



Legislative Assembly of Alberta

The 31st Legislature
Second Session

Standing Committee
on
Legislative Offices

Friday, December 5, 2025
8:30 a.m.

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Second Session**

Standing Committee on Legislative Offices

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de Jonge, Chantelle, Chestermere-Strathmore (UC), Deputy Chair

Chapman, Amanda, Calgary-Beddington (NDP)
Cyr, Scott J., Bonnyville-Cold Lake-St. Paul (UC)
Dyck, Nolan B., Grande Prairie (UC)
Lovely, Jacqueline, Camrose (UC)
Miyashiro, Rob, Lethbridge-West (NDP)
Petrovic, Chelsae, Livingstone-Macleod (UC)
Shepherd, David, Edmonton-City Centre (NDP)
Wright, Peggy K., Edmonton-Beverly-Clareview (NDP)

Legislative Officers

Kevin Brezinski	Ombudsman, Public Interest Commissioner
Diane McLeod	Information and Privacy Commissioner
Shawn McLeod	Ethics Commissioner
Gordon McClure	Chief Electoral Officer
Terri Pelton	Child and Youth Advocate
W. Doug Wylie	Auditor General

Office of the Auditor General Participants

LouLou Eng	Senior Financial Officer
Eric Leonty	Assistant Auditor General
Karen Zoltenko	Business Leader

Office of the Chief Electoral Officer Participants

Sunday Akintunde	Director, Finance, and Senior Financial Officer
Steve Kaye	Interim Deputy Chief Electoral Officer and Deputy Election Commissioner
Jennifer Maskoske	Director, Election Operations
Ryan Phillips	Director, Information Technology
Dallas Stoesz	Director, Corporate Services

Office of the Child and Youth Advocate Participant

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Office of the Ethics Commissioner Participants

Josh de Groot	Lobbyist Registrar and General Counsel
Kent Ziegler	Chief Administrative Officer

Office of the Information and Privacy Commissioner Participants

Cara-Lynn Stelmack	Assistant Commissioner, Case Management
Chris Stinner	Assistant Commissioner, Strategic Initiatives and Information Management

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8:30 a.m.**Friday, December 5, 2025**

[Mr. Lundy in the chair]

The Chair: All right. Let's call this meeting to order. I'd like to welcome members, staff, and guests to this meeting of the Standing Committee on Legislative Offices.

My name is Brandon Lundy, MLA for Leduc-Beaumont and chair of this committee. I'd ask that members and those joining the committee at the table introduce yourself for the record, and then we will hear from those joining us remotely.

Mr. Cyr: Scott Cyr, MLA for Bonnyville-Cold Lake-St. Paul.

Mr. Leonty: Eric Leonty, Assistant Auditor General.

Mr. Wylie: Doug Wylie, Auditor General.

Ms Eng: LouLou Eng, senior financial officer with OAG.

Ms Zoltenko: Karen Zoltenko, business leader, audit practice.

Mr. Shepherd: David Shepherd, MLA, Edmonton-City Centre.

Ms Wright: Peggy Wright, MLA, Edmonton-Beverly-Clareview.

Ms Rempel: Good morning. Jody Rempel, committee clerk.

The Chair: All right, and those of us online. Maybe I'll start with MLA Dyck.

Mr. Dyck: Excellent. Nolan Dyck, MLA for Grande Prairie.

The Chair: MLA Lovely.

Ms Lovely: Can you hear me now?

The Chair: We can hear you.

Ms Lovely: MLA Jackie Lovely from the Camrose constituency.

Ms Chapman: Amanda Chapman, MLA, Calgary-Beddington.

Mrs. Petrovic: Chelsae Petrovic, MLA for Livingstone-Macleod.

Ms de Jonge: Chantelle de Jonge, MLA for Chestermere-Strathmore.

The Chair: All right. Thank you.

Just a few quick housekeeping items to address before we begin our agenda. Please note that the microphones are operated by *Hansard*. Committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. To those members participating remotely, please ensure that you are prepared to speak or vote when called upon, and videoconferencing participants are encouraged to have their cameras on, if possible, when speaking. Also, please set your cellphones and other devices to silent for the duration of the meeting.

We'll begin with our agenda. A draft meeting agenda was circulated. Does anyone wish to propose an amendment? Seeing none, I'd ask that a member move to approve the agenda. Moved by MLA Shepherd. All right. All those in favour of the motion to approve the agenda, please say aye. Any online? All right. Any opposed? That motion is carried.

Our next agenda item is approval of minutes from the previous meeting. We also have a set of minutes from our last meeting. Are there any errors or omissions? Seeing none, would a member move a motion to approve the minutes?

Mr. Cyr: I'll move it.

The Chair: Moved by MLA Cyr. All those in favour of the motion, please say aye. Online? Are there any opposed to the motion? All right. That motion is carried.

All right. Moving on to our agenda item 4, which is officers of the Legislature annual reports, business plans, supplementary funding request, and '26-27 budget estimates. The main purpose of our meeting is to hear from each of the officers of the Legislature regarding supplementary funding requests, their annual reports, business plans, and '26-27 budget estimates.

This process parallels the government main estimates process in several ways. Just as ministers are responsible for justifying their supplementary funding requests in budget estimates, it is the officers who justify and answer questions about their budget requests. Committee members have an opportunity to ask questions of the officers before voting on a supplementary funding request or budget estimate. However, we need to complete consideration of the officers' budgets before the main estimates are released so that our decisions can be communicated to Treasury Board and Finance and included in the budget documents released in the spring.

In addition, to respect the independence of the officers, the committee may consider amending their total supplementary funding request or budget estimates but should not do so on a line-by-line basis. Also, the committee may consider increasing an officer's budget request without infringing on the prerogative of the Crown. Please make sure you ask the officers for any clarification that you need regarding the supplementary funding request and budget estimates as we will be meeting again on December 12 to deliberate on these requests and make decisions on our recommendations. We will take short breaks between each presenter, but we will set timers to ensure that we remain on schedule.

Our first officer is the office of the Auditor General, and we will begin by hearing information on their supplementary funding request. I would like to welcome Doug Wylie, Auditor General, and his staff to the meeting this morning. We will begin by addressing your '25-26 supplementary funding request for \$2,392,000. Part of this request was presented at our last meeting; however, it has been updated. I would ask that you keep your remarks to 15 minutes or less so that committee members have time to ask questions. Mr. Wylie, when you are ready, please begin by introducing your staff.

Office of the Auditor General

Mr. Wylie: Good morning, committee members. Thank you for the opportunity to be with you. I would like to reintroduce the staff at the table with me today, and that is LouLou Eng on my immediate right, who's our senior financial officer. On my left is Assistant Auditor General Eric Leonty, and he has oversight for the health portfolio, among many others. Then we have Karen Zoltenko on my far right, who is our business leader and keeps us on track, ensuring all professional standards and we have the processes that we need to do the work that we do on behalf of Albertans.

Chair, as you just indicated, I understood that we're going to deal with our supplementary budget request first, then we will come back and deal with the main estimate later. I would note at the introduction that it is important to make the linkage between our supplementary request to finish off this fiscal year and the ask that we're bringing forward for the '26-27 budget. They are fundamentally interconnected, so while my presentation might feel a little repetitive, I think it reflects the reality that these elements are closely linked and cannot be considered in isolation. Each are driven by the need to respond to external factors, not by discretionary initiatives or nice-to-have projects. If supplemental

items are not approved in full, their corresponding allocations in next year's budget will need to be significantly altered, delayed, or indeed cancelled.

With that context, I'll now move on to our supplemental requests. We are requesting additional funding to support the following: salary market adjustments for certain public service classifications as determined by the Public Service Commission, new financial statement audits arising from restructuring in the health sector, and the necessity to replace end-of-life audit software.

Let me start with the salary market adjustments. The Public Service Commission has already implemented targeted salary market adjustments to pay grids for certain public service classifications. It's important for the committee to be aware that our office follows PSC guidelines and directives. For context, our OAG employees were subject to the same six-year salary freeze as the broader public service. As such, we are adhering to the detailed guidance provided by PSC regarding these adjustments. This ensures parity and alignment with the direction provided to the public service. We have already received all of the spreadsheets and supporting documentation prepared and provided by PSC, and these increases apply to over 90 per cent of our employees. We anticipate these adjustments will help address the high attrition rates we have reported to the committee over several years now, improving retention and strengthening our ability to attract and keep talented staff. We refer to both those items, and we have done so in the last few years, both in our business plans and results reports. To support these compensation adjustments to September 3, we are requesting a \$1.3 million amount for the current fiscal year.

Let me move on to what's referred to in your package as estimate 2, which deals with the agent cost for restructuring in the health services, the new health entities, and a new ATB subsidiary. As of today the government's restructuring of the health care system has resulted in the creation of eight new organizations that require separate financial statement audits. Although we are not the statutory auditor for these new organizations, we agreed to all ministerial requests by accepting appointment as auditor, but this was on the condition that adequate funding would be provided to complete the work. Based on the expectation that funding would be approved, we began planning and issued an RFP to secure additional resources to complete this work. We do not have the internal capacity to absorb this additional work fully by our own staff. That process concluded successfully, and a contract is awaiting signature. The successful proponent scheduled 22 staff to begin work in November and December. However, following the decision of this committee at its November 3 meeting, we were required to defer the start date from November to January, with the remaining work to be completed after April 1, 2026.

8:40

I do need to make the committee aware that our original request was \$977,000, and you'll see in the package that that has been reduced to \$467,000 for the supplemental estimate. Essentially, what we had to do, Chair and committee members, is move \$510,000 from the work that was planned to be done in November and December, and that has been moved into our next fiscal year, to '26-27. The delay in funding approval has delayed by two months our ability to proceed with the audits requested by the respective ministers. It is important to remind the committee that our acceptance of these audit engagements is dependent on receiving the necessary funding to complete them. If we don't do these audits, these organizations will have to independently arrange for separate RFPs, go through a process that we've already been through, to hire and pay for their own auditors.

Let me move on to our final estimate, which is identified as item 3 in your package, and that deals with the replacement of the end-of-life software. As you'll see in your information package, most of this increase relates to expenses for the implementation of the new audit software. The remainder relates to ongoing licensing costs of approximately \$300,000 annually, and that I think works out to about 1 per cent or less than 1 per cent of our budget. The replacement of our current software, which is at its end of life, as I mentioned, is essential to preserving the stability and reliability of our work.

This software is not optional. It is foundational and an integral part of how we operate. This audit software manages audit documentation, ensures compliance with Canadian auditing standards, and supports every aspect of our process, quite frankly, everything from identifying audit risk to developing, performing, and documenting audit procedures, all within a secure and supported platform. We take security very seriously, as you can imagine, as we have access to information, government information and those that we audit, so it is an important aspect of ensuring that our systems and software that we're using are up to date to ensure that we're receiving all of the necessary patches. Ensuring the use of secure and supported systems is critical to maintaining compliance and safeguarding data integrity, as I said. This new software is essential to protect government and audit-related information in our custody with the same level of security that's afforded to the government of Alberta systems.

Now, before I conclude, I want to highlight an important consideration for the committee, and that is the implications of funding shortfall. Our office has consistently demonstrated prudent financial management. In recent years our budget requirements have been driven primarily by the need to respond to external factors, and this trend continues. Our ability to respond effectively to factors beyond our control relies on securing adequate funding. Full approval of our requested funding will enable us to maintain the quality and timeliness of our work.

Without this support we will face challenges that will delay financial statement audit work. It will also limit our capacity to accept the requested audit appointments in the health sector. These challenges will affect our ability to meet the reporting deadlines for many of the organizations we audit and, ultimately, impact the government of Alberta's June 30, 2026, deadline for the audit of the consolidated financial statements of the province. By ensuring the necessary resources are in place, we can continue to meet these critical commitments and uphold the standards expected of us.

With that, Chair, I'll turn the remaining time back to the committee and do our best to answer the questions that committee members may have. Thank you.

The Chair: All right. I appreciate your presentation, Mr. Wylie.

Before we hop into questions, I will note we have an additional member who has joined us online. MLA Miyashiro, if you can introduce yourself for the record, please.

Member Miyashiro: Good morning, everyone. Rob Miyashiro, MLA, Lethbridge-West.

The Chair: All right. Thank you.

Now we will begin the questions and discussion on the presentation. MLA Shepherd, I saw your hand up. Go ahead, sir.

Mr. Shepherd: Actually, I'll defer to my colleague MLA Chapman, if that's all right. I'll let her go ahead of me.

The Chair: All right. MLA Chapman, go ahead.

Ms Chapman: Oh, thank you so much. Thank you so much to the Auditor General for coming and giving such a clear and thorough presentation about the supplementary request. I had a question. When you were referring to estimate 1 salary market adjustments, you had mentioned your attrition rates, and that's something I had notes to ask you some questions about when we get to the review of your annual report and business plan, but I just wondered if I could get some clarification from you. When you are looking at the salary adjustments, do you believe that without the salary adjustments that are needed, your office would see even greater attrition rates? Is it simply a matter of the salary that's required to improve the retention in your office, or are there other factors that are affecting that?

