've been adding school boards probably at a faster rate than you've been adding electoral boundaries.

MR. BRUSEKER: Oh, okay.

MR. WILLS: Little school boards are cropping up all over the place.

MRS. DANIELSON: What was the latest one?

MR. WILLS: I guess the one south of us that Rita used as an example.

MRS. DEMPSEY: Yes. I think what we are suggesting is that it's the size of the school board which is the critical issue. If I could just – I don't want to keep picking on Okotoks, but it's one with which we're very familiar. I believe they have between 120 and 160 students. They have a superintendent, and there's just the one school, which is currently being built with capital funds, and they are advertising for a principal. That's the kind of excessive administrative costs we see as a by-product of that proliferation of school boards.

MR. WILLS: I think there are other savings involved as well. For the province to support this many small boards, they need an infrastructure themselves of technical support, professional support, just to set the boards up, just to give them the type of help they need because a lot of them are so small, they need professional support, and there's a substantial amount of administration within Alberta Education itself trying to support this number of small boards. So there would be savings in that administration as well, and that's why we've made the point that this is only the tip of the iceberg. We happen to know – I wasn't picking on trustee remuneration; it just happens to be the one thing that's isolated on the audited financial statements that the province provides and at least lets us focus in on that. When boards are responsible for 56 percent of the students and they're only 15 percent to 17 percent of the total trustee remuneration,

that's a pretty damned good indicator of a substantial amount of administrative overheads.

Thank you.

MR. BRUSEKER: Thank you.

MR. VICE-CHAIRMAN: Thanks, Frank.

MR. SIGURDSON: Has this matter been raised at the ASTA conference, and if it has, what has the response been?

MRS. DEMPSEY: Yes, it has. In fact, when we started raising this issue, there was an ad hoc group called the eight large urban public boards which came together at the time when the School Act was under discussion, and these are - to use the term non-Catholic, I think, is to make it easier to understand - the boards of Calgary, Edmonton, Lethbridge, Medicine Hat, Grande Prairie, Fort McMurray, and Red Deer. We started making this point sometime around that period. I guess it would be fall, four years ago. There was a very natural tie into the whole question of corporate pooling, so that when the ASTA opposed corporate pooling, one of the arguments used, again by large boards, was that you can't separate the two issues, looking at corporate pooling as a way of solving inequities when you're not dealing with the structural inequities. Since then this presentation has been made to the Calgary caucus by our board. Obviously, within the ASTA there would be a division of opinion on this as a solution, but I would say, Chuck, that the position really started with the eight large urban boards.

MR. WILLS: But ASTA is on the record as a whole, by a majority, as wanting the boundaries reviewed. They recognize that this is a totally unacceptable structure for providing education. Now, where the breakdown is in what is a specific solution. They have not adopted this or any other solution. All they have said and are on public record as saying is that there is a need for a boundaries review.

MR. SIGURDSON: But if that's the current policy or resolution of the ASTA, has that matter, then, been raised with the Minister of Education?

MRS. DEMPSEY: Oh, yes.

MR. SIGURDSON: And the response is?

MRS. DANIELSON: Actually, one of his concerns was that if in a study, for some reason or other, Calgary themselves or the large urban boards might be affected and broken down into school districts, you know, would we be willing to live with that too? We said fine; anything, as long as it was for the students.

MR. SIGURDSON: Thank you.

MRS. BLACK: I was just going to ask how many numbers. Do they include the separate school boards as well as the public?

MR. WILLS: Yes, they do. In the totals? Yes.

MRS. BLACK: Have you done any correlation between, say, electoral boundaries, school boards, and the hospital districts?

MR. WILLS: No, not at all. We only picked a select few just

to build the argument. Obviously, it'll require some careful study if a recommendation should come to that, but we don't have the data available to do hospitals, Pat.

MR. VICE-CHAIRMAN: Just a couple of questions. Rita, for Exshaw you mentioned 66 students, or maybe Mr. Wills. Was Exshaw a separate board?

MR. WILLS: Exshaw has 66 resident students. It's not a separate school board. It is a public school board. They also serve some students from the Morley reserve, but the number of students that belong to them are 66 resident students.

MR. VICE-CHAIRMAN: So Exshaw as a board has 66 students. Would it have its own superintendent then?

MR. WILLS: Oh, yes. And to be fair . . .

MR. VICE-CHAIRMAN: Just following that - I'm not familiar with the figures. How is the salary of a superintendent established?

MR. WILLS: Oh, each board would be establishing their own.

MR. VICE-CHAIRMAN: Is there an average salary in the province, ballpark figure?

MR. WILLS: I'm not aware of it. I think an average teacher's salary is in the \$40,000 range. So then you'd have a principal on top of that and then a superintendent.

MRS. DANIELSON: Isn't secretary-treasurer one of the School Act requirements?

MR. WILLS: Oh, and if they need a secretary-treasurer.