Mr. Wylie: Well, through the exit interviews that we have when staff leave the office, and through, you know, the various salary studies that are completed – for example, the CPA profession itself, who completes national studies – there's no doubt that salary is a significant indicator. I would say the majority of individuals leaving in large part indicate that they're able to get salaries in excess of what our office provides.

We have long stated both in our business plans and our results report that that was one of the primary issues that we had to deal with with staff, and that is staff recruitment and retention. That's why it is one of the priorities in both our business plan and you see us reporting on it in our results report to ensure not only that we can attract staff to begin with but also that we can retain them. We invest significantly in this staff as they are trained through the profession and increase responsibility, so we certainly want to see that return on investment that would accrue to Albertans through our ability to retain them.

A long answer to the question, but it's fundamental, I think, to our ability to deal with the attraction and retention of staff to our office.

Ms Chapman: Can I have a follow-up, Chair?

Mr. Wylie: Sorry. Just to supplement. Eric would like to supplement.

Mr. Leonty: Yeah. Maybe one thing to add. Based on the similar classifications to other departments, if we didn't have the same increases as those classifications of other departments, that would also introduce some additional retention risk based on our staff and perhaps looking at other organizations as well.

Ms Chapman: Thank you.

Chair, may I have a follow-up?

The Chair: Sure. Go ahead.

Ms Chapman: Thank you. I wonder if you can just clarify for me, then, what the consequences would be if you do not receive the funding required for the salary adjustments. Does this look like your department having to reduce the number of staff? What happens if this funding request is not approved?

Mr. Wylie: Well, let me be clear. I don't think there's an option. This decision has been made. It's being applied across the public service broadly. As I indicated in my opening comments, we've always followed the PSC guidelines and directives, and we plan to do so again this time, so those payments will be made. What that means is that if we don't receive, as I said in the introductory comments, the requests that we're bringing forward – and these are not, as I said, nice-to-haves; this is a reality – we'll have to make some tough decisions. That's predominantly going to land on the

only discretionary item we have, and that is the payment of agents, contractors, and we're going to have to look at how we would cut funding contractors.

The Chair: All right. Thank you.

We'll go to Member de Jonge.

Ms de Jonge: Thank you so much, Chair, and thank you to the Auditor General for joining us today. I want to talk a bit about the budget addition for the replacement of the audit software. It's something you talked about in your opening remarks and that your office takes security very seriously. You mentioned aligning with government-level security standards. I'm just curious. Does this mean adopting the same software that's used by government departments, or are there unique needs to your office that maybe require some changes to what government uses? Or is it the exact same system?

8:50

Mr. Wylie: Thank you, through you, Chair, to the member. Thank you for the question. No, it is not a government system. This is a software that is used specifically to conduct audits. When we refer to security, what we're referring to is that the supplier is no longer going to be providing support through the way of patches and other upgrades, so of course, there is a security issue there. Under our legislation we are required to ensure the same level of custody security over information that we obtain from those that we audit, so we take security very seriously.

In direct response to your question, no, it's not something that the government would use. It's something unique to an audit office. We are looking at a reasonable, cost-effective solution. Many of the larger firms – for example, you take some of the big four, KPMG, PWC, et cetera – have actually developed and invested creating their own software. We just simply cannot afford to do that, so we have gone to market to identify a solution for our office. As I said, our solution that we're using really has come to its end of life. It's 25 years old now, and we definitely need to replace it. There's no option there.

Ms de Jonge: Chair, just a follow-up.

The Chair: Go ahead.

Ms de Jonge: Thank you. Thank you for those comments. Twenty-five years is certainly aging software by anyone's standard. You talked about the cost effectiveness, you know, when you're looking and evaluating different systems. What's the criteria when you went to market and you're looking to select new software? Cost effectiveness is critical. You want to look at cybersecurity functionality. I guess, what is the criteria that your office is using to select new software, and how is it going to improve audit efficiency?

Mr. Wylie: Thank you. I'm going to ask Karen to help me because she was directly involved in leading the RFP process, so the request for proposal. We did go to market. We did have established criteria. I'm going to ask her to deal with, you know, the detailed criteria, but essentially, it really is to be able to service our two lines of business. We conduct about a hundred financial statement audits a year directly ourselves as well as doing the performance audits. So it's having software that will have the ability to help with the planning, the identification of audit procedures that we would be doing, and in fact, then, actually documenting the work in all of these areas.

One of the big issues that we were looking at was the integration, so the ability to integrate all of the necessary standards up front. For example, the professional standards, being able to automatically download those standards into our software to ensure that they're continually updated when updates are requested, et cetera. But the big picture is essentially to service our audit needs.

I'm going to ask Karen to deal with the specific criteria, I guess, if that's your question, of what we were looking at when selecting this. Karen.

Ms Zoltenko: Thank you, Doug. Yeah, you're absolutely correct. First and foremost, the two main criteria that we were looking at is audit quality and ensuring adherence to the professional standards that we need to adhere to both within our profession and in the legislative audit environment that we operate as well as security and the protection of information that we hold in our audit files. You can imagine over 25 years that technology will have changed quite a bit as well, so some of the other things that we were looking at is the automation of workflow, which does improve efficiencies in the execution of our audit work. For example, like Doug said, integrating our risk assessments right through to execution of our audit work, reporting, and analysis in our concluding procedures.

Another thing that's changed in the marketplace, as well, that we looked at is the user experience for completing our work, which also aids in the efficiency of executing our audits. For example, in the new environment, particularly in a cloud environment, users can access the same working papers at the same time. Gone are the days where a preparer would need to complete a section, check it out to a reviewer, a reviewer would add their comments, send it back. Multiple people can be working in the same section, even on the same working paper, at the same time.

So while the two main criteria that we were looking at is audit quality and security, there are additional benefits that come with the technology of today than would have been available 25 years ago.

The Chair: Thank you.

Next question will go to MLA Shepherd.

Mr. Shepherd: Thank you very much. Thank you, through you, Mr. Chair, to Mr. Wylie and his team. Very much appreciate you being here today. I just wanted to touch on what Mr. Wylie presented or was just talking about in terms of the supplementary funding and the audit requirements, then, for these eight new health organizations. I think it's important to highlight, I guess, what Mr. Wylie was talking about in terms of the decision that was made by government members at the last committee meeting to delay this funding. What I hear Mr. Wylie saying is that those two months of delay have created significant pressures in being able to move forward with contracts signed with external agencies, who have also delayed their time by two months, 22 staff, to work on what is essential work.

To be clear, we are auditing the dismantling of Alberta Health Services, so we're talking about hundreds of millions of dollars of assets and other things being taken out from there, moved to new entities, eight new entities, each of which then requires its own financial statement to determine what is there. If I heard Mr. Wylie correctly, what he's saying is that there are in fact deadlines for when these audits should be completed, and these in fact impact on the government deadline for its own financial reporting. Of course, remembering, Mr. Chair, that this is our accountability to Albertans for hundreds of millions, billions of taxpayer dollars.

So I just wanted to check in with the Auditor General to make sure I'm understanding that, as he noted, this is a chain reaction. The decisions that are made at the committee today are going to be

very significant. To the Auditor General, through you, Mr. Chair: could he just clarify for us what specifically are the deadlines that are required for these financial audits so that we can properly understand the implications of our decision today? If the funding is provided, what are the deadlines that need to be hit? And if it is not provided, what impact is that going to have on the government's ability to follow through, then, on the legal requirements for financial transparency with Albertans?

Mr. Wylie: Well, let me just go to the end game, so to speak, and that is the reporting of the province, the consolidated financial statements of the province. They are to be reported by June 30. As you'll see in one of our performance measures, one of the key aspects of quality or relevance of our work is the timeliness of our work, that we're able to get the work done in time by those who need it. In this case we have to sign off on the financial statements of the province before June 30 because that's the deadline for those. So everything is working backwards from there.

These health organizations are significant. They are a significant component, making up tens and tens of millions of dollars that go into the consolidated statements, so they are material to the consolidated statements of the province. Therefore, it's designed that those audits would be done prior to completion of the consolidated financial statements of the province. If that work is not done, then that pushes back the work on the consolidated financial statements.

What I was alluding to was, yes, indeed, what happened was that we have been receiving requests from ministers as these organizations were being set up asking us to be the appointed auditor. I have replied in all instances and said that our office would be pleased to accept the appointment of these, but they are subject to obtaining appropriate funding, just like any auditor would do. In fact, it's part of our standard rules process that an auditor cannot accept an engagement unless they're receiving adequate funding because you need to do the essential work in order to be able to sign off on an opinion. So we have indicated that yes, we'll do this, but we need appropriate funding to do it. We just simply do not have the resources to do that internally, so then we went out, working with those organizations and their staff, and put together an RFP and went out and sought assistance, and we've been working with those organizations' management teams for indeed months now in planning to get this done.

9:00

We worked with the selected proponent, and they had arranged to have 22 staff because, again, this is a big exercise. This isn't just a matter of shuffling the deck, so to speak. They had planned to have 22 people available for the months of November and December. That's why we moved forward, bringing that supplementary estimate at the time that we did, because I have not yet signed that contract with that proponent because we need funding. We can't sign the contract without appropriate funding.

So what's happened is, because they're a private-sector firm – they're one of the large four firms – they have other work to do. They have December year-ends to do, so essentially we had a window of opportunity for November and December. That time will have now passed. They have limited resources post-December because they're dealing with December year-ends, so they're going to come back, essentially, now for the majority in the new year, starting on April 1. But that, essentially, has really pushed us back 22 people for two months, which is a significant delay in that work, and quite frankly I'm not too sure how we could catch up on that even working significant amounts of overtime with additional cost.

I'm not too sure how we're going to catch that up to even get the audit work done right now in the consolidated statements.

That's kind of the story in its totality. This funding is very, very important, and, you know, we await the announcement because once we get that, then we can get on with signing the contract and move forward. As I said in the introductory comments, our office will not undertake this work unless we receive the funding because it would be inappropriate for us to do so if we don't have the resources to do the audit work that needs to be done.

Again, we have worked with a private-sector firm to identify what audit work needs to be done and what we have proposed. The numbers that you have in here are not numbers that I have put together on a napkin. These are well-thought-out numbers working with a private-sector firm, and these are the audit requirements to do this work. Quite frankly, if we don't get that funding, we will not accept the engagement, which will leave, then, these organizations to go and start their own process of their own RFP and selecting and identifying and paying for their own auditors out of their budgets.

The Chair: All right. Thank you.

Mr. Shepherd: A follow-up, Mr. Chair?

The Chair: Oh, go ahead. A quick follow-up.

Mr. Shepherd: Thank you, Mr. Chair. Thank you through you to the Auditor General for that clarification. I just want to clarify again and maybe just ask once more because I think this got missed in there. Basically, through you to the Auditor General, he will complete the audit of the AHS dissolution. That is funded. That is covered. But if the funding is not covered today that you requested in the supplementary, then each of those entities would have to go in to find their external RFPs, do that. Are they under a particular deadline? Would that put them in a position where they would not be able to provide the legally required transparency for Albertans on the date required?

Mr. Wylie: They're going to have a timing challenge for sure. We already have a challenge with trying to get the work done if we started at the beginning of November.

Eric, what are the specific timelines of reporting of those organizations? Do you know?

Mr. Leonty: It really wouldn't be different whether or not we're the ones doing it or if they have to go and select an auditor. As Doug had said, all that financial information, the financial statements, ultimately gets consolidated up to the provincial financial statements. So there would be the same time pressures, just, of course, that process for them just would start later, so it adds even further compression, I would suggest.

Mr. Shepherd: Thank you.

The Chair: All right. Thank you.

MLA Cyr, I have you next on the list.

Mr. Cyr: I guess that, again, when we were here at the last meeting, we adjourned the discussion to this meeting because you were clear in your writing on the November 21, 2025, letter that you hadn't fully calculated the numbers that you needed to be able to fulfill your duties. Now, less than a month later I would say that it sounds to me that you're stating on the record that you cannot fulfill your core duties as the Auditor General. I would say that, clearly, this is troubling based on the fact that I would have anticipated, if this was as crucial and critical as you had mentioned, had alluded to in your

response, that this work would have been done before our last meeting and we wouldn't have needed to adjourn this debate to have a better look at what you are looking for in funding. So can you please clarify that you are able to do your core duties as the Auditor General, sir?

Mr. Wylie: Well, Chair, through you to the member, let me clarify a couple of points. We came forward and presented all of the information we had for the one supplemental estimate that we were bringing forward at that time, which had a sense of urgency, and that's why we brought it forward at the November 3 date. We presented all of the information that we had, so it wasn't as if we didn't have the information to present to the committee. In fact, we answered all of the committee's questions that I'm aware of with respect to that supplemental request, which dealt with the funding necessary to get on with doing the work in the health care sector.