But to be fair, some boards share their superintendents and share their secretary-treasurers.

MR. VICE-CHAIRMAN: Of the 174, would some of those boards share?

MR. WILLS: Absolutely.

MR. VICE-CHAIRMAN: Do you have an idea how many there are?

MR. WILLS: No.

MR. VICE-CHAIRMAN: For instance, the superintendent of Calgary: what would his or her salary be?

MRS. DEMPSEY: Our superintendent's salary is in the range of \$100,000 to \$110,000.

MR. VICE-CHAIRMAN: So \$70,000 to \$100,000 would be an average range around the province? Would that be fair?

MRS. DEMPSEY: Edmonton public and Edmonton Catholic are both higher than ours. It's difficult; it isn't information that we really have access to. But as Chuck has said, in some instances the superintendent would maybe only be there for two days a week and would have another sort of job, or be retired and just working two days a week.

MR. VICE-CHAIRMAN: I see. I agree; I think that's the tip of the iceberg. I'm just trying to see some of the other costs of provisions here.

MR. WILLS: We don't have the data available to measure, and that's why we didn't attempt to measure. The only one we could measure with any degree of assurance, because we could get them from audited financial statements, was that trustee remuneration, and that's why we said that it's the tip of the iceberg. It does not represent the travel or expenses or the one-third tax really. And it's a fairly substantial amount, as you saw on the overhead.

MRS. DEMPSEY: And some of the trustees are not paid an honorarium as we are. They receive a per diem, and that can become quite expensive.

MR. VICE-CHAIRMAN: So there are a 188 boards in the province, then, and some of those would be dual superintendent. If you're looking at – just as a suggestion; I know you're not saying in an absolute sense – the idea of coterminous with provincial constituencies, we would be looking at eliminating about 100 boards, if we were ideally looking at a school board as coterminous with a provincial constituency.

MR. WILLS: But there'd be two school boards per. Now, that isn't rural, right?

MR. VICE-CHAIRMAN: That's right.

MR. WILLS: So in rural I think we're saying that if you have the same number of rural – is it 42? – then you're looking at 84 plus 14.

MR. VICE-CHAIRMAN: Yes.

MR. WILLS: And some of these 174 are so small that they actually buy service from somebody else. The irony of it all is they still need a structure in order to buy that service, and that structure has to be supported by Alberta Ed. That's why we made the point. It's not just this overhead you can see, which is board-driven overhead; there are overheads with the Alberta government through Alberta Education to support this type of infrastructure.

MR. VICE-CHAIRMAN: What would be the travel implications of a board – let's say that one board would be the size of Peace River or the size of the entire constituency of Wainwright, for instance; you mentioned Wainwright. Would there be extensive travel implications?

MRS. DANIELSON: Just from a personal point of view, I'm a rookie trustee, first year, and the first thing we had to go to was the Alberta School Trustees' Association, and some I know were there. There were 1,000 trustees there. I was one of seven

from Calgary, and I just looked around and thought that for a four- and five-day session the amount of money that had to go into bringing those trustees into Calgary absolutely would have been horrendous, and that was just one convention.

MR. VICE-CHAIRMAN: I was thinking more of the travel implications of either parents, teachers, or students on a day-to-day basis within an enlarged . . . Is that going to be severe?

MRS. DANIELSON: Oh, I see, okay. The busing.

MR. WILLS: Well, I doubt if it's going to be. There will be some travel implications, no question about it. But schools can be centralized into the areas that need to serve students, so I don't think that will be the difficulty. Some of the school boards now cover large territories. Some of the counties have fairly large school boards in territory – maybe not in size, but clearly in territory. So it's not an insurmountable problem, and it's been one that's been solved by other provinces very readily. We're not talking about the biggest school boards geographically in Canada. They're not; they won't be, by a long shot.

MR. VICE-CHAIRMAN: Any more questions from any of our members? Do you folks have any questions of us?

MRS. DANIELSON: I'd be interested in time lines. Do you have a time?

MR. VICE-CHAIRMAN: Of our report? We have to table our report this session of the Legislature, and that report will have implications for the Electoral Boundaries Commission. In the letter we outline the different areas that we'll be reporting on, giving advice on, and making recommendations. One of the things that is laid out, of course, is the geographic, demographic, and other factors to consider in distribution of the constituencies, so what you're saying to us is very important and will be given really active consideration.

MRS. DEMPSEY: Thank you very much.

MR. VICE-CHAIRMAN: It's a very good presentation.

MRS. DEMPSEY: We really do appreciate you fitting us in this way. We certainly wanted to meet with you and to put our position forward, and we do have the handouts for you if you would like them.

MR. VICE-CHAIRMAN: We'd like to take those, yeah.

MRS. DEMPSEY: It's not quite as you heard it, but the substance is there.

MR. VICE-CHAIRMAN: Well, thank you very much.

[The committee adjourned at 8:25 a.m.]