I am not aware of an unanswered question. We were not in the room, and it was not a question posed to me by this committee that asked the question: if you do not receive the funding today, what does that do to you? What does it do to your operations? If that question would have been posed, which I think is a very valid question by someone having oversight for the allocation of funding, I would have answered that question directly because I had that information at that time and was prepared to do so. I'm not aware that this committee was lacking any information respecting the approval of the funding necessary to get on with the health sector.

The other two items that we were talking about that the member is referring to in our letter, which were matters separate from the health care funding: those were dealing with the salary and dealing with the software, and on those matters, yes, we were seeking additional information because we were waiting for the Public Service Commission and the working behind the scenes on that. We wanted to bring forward the most accurate and relevant information for the committee, and that's when we said: we'll bring that forward at a future date. It was a telegraph to let the committee know that this is coming down the pipeline. That's the best way I can answer that question, Chair.

The Chair: Do you have a follow-up, MLA Cyr?

Mr. Cyr: Yes, I do. From the last meeting to this meeting we moved from – again, from memory here, we were looking for \$977,000, and now we're looking at \$2,392,000. That is an approximately 150 per cent additional ask on top of this. Are we saying that waiting a month in going through this – it's strange that it's delaying all of your work. It seems to put your entire office at a standstill. I am unsure how it is that we've got to the point where it seems like we're going to a monthly request for supplemental. Is that how we're going to be moving forward with this, Auditor General?

Mr. Wylie: Chair, through you, we are responding to the requests of this committee as best we can. I will just make that statement. We're dealing with supplemental requests because there are matters that are happening outside of our control that we are having to react to. In fact, the information has changed with respect to a number of these health care organizations since we last met. We are not making those decisions, Chair or committee members; we are responding to what is happening in real time. We are trying to provide the best information, the most accurate information that we can. The date change for this – what's the name of the organization? The service . . .

Mr. Leonty: The shared services corporation and the Alberta Health Services corporation. At the time we met last, April 1, 2026,

was going to be the start date for those organizations. Those got moved up to December 1. Those now exist, so they'll need financial statement audits for the year-end on March 31, 2026, just as one of the examples of the fast-moving changes that are happening that we're responding to.

9:10

Mr. Wylie: Chair, just to close off on that, I'll just reiterate: we're doing the best we can reacting to those that we audit and the information that's coming forward and decisions that are being made by the government and others. We are trying to do the best we can, as we've done over the years, in responding to changes of year-ends that are made independently of us. We have consistently tried to service those we audit. We've had postsecondary institutions change year-ends from June to March. That has had a significant impact on our operations. We've done that. We've done that largely within our own budgets and moving things around. We've done the best we can.

I certainly do not want to be in a position where we're bringing forward supplementary estimates. If the assertion is somehow that this is the wish of this office, that is not the case. Let me be critically clear. We should be able to bring forward an annual budget and move forward with our work independently on that budget, Chair.

The Chair: Thank you.

I do want to note that we have a bit of a time crunch as we do need to transition to main estimates, but I want to respect the folks who have wanted to chime in on supplementals. I see MLAs Dyck and Chapman online. I'll go to MLA Chapman first, and then we'll go to Nolan. Maybe if we can keep in mind that we're hoping to wrap up the supplemental discussion as soon as we can and move on to the main estimates.

Go ahead, MLA Chapman.

Ms Chapman: Thank you, Chair. I'll be quick. I just want to thank the office of the Auditor General again. I feel the way you've presented the information in your supplemental request to be very clear. I've had no trouble understanding what it is that you're asking for and why you're asking. I did just want to clarify something with you just to make sure that I'm reading your budget sheet right here. I see a line under your estimate 2 for a fee premium due to agent resource scarcity. Can you just clarify for me: does this mean that because of the delay in your previous request for supplemental funding, we will now be paying more for the audit work that is required? Is that because of the delay?

Mr. Wylie: I'll ask Eric to provide an answer, please.

Mr. Leonty: Yes, it would be the shifting of staff time for an agent from the November-December time period. There will just be more effort required in April, May, and June. Obviously, the effort is as much as possible to meet all the timelines, but that will require additional staff by the agent and almost certainly more overtime, so that ultimately, you know, reflects here what that estimated added cost to effectively catch up would require.

Ms Chapman: Great. Thank you.

No follow-up, Mr. Chair. I just needed to confirm that that increase in the cost is because of the delay for the committee approving a supplementary request. Thank you.

The Chair: All right. Thank you.

MLA Dyck, go ahead.

Mr. Dyck: Excellent. Thank you very much. I want to go back to just the conversation on software here for a moment. There are

significant AI software data components, speed elements, as well as potential cost reductions and efficiency growth purely based around utilizing some of these software programs. A lot of our major software doesn't necessarily have those in there or they're just developing them, so my question is: when you sent out the RFP, was this a consideration of the future? Potentially now, but I would expect it's probably more of a future conversation: how does this engage with the AI and also the streamlining of your business? There's some research out there saying: potentially significant audit reduction and workload for the individuals, streamlining their workload. I'm just kind of curious: on this particular software which you have chosen was that a consideration, and was that AI component in the future something that can be worked in, if it has been, into the software?

Mr. Wylie: I'll ask Karen to answer that.

Ms Zoltenko: Thank you for the question and response, through the chair. The AI component, data analytics, significant technology that's available today: while it was a consideration, it wasn't a significant thought on the audit working paper software. Again, if we juxtapose where we are today, that compatibility simply does not exist in a software that's 25 years old.

We are currently using data analytics and the use of AI in our audit working papers and our audit engagements. We're looking at the software that is coming through to the RFP and its compatibility to work with existing systems that we have. We are seeing that some of the respondents have AI capability built right in. This capability helps provide even some guidance and some training available to staff in real time on their audit engagements while they're working. We are seeing in some of the respondents that that capability is built right into the solution, which is something that simply doesn't exist with what we currently have.

Mr. Dyck: Chair, if I may have a follow-up?

The Chair: Yeah. Go ahead.

Mr. Dyck: Sorry, it's going to be multipart just because I think you can answer multiple questions here pretty quickly. From your answer here it sounds like maybe you have not chosen the proponent yet out of the RFP. I just want clarity on that.

Then, as well, I recognize you're referencing the current systems, but, once again, in 25 years systems have changed. I would expect that with a new system those systems would probably be updated based around your guys' needs but then also the expectation in the future of how to streamline that, not using an old system or old process. Can you just expand on that, utilizing a new system, how much efficiency you might be able to gain after – 25 years ago, I mean, 2000 versus 2025: a pretty substantive technology increase in the last 25 years. Has there been any work done on what the extra work is that the pure software can potentially do for you to streamline and make this more efficient for you?

Ms Zoltenko: Thank you. I'll respond to your second question, and then I'll come back to your first.

Yes. Considering the new and the future capabilities of these systems: definitely part of our work with the vendors that have responded to our procurement processes is that road map. Where are you today, and where do you expect to go, and how can we use the technology that is available today and planned for the future to better improve the work that we do? We have asked each one of them: in the implementations that you've done recently do you have an estimate of what that return on investment or improved efficiency might be? None of them were willing to answer that question, so

we've done some estimates on our own. We do know that with any system implementation time likely will rise before you actually get the efficiency gains from those systems. We do estimate at least a 10 per cent efficiency on the execution of our audit hours, but the other thing to keep in mind, too, is the staff that's required to maintain the system as well as the methodology in which we operate.

For example, going back to a previous comment that Doug made on staffing, we have chosen to run one FTE short at this time within our professional practices group because we expect to obtain efficiencies from the solution in executing our methodology and updating our methodology for changes that come from the standards and the profession in which we operate. They can now come directly through the system instead of necessarily coming through changes in our own methodology through our professional practices group. That's another efficiency that we expect to gain through this change, at least one FTE in that group.

To your first question on if we've chosen a proponent, we've gone through quite a rigorous procurement process over the last number of months, and we've come to know about four vendors in this space. Again, as Doug mentioned earlier, this isn't a custom build for the for the OAG. This is looking at: what are the commercial, out-of-box products that are available for external auditors to complete their work? We've come to know of four of them that exist internationally. We cannot choose one at this time. We can't enter into a contract until the budget to do so has been approved. We do have one that has certainly met our essential requirements, but we've been talking to about three of them now for the last number of months.

The Chair: All right. Thank you.

In the interest of time we're going to move on. MLA Shepherd, I did see your hand. Is this something you could bridge into the main estimates, or does it have to be now in supplemental?

Mr. Shepherd: If you wouldn't mind, Mr. Chair, I'd like to ask it now, but it will be a very brief question.

The Chair: Go ahead.

Mr. Shepherd: Thank you. Through you, Mr. Chair, to the Auditor General, I do appreciate the clarification he provided in his response to the questions from Mr. Cyr. I just want to note that I think for our part on the opposition side we didn't ask that question about the impacts of denying that additional supplementary request because, frankly, I had no reason to think that any members of this committee and certainly the government members would choose to deny what I thought was a very clear and reasonable request.

9:20

I do note that on our agenda today we have supplementary requests from almost every officer of the Legislature, which is unprecedented in my 10 and a half years in this committee. I just wanted to clarify with the Auditor General. I know he served also under the previous Auditor General. Is this something that has ever happened before where the Auditor General's office has been put in a position where it has had to make this many supplementary requests due to changes on behalf of government?

Mr. Wylie: I don't have that information in front of me, Chair, and I apologize, Member. I just simply can't faithfully answer that question right now.

Mr. Shepherd: No trouble.

Thank you, Mr. Chair.

The Chair: All right.

Thank you, everyone. As mentioned, we'll move on. We will now move on to reviewing the annual report, business plan, and '26-27 budget estimates. I'd ask the Auditor General to please keep his remarks to 20 minutes or less so that committee members have an opportunity to ask questions. Please go ahead with this part of the agenda.

Thank you.

Mr. Wylie: Well, thank you, Chair. Again I am going to apologize up front for some of the repetitive nature given the structure of the committee, but before I begin, I do want to take a moment to acknowledge the exceptional efforts of our staff over the past several years and particularly over the past year. Despite significant challenges they have consistently gone above and beyond to meet demanding timelines and deliver high-quality work. Their commitment and professionalism are the foundation of our success, and I am deeply grateful for their contributions. Quite frankly, I am honoured to be able to work with the staff that we have. It is one of the best groups around that I can recall.

In addition to recognizing these collective efforts, Chair and committee members, I do want to highlight individual achievements that deserve special mention. As has become kind of my custom, I do want to recognize several team members who have achieved a major milestone by passing the national CPA common final examination. That is one of the most rigorous professional exams that exists right now in Canada. I believe it's important to have their names recorded in *Hansard* to mark this achievement. Congratulations to Princess Reyes, Fahad Khan, Gurminder Mander, and Satnam Gill.

With that, Chair, I'm going to move on now to our '26-27 budget request. As you can imagine, I am unilaterally focused on our budget to ensure that we can get on with our work. I want to start by having you turn to page 3 of the information package that you would have received. I guess the difference between this presentation and the last is that it was looking at specific asks to finish us off for the '25-26 fiscal. This now is dealing with the change in the annual budget from '26-27 for what we're asking and our last year's authorized budget. We're going to highlight these changes relating to these two annual budget requests.

Again, as I stated earlier, this budget is driven by the need to respond to external factors. I just want to reiterate that these are not discretionary initiatives or nice-to-have projects. I'll start with the salaries and employee benefits. What we're going to be focusing on here are predominantly the same things, Chair and committee members, because they are the most significant changes to our budget year over year. If you look at the rest of the budget items, you will see that we have a 0 per cent change on all of the other matters dealing with supply, services. Our largest resource that we consume are salaries and fees that we pay our agents to help. The rest we have basically a 0 per cent increase other than the three items that we're talking about.

Here we're looking at salaries and benefits. We have a \$3.4 million increase from last year. As I mentioned earlier, this is dealing with targeted market salary adjustments to pay grids for certain public service classifications. Again, to maintain parity with the commission's direction to the public service and align with the new pay grids which we follow, our employees are going to be receiving those same adjustments. I believe I may have mentioned earlier that they apply to well over 90 per cent of our employees. I would like to emphasize again that while this represents a substantial percentage increase – you'll see the percentage increases in your package – to our budget, it's a relatively small portion of the \$881 million adjustment that was recently announced by the government of Alberta for the same thing.

Moving on to the agent and contracted services, there we have an increase of \$1.6 million from last year to '26-27. I have already spent time on the matter, discussing the supplemental request. Again, it deals with the agent fees, the new audits, new ATB sub, and then the price increases to renewing expiring multiyear audit service agreements, so it's a little broader in that regard. Again, we mentioned that for us to accept the new appointments in the health organizations, we need the approval of this amount as well in our '26-27 budgets and going forward because these would be an annual, ongoing audit cost that we would be incurring into the future.

If not us, Chair and committee members, it would be other organizations who will be doing these services, but at the end of the day the cost will be at least this or probably more. In any event, we highlight that without the full funding these audits cannot proceed. As I mentioned before, we just simply don't have the resources to do this work all by ourselves. I think I also mentioned before that if we do not press on, then the organizations are going to have to identify their own auditors. Those costs will shift from our office to the government, which would then need to provide direct funding to the individual organizations to cover the audit fees, and we do have here that this will be significantly more expensive and time consuming. It will certainly result in delays to the audit work.

The next item deals with the one-time audit software. Here we're looking at a \$985,000 increase for the '26-27 fiscal. I'm just trying to look. We've talked about a number of these things before. We've talked about the risk. I'm just going to go right to the numbers and basically say that that includes \$225,000 for licensing and maintenance in the cloud storage. There is also the last part of the configuration, which is \$760,000, and that's built into the '26-27 budget.

I'm just going to conclude, Chair, with a bit of an overall context to the presentation that we made. You know, if we annualize these extraordinary items – I'm calling them three items, and I'm calling them extraordinary because they don't happen every day. We've talked about software: 25 years. If we were to analyze these extraordinary items, which comprise our supplemental estimates, the real increase for next year, that is the '26-27 budget, the real increase in our overall budget year over year would be 1.5 per cent. This is consistent with previous practice, Chair and committee members. For example, over the past seven years, our budget has only increased a total of 8.7 per cent. That amounts to an average of 1.25 per cent per annum in seven years.

Government restructuring, new organizations to audit, and changing year-ends by those we audit have significantly impacted our audits over the last years, and they will continue to do so. Without the necessary support we will be forced to make decisions that will directly affect those that we audit. I highlighted that earlier.

So, Chair, with that, I'm going to thank you for your time and consideration and turn back the remaining time to this committee to answer questions you may have.

The Chair: All right. Thank you. Thank you, Auditor General.

I see a couple of hands online. Looks like the first one I saw was MLA Petrovic. Go ahead.

Mrs. Petrovic: Thank you, Chair, and thank you to the Auditor General for the presentation today. You repeated a couple of things, and I understand that there might be some overlap with this question, but my understanding is that your office, like all of our independent offices, is dealing with recent salary and wage adjustments related to the recent successful contract negotiations. That's something that's impacting all departments and agencies, boards, commissions across all governments as well. My understanding is that the Treasury Board often directs ministries to

examine ways to account for the increase in their salary, but then also to find a way for approximately 5 per cent in savings. Has your office attempted to incorporate the salary and wage adjustments within your existing budget, which I understand has been the case in previous years looking back? Then what specific efficiencies or reallocations have you identified in your budget if any at all?

9:30

Mr. Wylie: For the first part of the question – well, let me go with the second part. I think the efficiencies indicated that we've had zero per cent increase on any other item that we have in our budget item. We have over the years reduced our FTE count by eight, so we're constantly looking to see how we can do more with less, and I do emphasize more because we are doing more with less.

You know, comparing ourselves with other jurisdictions, we are a pretty efficient, lean machine. We are issuing over 100 audits a year. If you compare that to other jurisdictions such as B.C.: they issue 30. Ontario issues 40. There is some price differential, obviously, in the budget, but I can guarantee you if you look at the price differential in the budget compared to the output coming from the office, we are very efficient. On the efficiency side, we continually do everything we can there.

On the salary side: quite frankly, as I said earlier, our only option would be to go back to make some tough decisions with respect to where we can cut, and where we can cut is on our use of agents. What that would do is we would have savings in what we pay our agents. That would mean that we would have to potentially cancel some contracts, obviously, pay the agents less, and then have to do that work at a different time of year when our own staff could do those audits.

It is important to note, too, that the price we're paying for our staff, you know, is far more cost-effective than to go to the private market. We can hire a staff auditor for a full year. If we were to pay that same amount, we would get somebody for a half a year if we went to hire temporary staff services. It's far better for us to invest in our staff, not only from the immediacy and currency of doing the specific audits but also from the training and retention of knowledge that our staff has, which obviously builds in efficiency and knowledge, which helps with all of the things: dealing with risks when doing an audit, which is something very important to an auditor.

I guess what we would have to do is, if we didn't get the funding, as I said, we would have to go back and see where we could shave that off how we pay our contractors and have to then work with those that we audit because that would impact the year-end's work and the timelines of those organizations being able to release their audited financial statements. We'd have to move when we do our audit work to the nonbusy season, which would require us to be issuing the audited financial statements at a different time, which is going to cause, I would assume, some disruption for those that we audit.

That's the reality of what we're faced with. I said that seriously. Listen, we've been operating: annualized, 1.2 per cent. My goodness, that's less than your cost of living on an annualized basis. We've been doing everything we can to take on all of the additional work. I've been with this office a long time. We have taken on a great amount of work over the years, and our budget and what we're asking is – yeah, it is what it is and it's reality. That's the best I can offer.

The Chair: Okay, Thank you.

MLA Petrovic, did you have a follow-up or should I move on?

Mrs. Petrovic: No. Thank you, Chair.

The Chair: Great. Thank you.
MLA Chapman, go ahead.

Ms Chapman: Thank you, Chair. I think that I'm going to be asking you to repeat yourself again, but I'm just sensing that we need a lot of clarity around the discussion we're having today so that we can make good decisions when we get to the budget deliberation next week.

When I look at your budget estimates, because I heard reference to the last committee member talking about making a 5 per cent reduction, if I've mathed it right, it looks like your cost on personnel, which is the vast majority of your budget, accounts for over 90 per cent of your budget ask. If you include your amount in there for your audit software replacement, we're looking at 94 per cent of your budget. I can't ask the other committee member a question, but I am curious as to where a 5 per cent reduction would come in.

To the Auditor General, I just want to confirm that the salary increases that you were talking about are just reflecting public-sector salary adjustments and increases and that you are not adding any additional positions to your office. This is the same number of staff, just increasing the salaries to keep in line with the government-approved salary increases. Is that correct?

Mr. Wylie: That is absolutely correct. We are not making any adjustments at all. In fact, the numbers and the spreadsheet and the roles and all of those calculations are coming directly from PSC. We're not making any changes. It is exactly what is being applied in the number that the government of Alberta is paying, resulting in that \$881 million number that I just quoted. Our \$3.4 million number, I think, is a small sliver of that, but we are following all of the guidance exactly to the T. We are not increasing our FTE count. Instead, as I said, we have reduced our FTE count by eight in the seven years I've been here.

Ms Chapman: Okay. And a follow-up, Mr. Chair?

The Chair: Yeah, go ahead.

Ms Chapman: Thank you. I believe what I heard you say is that the only place that you have to reduce costs is in your agents and contracted services. Now, you had referenced the agents and contracted services when it comes to the audit work for the eight new health agencies. I just want to clarify. If you were talking about having to make reductions in your budget, does that mean that your office would not be able to provide the audit work for those health agencies? What would be the other contracted workout that you would be able to cancel the contracts for to save funding? If you don't receive the funding, I mean. Thank you.

Mr. Wylie: It's all going to come back to that line item. I'm looking here. The proposed estimate amount that we have in '26-27 is that \$9 million for agents. That's where we would be going and shaving that if we needed to. Again, the result is going to be impact on financial statement audits that we do because we simply do not have all of the resources internally to do that.

Back to the earlier question about efficiency, what we have done is we've aligned a staffing model where we try and maximize the less costly internal staff that we have with having to draw on the more expensive private-sector staff to cover off the busy time periods, which is our March year-ends, right? What we would have to do is to essentially do more work ourselves with our less expensive internal staff and less work through contracted agencies, but again, that will impact the timelines of when we can do that work because we simply do not have the bodies to do it all at the

same time. We'd have to move some off into the summer and potentially some of that financial statement work off into the fall.

It will impact those that we audit, I guess, is my point. I mean, it's directly impacting us in when we can do the work, but the real impact is going to be to the organizations that we audit. We're not going to be able to do the audit work when they would like to have it done to issue their annual reports, et cetera. The extent to which it impacts the health organizations: it is exactly the same. Exactly the same.

The Chair: All right. Thank you.
MLA Dyck, go ahead.

Mr. Dyck: Excellent. I really appreciate it, Chair. I guess I'm just going to go back to the contracts as well just on our professional services. I believe, I read that you mentioned that you hired more junior auditor staff. I'm just curious as you're doing that. There's a two-part question. When I look at your wages, if you just break it down equally between the 23 and a half million dollars divided by 148 people, it's about \$167,000 full comp per person. I'm assuming that is not going to be the case since you're not paying somebody full wage as a junior auditor.

9:40

But my question is just: how are you doing specific quality-control measures to ensure audit quality is maintained for junior staff? Then, I mean, I'm assuming they're not making full comp, so can you just explain the wages a little bit more? You can explain what you would like on the wages question, but I am curious on the compensation side just comparatively to market where you guys are ending up. That's pretty broad if it's somebody starting at – I don't know what they're starting at, but that would be a pretty wide scale potentially, with some management potential and some not.

Mr. Wylie: Sure. Okay. On the hiring of the more junior staff, you're absolutely correct, and that was one of the issues that we did to deal with some of the cost pressures that we've had in the past. We looked at our staff mix. We intentionally went – we call it a grow-within strategy; that is, we hired more CPA students, looking at investing in those students and training those students and developing those students then to be able to grow within the organization rather than having a more expensive senior staff. We changed the mix there somewhat.

How do we deal with the audit quality? Well, we ensure that those students are adequately trained, and I think you'll notice in our business plan and results report that we focus again on training. Once we recruit, we need to ensure that we're actually investing in those individuals to ensure that they are adequately trained, to ensure that they're able to provide quality work. We also have a very well-established mentoring program within the office where, as these students are being trained through the profession, they also are aligned with getting mentorship and on-the-job training and ensuring that our staff have the ability to, you know, train them and work with them and mentor them. All of that deals with the quality aspect of the audit: getting the right staff, ensuring we're getting the right mix, and then, of course, ensuring that we're training those individuals.

On the quality side there are many checks and balances within our office. We have an internal practice review that's conducted. Our files are examined internally to ensure that they are all meeting our policies and procedures. We have a peer-review process with other legislative offices across Canada, where peer reviews are conducted within the office community there. Then, of course, we are subject to review by the CPA Alberta institute itself. We have that as a performance measure, and we just successfully passed that.

I think that's in our most recent annual report. Everything in our organization is about quality. We understand that Albertans are relying on the credibility of our work, and we take that seriously. Yeah. When we hire students that need training, we ensure that they get the training that they need and all of their work is supervised, so they're getting adequate supervision.

On the issue of staff pay, as I mentioned earlier, we have been mentioning that for years now in our business plan and results report. We had this salary freeze, as I mentioned in the introductory comment, for about six years. I can guarantee you that the private sector, our direct competition, if you will, the larger firms and others, were not going through that same level of restraint. We have had a disconnect with marketplace for years, quite frankly. What we're seeing today, I think, is a realization that disconnect with the marketplace was also happening within the government sector, and the government has decided to make these market adjustments. Obviously, you need to have the right people to ensure that your organization is providing quality services.

Now, we have followed studies, and I know we have some numbers and comparisons. I don't know. LouLou, could you give an example of, you know, some of the variations, not getting into specific salaries? I know that, for example, there are certain percentages that we've been 14, 15, 16 per cent. Exit conferences; people are leaving our office and walking across the street, and they're making \$25,000 more. Yeah. It's been an issue for us, and I do believe that this market adjustment – I mean, we certainly welcome it, and we hope that it will help with our retention within the office.

LouLou, did you want to supplement?

Ms Eng: Yeah. Sure. Maybe one stat that's based on the recent CPA salary research. The median CPA salary in the market is \$169,000, and our office CPA median salary is \$114,000. Our salary is 33 per cent lower than market for the median pay. Then for a typical senior staff auditor and manager our average salary pay is about between \$13,000 and \$19,000 lower than market. With this upcoming salary market adjustment, it will help us to close this gap, but we are still seeing about, like, a \$6,000 gap to the market. So we still have a challenge to recruit and retain, but that will for sure help to shrink the gap.

I want to add another comment on the 5 per cent cut on operating costs. We are aware that the government departments are doing this for this upcoming budget year, but I'd like to let the committee know that our office did that five years ago. For our budget in 2019-20 we did a voluntary budget cut of 3.3 per cent. In the next year we did another voluntary budget cut of 2.5 per cent. So that's in the first three years that Doug became the AG of our office.

In his first year of tenure we presented a voluntary flat budget; second year, 3.3 per cent cut; and third year, 2.5 per cent cut. We did that ahead of the game voluntarily, so right now we are running a bare-bones budget. There is really no discretionary operational area that we can really cut. Further cuts will cause us to sacrifice the audit resource competencies and eventually impact the work of timely delivery and quality of the work. Right now our FTE is about at the good sweet spot. If we further cut our FTE, then we need to contract out, which will cost us double. So it's for cost effectiveness. Like, we need to maintain this scope of the workforce.

We already cut all of our discretionary operating costs, including travel. We do a lot of virtual communications now. We reduced printing. We deferred office equipment and furniture maintenance. You will see in all this year's forecasts that there's zero spending on our capital investments. That doesn't mean we do not need that, but we consciously prioritize our spending areas, and if we can

postpone, if can delay, we do that. We do everything to ensure we dedicate our core resources and funding to our core business. That is auditing.

That's all. Thank you.

The Chair: All right. Thank you.

Mr. Dyck: Thank you, Chair. I have a follow-up if possible.

The Chair: Sure. Yep. Go ahead, MLA Dyck.

Mr. Dyck: Okay. Thank you so very much for the follow-up. Thanks for that explanation. A couple fast-paced questions here. CPAs: how many do you have? Then you mentioned compensation, you know, just those ratios there. What I want to know is: is this full compensation comparisons, or does this also include the retirement package as well? Retirement package is also very valuable; somebody in the workforce has to pay for their own. So I am curious on full scope, full package with salary versus direct potentially market rates, where someone would potentially be paying for their own retirement and pension out of that amount. There is a variance there. I just want clarity on that.

Mr. Wylie: Well, I'll ask LouLou to supplement. Yes, we do have the pension. Our employees have the pension. I know that when we do the comparison of our charge-out rates – and that is our fully loaded cost, so that's taking our office's full-load cost and averaging that to those who are doing the audits – I know that our full-load cost is less than the private-sector counterpart. In other words, that's the fee that you'd get charged if you're the client. That direct comparison is substantially different, and that makes sense because we don't have a profit element, right? We don't have that 20-30 per cent markup that they need because they're in the business to make money.

9:50

But if you were to do it on an individual basis, one of the things to also consider is that our employees do not get the benefits that you see in the private sector as well, which is the bonus system. The bonus system is a significant aspect in our profession of applying bonuses at year-ends to employees, and our staff just simply don't get that.

I don't know. Our comparisons are that we do comparisons to the firms at various categories, agents because we're all competing for the same individuals, if you will. We go to the university recruitments, just like all the other firms are, so we're there, and we do comparisons to our counterparts across Canada.

LouLou, the specific question of, you know, "Is it pensions?" and all of those types of other benefits: how does that all play out?

Ms Eng: Yeah. I would say that those salary researchers do consider all aspects, but the main comparison indicator is compensation. That's the amount showing on everybody's T4. Given our profile of staffing, a lot of our auditors are young professionals. They are raising families and trying to establish their lives, so the immediate, like, compensation – cash, base salary, and other pay – will be taking a significant impact on their choices of which employers they choose to work for.

Mr. Wylie: Just to supplement that a little bit if I could, that is – thanks for reminding me, LouLou – a big challenge we have. The younger workforce does not care about the items that you just spoke about, Member Dyck. They're not interested in pensions, which are longer into the future. They're interested in cash right now. That's what's being used to pay the bills, so that is another dynamic that we have. Although it's a benefit to our staff in the future, that's too

far out for a lot of them to actually even see. They would prefer the cash in their jeans right now, so to speak.

The Chair: All right. Thank you.

I have MLA Chapman up next, and then MLA Lovely was able to catch my eye. She does have an advantage of sitting right beside me, but we'll go to MLA Chapman first.

Ms Chapman: Great. Thank you. While we're on the topic of compensation and staff retention, you've talked about your strategy of hiring more entry-level audit staff, but in your results report I saw comments about vacant senior positions, so I'm just wondering if you can tell us more about what is needed for you to be able to attract the level of staff required for those vacant senior positions. What is the plan of the office to fill those roles?

Ms Eng: I would say that before the salary market adjustment takes place, it's very difficult for our office to recruit at senior level with the right competencies, and that's one side of the challenge. The office did take a strategic decision to recruit more from the entry-level campus and grow from within. Of course, with salary market adjustments happening, for sure it will make our office in a better position to attract the more competent and senior-level people at the salary level that will be able to make it considerable for them.

Ms Chapman: Thank you.

Then also in the results report I've noticed that your office is still off pace of what I think of as the right pace for the balance between performance and financial statement audits. This year looks to have moved. You're at 73 per cent financial audits, 27 performance audits, but I believe that the target from your office used to be 65-35, so just wondering if there's a plan in place for you to get your audit balance back to that 65-35 level and if you can just speak about what is preventing you from achieving that. It might be those vacant senior staff positions we just talked about, but if there's any other context you can provide. I do think that there is a lot of value in performance audits, and of course any government is going to want performance audits to know that their programs are performing as intended, as designed.

So, yeah, anything you can do to shed some light on how we're going to get us back to that 65-35 split or if that's even possible. I don't know. Maybe the goalposts have moved on that. Any information there would be great.

Mr. Wylie: I think part of the answer deals with what you'd mentioned, and that is the senior-level resources. To do and to conduct performance audits requires more senior auditors, right? It's a different type of work. It's more challenging to employ students, for example, on a performance audit than we can on a historical financial statement audit. Having said that, I think there is an opportunity. This is one of the things we are looking at with the training, to provide more training on the performance auditing to I'll call them our younger auditors to help them get engaged earlier in that type of work.

The other challenge we've had over the years is, again, responding to financial statement pressures. There are some performance auditors who can do both. We've had to actually pause certain performance audits, and I think we mentioned that in our results report. We've had to pause certain performance audits in order to get the work done to meet the financial statement reporting deadlines. The less you do of that, the more we'll be able to fulfill the capacity and the demand on the performance audit side. It's something we have on the horizon. We'd certainly like to be able

to move in that direction, but there's a number of challenges with that as well just to be able to execute.

You know, we are a bit of an outlier compared to other jurisdictions. If you take Ontario, about 70 per cent of their work is performance auditing and 30 per cent on financial statement auditing. It's a significant shift. That's why I know that this committee tried to do some comparisons of jurisdictions, I think, a year or two ago, and you really have to understand the organizations and their structure and their work to kind of do that. Yeah. It varies across Canada, but there are extremes. We're about a 70-30 split. Ontario is split in the other direction.

The Chair: Okay. Thank you.

I will just remind members that we're scheduled till around 10 after 10, but I do want to give members the opportunity to ask their questions. If we need to, we'll go a little bit past, but maybe we could sort of treat this next portion as a bit of a lightning round.

We'll go to MLA Lovely.

Ms Lovely: Thank you, Chair. To follow up on my colleague's line of questioning, timely audits are critical for ministers, public servants, and MLAs to understand risks and improved programs. When audits lack clear timelines, findings may become outdated and less impactful. How does the absence of defined schedules help ensure relevant recommendations for rapidly changing government programs?

Mr. Wylie: I'm sorry. I missed the question.

Ms Lovely: How does the absence of defined schedules help ensure relevant recommendations for rapidly changing government programs?

Mr. Wylie: The lack of defined schedules by whom? Those that we audit or ...

Ms Lovely: I guess things change with government.

Mr. Wylie: Yes, things do change. They are changing very rapidly.

Ms Lovely: Yes.

Mr. Wylie: So how does that impact our audit work?

Ms Lovely: How does the absence of defined schedules help ensure relevant recommendations for rapidly changing government programs?

Mr. Wylie: Okay. Well, let me try and answer the latter part of the question. I'm trying to see how the first part fits in with the schedules.

With respect to the relevancy of our audit work we always try to ensure that our work is relevant. Part of it, if you look at a financial statement audit, is ensuring that – you know, one of relevance is timeliness. That's one of the issues we're talking about here, that in order for an audit opinion or an audit report to be relevant, it should be timely so that people can act, users can see the audit opinion in a timely manner. That's one issue that we certainly focus on.

When we're looking at the relevancy of our performance audit work – I'm sorry. I'm not answering your question. I apologize.

Mr. Leonty: Maybe I can try to help. I think that, at least on the financial statements side, there is a defined schedule. There is that June 30 date in which the provincial consolidated statements need to be completed by and issued.

10:00

We work backwards from that. All the various departments and agencies and organizations that need audited financial statements: it's all in advance of that. There are defined schedules every year for every entity that we are auditing their financial statements, all in the effort to roll up to the consolidated statements and then also for those organizations to also have timely financials to prepare their annual reports and issue those to Albertans. That's on the financial statement audit side.

Of course, on the performance audit side when we're establishing an audit plan, we work with the organizations to as best we can define a schedule when those can be released. I would suggest that on the performance audit side there are some additional risks as far as, you know, timely response to information requests and new risks and issues that emerge as we do that. But certainly on the financial audit side there are defined schedules that we're trying to meet. The relationship I think to the request related to the health audits is that because they're so substantial and there are so many expenditures there that impact the government financial statements, those need to be done in advance to be able to issue the opinion on the provincial statements in time.

Ms Lovely: According to your website you report on how government is managing its responsibilities and the province's resources and you provide independent assurance that public money is properly accounted for and provides value. In your view is it wiser to identify issues early or critique how solutions are implemented?

Mr. Leonty: Sorry. Maybe I'd just ask you to repeat the question. I apologize.

Ms Lovely: In your view is it wiser to identify issues early or critique how solutions are implemented?

Mr. Leonty: Well, with every audit that we do, they're risk-based audits, and actually even preceding the selection of performance audits we have a whole process to identify relevant issues, risks, and then our audit work is really driven by that. I would absolutely agree that early identification is important, and it's built into our processes.

The Chair: Thank you.

MLA Wright, I think I had you next.

Ms Wright: Thank you. I appreciate that, and I very much appreciate your time as well as the detail which you're allowing us to get into terms of what it is you've presented us with here today.

I had a question about that mix of staffing, particularly as it relates to the agents and contracted services. I've come from that sort of teaching background, so I'm very much used to staffing over 90 per cent because that's the reality of schools these days. What I wondered, really, was: You talked about a mix of staffing. You talked about a deliberate hiring of that sort of mix of people, particularly the junior folks so that you can mentor them and grow them within, extra training in terms of performance audits. You talked about the fact that you've actually lost eight FTEs over the last number of years, that you had a voluntary reduction that met that 5 per cent quota. What I'm wondering, I guess, is: if you took those 22 agents that you were looking at hiring for doing these extra audits if you then were able instead of having to hire out to get agency folks to come in at that higher price, would it be more effective and more efficient in your view if you, indeed, were able to simply hire those 22 people from within?

Mr. Wylie: Yes, and great question. We've looked at that over the years. We think right now we've got a pretty good model in the sense of maximizing the benefits of both. In other words, we have very short periods of burst where we need a lot of people. For example, this thing that we talked about: a lot of work to get done in health care. Boom. We're going to hit with 22 people. Well, we don't have 22 people right now that we could bring on. Then it comes to the question of: how many do you hire full-time? Although they are less expensive, then you have them to work for the full year. How does that work with your workflow, your demand? It is this demand and supply and then kind of matching out your peak periods throughout the year with the full-time staff that you're going to have to keep working on projects throughout the year.

We've taken the strategy years ago – and it seems to work well – that we will supplement during the very busy periods with external resources. Although it is more expensive, you know, I think we've kind of got that balance that's working well with a partnership with the agents and our staff. Quite frankly, we also have to do it in specific instances.

You know, when I first came on, I looked at the book of work, which is all the audits, and I wanted to look at it from a risk perspective. One of the things we did was that we changed and we got an agent involved in the ATB audit. I was faced with two dilemmas. One is that I could build up a staff-resourced audit bank, which is unique skill sets, unique disciplines – you've got to stay engaged in that industry; banking is very complicated with derivatives and everything else – or I can go to the market and hire that expertise for that point in time. When we looked at the two, from a risk perspective as well as from a cost perspective it appeared to be the right decision. That's when we made the decision that we will use an agent to help us with ATB. At the end of the day I sign the opinion, but that is with the assistance of the expertise out of Vancouver and Toronto who are auditing banks on a day-to-day basis.

We're doing this all the time. As Eric mentioned, risk mitigation, risk management: that's what we do. Unfortunately, you don't see that in a lot of the reports or it's not well known, but there's a lot that's going on behind the scenes that's focusing on what we're auditing, how we're auditing, how we're staffing up, and how we're using our agents. Right now I think we've got a pretty good mix. It seems to be working.

The Chair: All right. Thank you.

I caught MLA Cyr's eye. Go ahead.

Mr. Cyr: Thank you again. Again, I recognize the fine work that your men and women are doing within your department, but when it comes to Alberta and the funding that we're moving forward, I guess trying to find comparables to other jurisdictions is always important. You had mentioned Ontario as being – and, again, I don't want to put words in your mouth – like a benchmark, if you will, of performance. Right now we're sitting at about \$5.90 for per capita spending for our Auditor General's office. That's first in the nation. Quebec comes in with \$4.67. Ontario comes in with \$1.90, so we're three times more funding per capita than Ontario, and it appears that you're unable to meet the core duties or refusing to meet the core duties of your office, sir, with being the highest funded per capita in all of Canada. Can you explain why it is that Ontario is able to meet their core responsibilities and we aren't?

Mr. Wylie: Well, first off, I would take exception to your categorization that our office is not meeting our core responsibilities. We are, and we will continue to meet our responsibilities. What we're

presenting to you today is the reality of the funding that we need to meet the responsibilities that have been conferred to this office by the Legislative Assembly of Alberta.

If you want to do a direct comparison, and this was tried by this committee a couple of years ago, I would suggest that, you know, you're going to have to really look at the nature of the work that's being done, the timing of the work, et cetera. Let's just take the timing. We talked about the financial statement audits. We do more work in a compressed time frame, and that costs money. Timeliness costs money. We issue an audit opinion, which includes a culmination of work over 100 audits, by June 30. We are the first province to do that. If we look at what Ontario – when did they release their report? We had that. Their report released. They're in August, so they are two months behind us. What I'm trying to illustrate, sir, is that you have to look below the detail to figure out what, in fact, you're paying for and what you're getting in return.

If you want our work to be done over a longer period of time and release our consolidated financial statements of the province at the same time as others, which are into August and September, that can be done, but then that needs to be the direction of the government. Right now the direction of the government, the parameters they put to us, is that they want to release the financial statements by June 30, which requires us to get our work done. That costs money. It's a premium to get that work done in a crunch period of time.

10:10

With respect to some of the other – and I'm not too sure what costing you're using. Again, we're definitely in line when you look at even the per-capita spend of some of the other jurisdictions. Our office spend in relation to the government spend is .04 of a per cent, and that's in line with some of the other jurisdictions. You take Ontario, B.C.: .03 per cent. I mean, others are .06. You know, I guess it depends on what you're looking at. What I can tell you, though, is that our cost per output, which is what Albertans are getting, the results of our work, does extremely well and bodes well to other jurisdictions. For example, our cost to output is half of that of another jurisdiction close to us, is less than Ontario.

Eric wants to supplement.

Mr. Leonty: I think maybe one tangible example, because I know looking at the comparison that you provided with Ontario – and to Doug's point, I'm not sure exactly where the numbers come from for those per capita. But take, for instance, the postsecondary sector. We are the auditor for all those institutions, whereas the Ontario Auditor General is not auditing those financial statements. Those postsecondary institutions are hiring their auditors directly. Just the structure and the model is different across the jurisdictions, so any comparisons would really need to account for that. We're doing a proportionally significant amount of the financial statement audit work here in Alberta.

The Chair: Is there a follow-up?

Mr. Cyr: There is. Again, thank you. I would hope that you didn't take what I had said as a criticism of your department. I am only trying to understand how it is that we're continuing to come forward with supplementals with the per-capita spending that we're seeing. I do want to make sure that you're able to fully get the work done on a timely basis, like you are stating for the record, and I look forward to having further deliberations with my colleagues. Again, when it comes to things like the software I'm fully supportive that something needs to be done to keep you in line with technology. Clearly something is old.

I look forward, again, to having some more of these discussions, but when it comes to it, keep up the good work, sir. Thank you.

The Chair: Thank you, MLA Cyr.

We are at our time, but I do want to honour legacy hands, so maybe if we could give MLA Dyck the last word before we take a quick break. Go ahead, MLA Dyck.

Mr. Dyck: Excellent. This will be real quick. Thank you, Chair. Just going back to my prior questions, how many CPAs do you currently have working for you? Then full compensation including pension: have you done this analysis, or is it purely salary amounts? I just want clarity on that. Is it purely salary for you versus market, or does that also include pension as well inside your guys' salary? Full-scope compensation versus market.

Mr. Wylie: How many CPAs: do you have that number, Lou?

Ms Eng: We have on average 80 CPAs.

Mr. Wylie: Students. I think the question was how many students.

Ms Eng: Oh, you're talking about students? Sorry.

Mr. Dyck: No, no. I'm looking for the CPAs. You can do a split. That's fine. Just how many CPAs, then to your point, how many students, junior people do you have as well?

Ms Eng: Junior students, around 50, and CPAs, around 80.

Mr. Dyck: Okay, so 130, which leaves, according to your full-time equivalent, about 18 for various other IT, upper leadership as well. Okay. Thank you.

Then just on the salary compensation side, can you just answer: has it been full compensation package comparisons, or is it purely salary to salary to market versus the Auditor General office?

Ms Eng: When we do those comparisons, it is for sure the full spectrum of the compensation, including benefits, employer contribution, and pension. That's always in the whole package. However, the determining factor for us to recruit and retain people right now is focused on the cash getting into employees' bank accounts.

Mr. Wylie: If I could just supplement, though. I do want to reiterate the point that what we are doing is following exactly the same parameters that the government of Alberta is doing. However they've done their market analysis – this is a market adjustment that is being conducted or being performed based on the government's own identification of the need that there is a significant difference between what the government is paying its staff as compared to the market. You might be able to get that same analysis from the government with respect to the PSC market evaluation, because we're following whatever they're doing to the letter of the T. If there's a discrepancy between market, we're certainly wanting to get that gap as well.

The Chair: All right. Great. Well, thank you, MLA Dyck, and thank you, everyone. Most importantly, thank you to the Auditor General and his staff for joining us this morning. That concludes this section of the agenda. I will make sure to follow up in writing regarding any decisions that are made by the committee.

For the interest of everyone, our next office will be the office of the Information and Privacy Commissioner. We will take a five-minute break before we move on in our agenda. I'm going to ask the clerk to set a timer. If we can all please be diligent to the time, unless, of course, it's the chair, in which case grace will be provided.

[The committee adjourned from 10:16 a.m. to 10:24 a.m.]

The Chair: All right. Well, thank you, everyone.

We're going to move on to our next office, which is the office of the Information and Privacy Commissioner. We will start with the supplementary funding request. I'd like to welcome Diane McLeod, Information and Privacy Commissioner, along with her staff to the meeting this morning. Commissioner, we will begin by addressing your '25-26 supplementary funding request in the amount of \$334,575. I would ask you to keep your remarks to five minutes or less so that committee members have time to ask questions. Please begin when you're ready.

Office of the Information and Privacy Commissioner

Ms McLeod: Okay. Good morning, committee members and Chair. We're very pleased to be here today to present our supplemental budget and our estimates for '26-27. To my right I have Assistant Commissioner Stelmack, and to my left I have Assistant Commissioner Stinner.

As you will have read in my cover letter, I am requesting a supplementary budget for the current fiscal year of \$334,575. This figure is based on the following. On April 1 I was informed of a 3 per cent salary increase for my staff and another adjustment for opted-out and excluded employees on September 3 for a total of \$175,000. These increases were not known a year ago when I submitted my estimates for '25-26. Despite this, I was able to absorb these increases within my budget this year due to a delayed recruitment for two positions.

Three weeks ago I received a memo from the Public Service Commission regarding targeted market adjustments for management-level public servants. The increases are 10 per cent and 14 per cent, depending on management classes. I have 34 staff within these classes. The impact amounts to \$386,116. I can absorb some of these costs by reducing spending in other areas such as IT projects and materials and supplies; however, I am unable to absorb the total cost. In order to ensure adequate funding for my operational costs up to March 31, 2026, I am requesting \$334,575.

I am happy to answer any questions.

The Chair: All right. Thank you for that information.

We'll go to MLA Shepherd.

Mr. Shepherd: Thank you, Mr. Chair. Through you to the commissioner, thank you so much for joining us today. That seems pretty clear, straightforward. There is a 10 to 14 per cent increase that affects 34 of your employees. You've absorbed what you can; this is the remainder. What is the impact for your office if the committee were to deny that increase, deny the supplementary funding?

Ms McLeod: Well, that would be really difficult to determine. We're already running at a skeleton budget at this point. As I indicated, we did look for what we could save to try and lower the amount. We really don't have room to cut at this point. The only thing I could do is not hire one individual. As those of you that were here last year may remember, I was given two FTEs last year to deal with the new ATIA and POPA legislation. We actually held off recruiting one of those positions so that we could absorb that first 3 per cent increase. We've since filled that position, but we have yet to fill the other one, and we're waiting to see if we can get this supplementary budget because that would be something that we would not proceed with if that were the case.

Mr. Shepherd: A follow-up, Mr. Chair?

The Chair: Go ahead.

Mr. Shepherd: Thank you. Now, through you to the commissioner, I appreciate that answer.

What I hear you saying, similar to the Auditor General, is that there have been decisions made by government, changes to legislation, other things, which require a certain level of your time, your manpower to sort of deal with the implications of. I know there have been a number of investigations of government, other things that have come up that are also then likely, I imagine, putting additional workload on your desks. What you were saying is that, basically, you do not have extra capacity. You've done your due diligence in finding any fiscal prudence you can, any savings you can. Indeed, you have found savings to help absorb some of this increase in cost that, again, to be clear, you did not decide on; this was given to you by government. If I understand you correctly, what you're saying is that if you did not receive the supplementary funding from the committee, it would have a direct impact then on your ability to do the work you're doing in a timely manner. It would affect your ability to provide the service you provide on behalf of Albertans.

Ms McLeod: Yes. In fact, you know, we already struggle with doing the work that we do with the resource capacity that we have, and if I were to have to cut an additional resource out of my workforce, it would certainly make it more difficult. I'm getting a little bit into some of what I'm going to talk about in my '26-27 budget, but we are starting to feel the impacts of ATIA and POPA in our office. We are starting to see more privacy impact assessments, more requests for review, and because of that we are sitting and waiting to see what that impact will have, which is why we requested very little in our '26-27 budget. I'm prepared to come back if I need to because the impact becomes so great that we are drowning in files.

At this point we are about as tight as we could get in terms of our budget. You know, as I said, I am not even asking for the full 3 per cent and then plus the 10 to 14 per cent. I am asking for a portion of the 10 to 14 market adjustment increases that were directed by the Public Service Commission and align with public servants. It was important that my staff had that parity with public servants so that we can continue to retain and recruit quality staff.

10:30

The Chair: All right. Thank you.

Just looking online, it looks like MLA Miyashiro and then MLA de Jonge. MLA Miyashiro, go ahead.

Member Miyashiro: Thank you very much, Chair, and thank you, Commissioner, for your presentation today. You know, just about everyone that's making a presentation to us today is talking about wage increases and compensation adjustments as a result of the Alberta Public Service Commission's review of compensation levels for the public service. Now, I just want you to be crystal clear about this. I'm going to ask this question or the question should be asked to every one of the officers presenting to us today. One, is this the sole reason you're asking for this compensation adjustment at this point? Is it because of the Alberta Public Service compensation review and you're adjusting to it and you're compelled to do so? First question. The second question is: what are the ramifications for your office if you do not receive this funding to meet that compensation requirement?

Ms McLeod: To answer your first question, yes, this is solely the purpose of our request, the result of the second market adjustment made by the Public Service Commission. You know, as I already indicated, we really don't have much to carve out. If I were to have to absorb \$300,000, that's quite a bit of money, considering my

budget is actually not that big compared to, say, the Auditor General's budget, for example. We would have to look very carefully at what we could do, and it actually could result in staff layoffs at this point. We don't have \$334,000 to find anywhere. We already reduced it as much as we could in making our request. Yeah. I think that's essentially it for that.

Any other thoughts, assistant commissioners? Okay.

The Chair: Okay. Thank you.

Member Miyashiro: Great. Thank you.

And then, I guess, the supplemental, Mr. Chair.

The Chair: Yeah. Go ahead.

Member Miyashiro: The consequence of laying off staff is that you already have a backlog of requests, so the service level for the public would be reduced dramatically. Is that correct?

Ms McLeod: Yes. You know, we struggle all the time trying to manage our caseloads. We've made some gains in reducing our caseloads, but if we end up losing staff, that's certainly going to impact it.

The other thing I would mention, too, is that we received this information just a couple of weeks ago. It appears on the December 5 paycheque that we were informed about, and it dates back to September, so this has already happened.

Member Miyashiro: Great. Thanks for that clarification as well.

The Chair: All right. Thank you.

We'll go quickly to MLA de Jonge.

Ms de Jonge: Thank you so much, Chair, and thank you to the commissioner for joining us this morning. I really appreciate the important work you do, and I think your supplemental request is fairly straightforward. In fact, even in your brief opening remarks you answered most of my questions. Just a quick point of clarification: how much of the supplementary funding request applies to management versus nonmanagement positions?

Ms McLeod: Well, I have 34 managers on my staff and 52 staff, so that's 18 that are out, correct? I'm not very good at math; I'm a lawyer. The majority of my staff are managers, so that is why, you know, it does affect the majority of my staff.

Chris?

Mr. Stinner: Just to add to what the commissioner mentioned, the supplementary funding request is really just for the management increases, because the other increases that happened earlier in the year we were able to absorb, amounting to, well, \$175,000. That was note 1 on our supplementary funding request. It is really, to answer your question, all about the management increases that just happened.

The Chair: All right. In the interest of time, if there are no other questions on the supplemental, we can move forward to the report, business plan, and budget estimates.

We'd now like to move on to those. I would ask that you keep your remarks to 20 minutes or less so that the committee members have the opportunity to ask questions. Go ahead.

Ms McLeod: All right. Thank you. I will now present my budget estimates for '26-27. I am asking for an increased budget. My comments today will explain our work, responsibilities, and workload, show the work we've done over the past year to streamline

processes for efficiency and good service, and demonstrate that we need the amount requested to meet our operational requirements. Your decision today will be key to our ability to continue to provide quality service to Albertans.

Slide 2, please. The Information and Privacy Commissioner is responsible to monitor compliance with Alberta's access and privacy laws by public bodies under the Access to Information Act, Protection of Privacy Act, Freedom of Information and Protection of Privacy Act during the transition phase, health custodians under the Health Information Act, and private-sector organizations under the Personal Information Protection Act. These laws establish Albertans' rights regarding the collection, use and disclosure, and protection of their personal and health information. They also provide a right of access to this information.

The OIPC reviews public body refusals to provide access to a record or information; reviews public body decisions to disregard an access request, request a time extension, or abandon an access request; investigates complaints about potential violations of privacy laws; reviews and comments on privacy impact assessments, or PIAs, and reported breaches submitted by custodians, public bodies, and organizations. The commissioner also comments on administration of the acts and on access or privacy implications of proposed legislative schemes or programs, educates the public about the acts and their rights, and conducts research.

I have 53 staff to carry out the work of my office. Fifty-one positions are filled and working out of our Edmonton and Calgary offices as part of six teams.

Cara will now present the next portion.

Ms Stelmack: The case resolution team works to settle requests for reviews of access requests and privacy complaints. The rate of settlement for this team is approximately 85 per cent. They also try to resolve informal commissioner-led investigations. This team is comprised of one director, nine information privacy managers, or CIPMs, and two intake advisers. For three years I've been working with this team to streamline their work to settle cases in a timelier manner.

In 2024 the team modified how settlement occurs, which is now mostly over the phone with the parties. In 2025 the team established a gatekeeping function comprised of the following. Individuals with privacy complaints are first referred back to the public body custodian or organization to try and resolve complaints. Applicants whose only complaint is about a search for records by a public body are referred back to the body to try to resolve the matter. Ninety per cent of these referred-back cases were resolved without our intervention. These processes were codified in POPA for privacy complaints, and they are permitted at the commissioner's discretion under ATIA and PIPA.

Another improvement is the clarification of issues at the very beginning of the process and closing more files at intake. We work with parties at the outset to manage expectations, clarify what we can and cannot do, and define issues for review and investigation, which is beneficial for all parties. This has resulted in a significant number of files being closed. Two CIPMs, intake managers, have closed 28 per cent of the files in the past two years within a few months of receipt. This means files don't move forward to settlement, adding to already large caseloads. This has resulted in better service to Albertans.

These measures have reduced the backlog for this team by 25 per cent since 2022. We are currently recruiting two more staff for this team to continue to tackle the backlog. With our new processes and

new staff we hope to eliminate the backlog within the next two years as we hone our new processes and as our new CIPMs gain skill.

Diane.

Ms McLeod: Thank you. The adjudication team conducts inquiries into matters not settled by the case resolution team. This team has a director and five adjudicators. We continue to have a backlog of inquiry cases of approximately 136, which represents a decrease of 27 per cent from last year. While this is positive, there are approximately 60 files in the queue to transition to inquiry, most of which are expected to go ahead. Should this happen, the backlog will increase again.

10:40

It is still taking approximately two to three years to complete an inquiry. To address this, the team has implemented procedures to manage their files more expediently. I will continue to work with this team to evaluate their procedures and targets for file closures with a view to eliminating this backlog. I anticipate that reviews and complaints will increase under ATIA and POPA and possibly more so with the latest Health Information Act amendments, which will impact the caseloads for this team.

Cara.

Ms Stelmack: The compliance support team reviews PIAs and breach reports. It also takes on informal investigations that are more technical in nature. This team is comprised of one director, eight CIPMs, and four intake officers. The team continues to have a large backlog. While team members are closing approximately 2,500 cases per year, the intake rate of PIAs and breach files have increased year over year. Last year 3,500 files were opened and 4,500 cases were carried forward from 2024-2025 to '25 and '26, leaving this team to manage 8,000 files last fiscal year.

I've been working with this team on how to streamline their work as well. In 2025 the team modified how it reviews PIAs, which allows it to focus on more complex PIAs. The team also established file blitz days. Together these changes have increased file closure rates. More work is being done with this team to improve efficiencies. That said, it's expected that this team will need more resources in the future because of the new requirements in POPA and HIA.

Diane.

Ms McLeod: Thank you. The investigations team carries out formal commissioner-led investigations, including into potential offences. Three team members do this work. As of November there were 163 investigation files open. Most involve multiple parties, which means there are approximately 30 separate investigations under way, which is a lot for this three-person team.

In '24-25 and '25-26 this team investigated two offences under the Health Information Act. They both resulted in convictions. In one particularly egregious case an AHS employee falsified COVID immunization records of nearly 200 people in Alberta's health immunization record information system. The employee pled guilty to the charge of knowingly using and creating health information in contravention of the HIA. The individual was fined \$12,000.

Because this team is small, it's unable to take on many offence investigations, leaving us to select only the most egregious, which means that many potential offences go unchecked. This is very concerning. This team is working on procedures to create more efficiencies; however, their capacity is limited due to their small size. I expect this team will require more resources in the future as a result of POPA and the HIA amendments.

Next slide, please. For the legal team, ATIA permits public bodies to disregard access requests and take time extensions in certain circumstances. These decisions are reviewable by the commissioner. These new authorities may limit a person's ability to access information. Because of this, I established an expedited inquiries process led by this team. The legal team works with the commissioner to issue orders for these files. Because ATIA was proclaimed in force last June, we have only received a few of these files. The legal team also provides general counsel to the office and manages our litigation, including judicial reviews. At present this team does not have a backlog; however, we expect the work of this team to increase over time as more ATIA files are received.

Chris.

Mr. Stinner: Thank you, Diane. Two CIPMs work on the engagement team together with the commissioner and I. This team helps the commissioner meet her education, comment, and research mandates. The primary focus for this team in '24-25 has been on legislative reform.

In 2024 we issued two sets of comments and recommendations to the Ministry of Technology and Innovation for amendments to the FOIP Act and later for the proposed ATIA and POPA, which replaced the FOIP Act this past June. We met with T and I biweekly from January to June this year to work on regulation development and resources to help public bodies comply with these acts. The team worked to develop or revamp forms, resources, and our website to ensure easier access to our new ATIA and POPA resources. In May 2024 for the PIPA review we submitted our comments and recommendations in an 85-page report.

For the HIA we met representatives of Alberta health, which is now, of course, Primary and Preventative Health Services, in 2024 and 2025 regarding proposed amendments to that act. We surveyed the public health care providers, regulatory colleges, and researchers about their views on expanded sharing of health information by electronic systems and the use of AI as part of health services delivery. This informed our comments and recommendations about HIA. In October 2025, just a few weeks ago, we submitted an 86-page report to PPHS on the proposed amendments to HIA.

In addition to this work, we issued a report to government setting out a framework of laws and policies needed for the responsible use of AI. This report stems from the surveys I just mentioned, which revealed that both the public and care providers are apprehensive about the use of AI without proper guardrails. In our work on POPA the issue of regulating AI also came up regularly.

We also issued guidance on the use of AI scribes by Alberta physicians, as we understand that they are increasingly using this technology. The purpose of this guidance is to help physicians meet their duties under HIA. This resource has been adopted across Canada and has been widely used and recognized as positive by physicians and the research community alike.

We expect legislative reform to remain the primary focus of this team in the coming year. We'll be working with PPHS on the HIA regulations and with T and I on amendments to PIPA. Due to the nature of this team's work, they do not have a backlog, and they manage their workload according to emerging priorities. Next slide, please.

Our business plan 2026-2029 updates our progress in meeting our goals. For goal 1, priority 1, as described earlier, we are working toward tackling backlogs and will continue this important work. For goal 1, priority 2, we made further progress on our transition from paper to digital records and will continue this work in '26-27. In '25-26 we implemented a secure file transfer platform which has reduced costs associated with the use of paper, mail, and carriers.

We continued our work on online forms, which will reduce our workload through reduced data entry. We will also continue this important work in '26-27.

For goals 2 and 3, we have already shared our progress in meeting these two goals when describing the work of the engagement team, we remain on track to meet our deliverables identified for these goals.

For goal 4, we will continue to work towards guiding the implementation of the POPA and ATIA and expect to soon expand this work to assist with the implementation of the HIA.

Back to you, Diane.

Ms McLeod: Thank you, Chris. Last year we discussed the anticipated impact of the ATIA and POPA on our workload. To summarize, under ATIA we expected more cases for the case resolution team, adjudication team, and legal team due to increased carve-outs and exceptions, the ability of public bodies to disregard requests and extend timelines, fresh interpretations of these acts.

Under POPA we expected more privacy complaints for case resolution and adjudication due to new and expanded authorities for collection, uses and disclosures, and breach notifications. We expected more work for the compliance support team because of the new PIA and privacy management program requirements and mandatory breach reporting. We expected more investigations stemming from breach notifications and more potential offence investigations due to breach notification, lower thresholds, and more offence provisions. Under both laws we expected more judicial reviews due to shortened timelines and the inability of the commissioner to compel certain kinds of records.

ATIA and POPA did not go into effect until June this year. As such, we have not yet experienced the full impact of these changes. However, we're now starting to see more cases opening up under these acts and we anticipate our caseloads will increase in '26-27. We'll monitor this going forward.

For the HIA amendments. There are numerous amendments coming to HIA that will increase our work due to expanded sharing of health information among custodians, which will result in more complaints, breach reports, and offence investigations: expanded PIA requirements, our new ability to investigate researchers for noncompliance with the act and the regulations, our new role in reviewing research protocols from out-of-province research ethics board approvals, codes and standards developed by the minister and regulatory colleges, and privacy management programs of custodians. We'll also work with custodians, researchers, and REBs on resources needed to support compliance. These amendments won't go into effect until spring 2026. As such, we don't expect a significant impact in '26-27 from these changes.

As for PIPA, we expect that PIPA will be amended by next spring and regulation development will follow with potential proclamation next fall. We do not expect to see any impact on our workload resulting from PIPA amendments until '27-28. Chris.

10:50

Mr. Stinner: Thank you. I will now move to the statement of operations from 2024-2025. For that fiscal year, the office returned \$94,690 of the approved budget. This amount was due to several vacant positions we did not fill during that fiscal year, and we supplemented them with the use of contractors. We have now filled these positions.

Salaries, wages, and employee benefits made up about 84 per cent of our operating expenses budget. In 2024-2025 staff received a 3 per cent general increase. As we already mentioned, in the current fiscal year, 2025-2026, staff received a 3 per cent general increase, there was a 3 per cent management increase, and then the

10 to 14 per cent management market adjustment increase. I should mention that all increases were in line with Alberta public service increases. Next slide, please. Thank you.

Now, when it comes to budget, we've developed our '26-27 budget to reflect the minimum amount we believe we'll need to operate and achieve the goals that we set out in our business plan. Our budget estimate for '26-27 is \$10,689,508, which represents a 16 per cent increase of the budget approved for the current fiscal year '25-26, not taking into account our supplementary funding request. If we did factor in the supplementary funding request, then our budget ask would amount to an approximately 11 per cent increase. The increase is mainly due to public service salary increases, as we've mentioned before, which would result in a 17 per cent increase in our personnel costs.

The only other increase to our budget is for IT. We estimate that our budget for IT will increase by about 5 per cent in '26-27. This is due to increased costs for IT services due to inflation and to replace our case management system for which support will end in 2026. We were able to reduce our materials and supplies budget by about 7 per cent for office and IT supplies, including publication subscriptions.

For the reasons already indicated, at present we are not seeking additional FTEs. In all other respects our budget remains the same as in the current fiscal year.

With that, we thank you for the opportunity to present to you today, and we will be happy to answer your questions.

The Chair: Thank you for that presentation.

MLA Shepherd, go ahead.

Mr. Shepherd: Thank you very much, Mr. Chair, and through you thank you to the commissioner and her staff for being here today. I just wanted to start out noting that, yeah, you had asked last year for roughly about a 30 per cent increase in your budget estimates to support eight new full-time employees. Now, it sounded like there were a couple of positions that remain vacant. I don't know if those are the same, but perhaps you can clarify on that. It sounds like you have had some success in addressing some portions of the backlog. You noted in one area, I think, a 90 per cent reduction – much respect on that – but increasing backlogs and challenges in other areas. Certainly, you seemed to identify that there is more coming in terms of that. Can you give us a sense of, I guess, how significant are these backlogs compared to a year ago? How much do you anticipate that they're going to increase this year? It sounds like you're expecting some in the next fiscal depending on the changes that happen coming up.

Ms McLeod: Great. Okay, so let me just clarify. We did have vacant positions the year prior that we filled.

Mr. Shepherd: Ah.

Ms McLeod: Yes. And then last year when I made the request, the committee granted me a 6 per cent increase, which amounted to roughly two FTEs. As I indicated, we held off on recruiting those after we got the 3 per cent unexpected increase to absorb that first increase. We've now since recruited for that one position, and we have one more that we're holding off on because we're waiting to see whether or not we're going to get the budget that we need.

In terms of the case management, yes, we are making progress in our case resolution area. We're doing a number of things to try and streamline our processes and work more efficiently, including through electronic forms and other forms of technology that we are starting to see sort of that return on investment for.

That said, as we indicated, our compliance support team is practically drowning in privacy impact assessments. I think it's important to understand what a privacy impact assessment is and does. A privacy impact assessment is an opportunity for custodians, organizations, and public bodies to ensure that they are off on the right track when they are developing program services or implementing systems so that we're compliant at the outset. It's a very important measure of support, and we're doing our best to keep up, but we are very far behind. As I indicated, 8,000 files last year alone.

We do expect – well, I have seen Bill 11 and the amendments there, and there are going to be expanded privacy impact assessment requirements in there. There's also mandatory privacy impact assessments for public bodies, and I expect that once PIPA is amended, you will see privacy impact assessments show up in there. The reason is because this is a tool that can be used to support compliance. So this team will need support at some point.

You know, we're doing our best to try and manage our privacy impact assessments in a creative way so that we're dealing with the ones that are less complex with more of a high-level overview whereas when we're looking at things like use of facial recognition technology or artificial intelligence, we are taking a deeper dive to make sure that there are the right controls in place to protect privacy. That team is definitely working hard, but we know that we're not going to be able to keep up, and we're not going to be serving our function effectively without more help.

I think the rest of the teams are managing. You know, we are doing our best to manage our caseloads and working at trying to reduce our caseloads as much as we can, but at this point we really are just staying status quo, and we're going to monitor, and then if we need to come back, we will.

Mr. Shepherd: Follow-up, Mr. Chair?

The Chair: Yeah. Go ahead.

Mr. Shepherd: Thank you, and thank you, through you, to the commissioner for that very clear answer. Through you to the commissioner, what I'm hearing her say is that she feels her department has done their due diligence. They have sought to find every cost savings they have. They have gone without staff. But the workload, in fact, is increasing.

My question, I guess, is – to my thinking, if the commissioner and her staff are not able to keep up with the growing number of things that are coming up under multiple new ministries, that's going to just create more costs down the road because we fail to address these issues out at the start. For example, with the PIAs and some of these other things, which are sort of early intervention to ensure compliance and help with these issues down the road, if those aren't properly addressed, we're going to end up with a lot more complaints, a lot more pressure on the system, so growing backlogs and higher costs. Would the commissioner agree that might be the case?

Ms McLeod: Yes, and I would add to that: it would actually amount to a significant ratio of noncompliance increasing, and it would actually reduce public trust in the various measures that are being put in place to try and ensure that their privacy is protected.

Mr. Shepherd: Thank you.

The Chair: All right. Thank you.

We'll go to MLA de Jonge next.

Ms de Jonge: Thank you, Chair. I have a question about IT costs. You note that technology services requires an additional \$113,260 due to those increasing costs and the need to replace the case management system before vendor support expires in July of next year. My first question is: can you provide a bit of a timeline for procurement and implementation of the new system? Will the 2026-27 allocation cover the transition period?

Mr. Stinner: Thank you for the question, Member. In terms of the replacement of our case management system, it is still fairly early days in that process. We are at this time exploring options to replace the system, so we don't have a full understanding of the replacement costs. That work is actively under way. Given the fact that it's still early days, we don't have a fully developed timeline for the replacement, so I can't answer the second part of your question.

Ms de Jonge: Okay. Just a follow-up. Your answer actually raised another question for me. That's a very specific number, like down to \$260, so I'm wondering: if it's early days and you don't have it fully costed out yet, how did you arrive at such a specific number? Just help me understand that.

Mr. Stinner: Yeah. We have all our ongoing IT costs. That includes our usual IT operational costs. Then we came up with an estimate for the total cost of the replacement, the work we'll do in the coming fiscal year for the replacement of the case management system, which includes procurement, but all the ancillary activities, you know, from all the planning work, the data migration work that we're going to have to do. So that's the estimate that we provided at this time.

11:00

Ms de Jonge: Just one more follow-up, Chair, because I know my colleague from Grande Prairie is certainly thinking the same thing. How are you going to incorporate AI into that case management system to improve efficiency? We're seeing this is something that's being implemented across government. Everyone's looking at ways to incorporate this new technology into their case management systems to increase efficiency. I'm wondering what work your office has done to look at that as well and potentially find some cost savings there but make it a more efficient process overall.

Mr. Stinner: Thank you, Member. That is a great follow-up question. We are indeed looking at the possibilities to incorporate AI into our workflows. Like most organizations and public-sector institutions out there, we do understand the great potential that AI represents for productivity gains, so we are actively considering, you know, how to incorporate AI in connection with that case management system replacement. Also, you know, generally speaking for other initiatives, how we can leverage AI to support our work, not take our employees out of those workflows but really augment their ability to do their work more effectively, so actively exploring that. I don't have any specific examples to give you because we're also just at the exploratory stage of that work, but definitely considering it. Yes.

The Chair: All right. Thank you. Yes, MLA Dyck is certainly AI focused. I do hope that's actually him on screen today and not some sort of AI-generated facsimile. I'm sure it is.

I will note we are running a little tight on time, but the next three on my list here are MLA Shepherd, MLA Cyr, and then MLA Wright, so we will go back to MLA Shepherd.

Mr. Shepherd: Thank you, Mr. Chair. I just wanted to clarify one point through you to the commissioner. I know there were some questions earlier about numbers of staff and numbers of managers. Now, I know there can be some confusion sometimes about what the word “manager” may mean. It may mean different things in different circumstances. Certainly, I know sometimes when folks are looking for fiscal prudence, they will attack the idea of managers managing managers, et cetera. So just for the clarification and understanding of the committee, these 34 managers you’re speaking of: do they have actual direct work in investigations and other pieces? Are these, in fact, essential staff?

Ms McLeod: Yeah. That is a really good question. You’re right, it does sound like I have just a lot of managers. The reality is – I think it was about eight years ago, nine years ago – there was a bit of a reorganization in the office under the former commissioner, and all of our what used to be called portfolio officers in our office were all reclassified, and because of the nature of the work that they do, they ended up in the management class because of the salary. So they’re not actual, you know, managers managing people. They are, in fact, investigators, the majority of them. Yes, they are the ones doing the casework.

Mr. Shepherd: Can I do a follow-up, Mr. Chair?

The Chair: Yeah. Go ahead.

Mr. Shepherd: I appreciate that clarification. So they are doing direct work. They are essential staff in the office. Again, just being aware that, I guess, there has been a lot of conversation in the last couple of years looking for ways to cut in offices and looking for ways to sort of find quick savings, I just want to clarify. Those are not staff that would be – you know, you couldn’t reclassify them; you can’t hire people that are less skilled. These are the people that you need, at the level they need, being paid at a competitive level required to get the skill sets that you need for those key positions.

Ms McLeod: Absolutely. In fact, these are highly technical positions. We have many lawyers in these positions. We have technical engineers in these positions. It’s important to understand that when we’re reviewing privacy impact assessments, we’re looking at highly technical information systems. Of course, with AI that brings a whole other level of technical skill. So my staff are all highly technically skilled.

Mr. Shepherd: Thank you.

The Chair: All right. Thank you.

We’ll go to MLA Cyr.

Mr. Cyr: Thank you, and thank you for the good work that you do. I will say that I know that Albertans appreciate the good work and continue to rely on you to ensure that our privacy is kept. I think this is great news, when we go to page 3 of your report, that we saw the decrease of 27 per cent of your active inquiry files. I guess you kind of touched on this earlier, but what changed? Was it those two FTEs? I think you said you only hired one of them. Like, how is it that we saw such a large change? Again, this is good news. I’m happy that you guys are able to make that happen. Can you walk me through that decrease, please?

Ms. McLeod: Certainly. First of all, thank you. Appreciate the comments. It’s a flow through. When we have cases that come in the office for a certain kind of privacy complaint and request for reviews of decisions associated with access requests, it comes in, it goes through a gatekeeping intake stage to make sure that we’ve got

the right issues, the right expectations met, then it moves into the case resolution stage where we have a number of CIPMs trying to settle the matter. If it can’t be settled, the issues that aren’t settled then go through another gatekeeping phase, that transition to inquiry where I determine whether or not it needs to go forward to inquiry, and then it goes to inquiry.

So the reduction that you’re seeing in the adjudication is a result of the flow through. All the gains that we’ve made through the various processes that we put in place, including how we manage our settlement files, have resulted in that reduction at the adjudication end of the equation.

Mr. Cyr: This is another question that I’ve got here. That’s good news. I’m happy to see that you’re utilizing the budget that you’re getting and you’re seeing real success out of your leadership. One of the things that’s mentioned here is that there were more than 400 PIPA breaches that were closed in this last year, and it went up from 22. We’re seeing – I don’t know, what is that? I’m an accountant; this is embarrassing – a 2,000 per cent increase in resolving these files. That’s quite remarkable. Can you walk us through how you got to that?

Ms Stelmack: I can do that. Thank you for that question, Member. Yes, that is a huge increase. In prior years those low numbers of PIPA breach closures were because that team was solely focused on renewing our processes and looking at how we did things. Prior to that we used to write a decision for every breach that came into the office, and we’d publish them, but we found that for 80 per cent of the breaches the organization over time had matured and they know when to notify affected individuals, so 80 per cent of them had already notified affected individuals, which is the policy reason under PIPA for those breaches. We thought: why are we writing these decisions and taking all that time? So we revamped the process, and now there’s a closure letter that’s much more efficient, templated, and that’s the reason for those closures.

Mr. Cyr: Great news. Well done.

Ms Stelmack: Thank you.

The Chair: All right. Thank you for that.

We’ll go to MLA Wright and then MLA Lovely, and then maybe we can end it there unless there are pressing questions after that. MLA Wright, go ahead.

Ms Wright: Thank you, Mr. Chair, and through you to the commissioner. I think I’m looking for a little bit more clarity, perhaps a little bit more detail, just so that we are all fully understanding that aspect of engagement. I know that oftentimes when people think about or talk about engagement, I think they’re just sort of limiting themselves to just comms. They’re thinking about brochures. They’re thinking about web pages. They’re thinking about lovely newsletters and PowerPoints and that sort of thing.

But I very much understand that when you’re talking about engagement, it’s a much more serious sort of process, so I just wanted to get some clarity. You’re talking about strategic engagement planning, work with stakeholders to understand laws – and particularly, since the laws have changed, I would think that would be really top of mind – supporting innovative tech development while ensuring privacy rights are respected, making comments and recommendations, research. As a previous teacher, that educational component was of interest to me as well.

In light of that, in light of all of the changes, in light of the potential for so many new health care entities to pop up over the

next year or two, I'm wondering, then, if perhaps some of the thinking that you've had when you're looking forward in terms of the next three years, if perhaps you're looking at really needing to put more resources, which would of course include people, into that engagement piece, so that foundational part of people really understanding whether or not they're an employee or someone who's just sort of tangentially kind of working on these sorts of things, whatever. How much of your time do you think you are likely to spend working on that engagement piece?

11:10

Ms McLeod: Thank you for that question. I established the engagement team a couple of years ago. One of the commitments I made on becoming a commissioner was to work more proactively with our custodians, public bodies, and organizations to help them meet their compliance requirements.

We have a lot of technology that's being developed and used, and we're working as closely as we can with the research and development sector to try and ensure that privacy is actually built into the design and use of these kinds of systems. I'm a very proactive person, so I tend to spend my time trying to figure out how to make sure compliance happens at the outset, because I would rather never conduct an investigation ever again. If I could get everybody, you know, on the right track, then that is the best win for Albertans.

So we are doing a lot of work. You've highlighted most of it in your question. I think this year has been profound for my office. Never before have all three laws been under review at the same time. While it presented a lot of work for my office, my engagement team and I were heads down – you know, as Assistant Commissioner Stinner said, we wrote about five reports on amendments to FOIP, to HIA, to PIPA, and these weren't just light reports. They were 86, 90-page reports that were well-thought-out policy perspectives. We've been really busy just trying to sort of build the foundation.

I know that custodians, public bodies, and organizations are really struggling to meet their obligation requirements. We hear from custodians quite often. You know, they're really trying, but it's an administrative challenge for them to meet these kinds of requirements. What my team can do is provide resources, give them the ability to create policies through policy templates, guidance material, help them develop privacy impact assessments that are much easier to follow, like the AI scribe one that we created. Doctors were really grateful for that.

This team is really important. As the new laws come into place, it's even going to become more important that we continue to try and help them comply with these laws, so the engagement team works together with my compliance support team. They work hand in hand in trying to support that compliance.

The Chair: All right. Thank you.

We'll have the last word here to MLA Lovely. Go ahead.

Ms Lovely: All right. Thank you. Your annual report outlines concerns with virtual care models where VCCs and custodians are unclear on legal authority, data flows, and control of health information. What specific guidance or enforcement tools does your office plan to introduce next year to address persistent noncompliance in these models?

You identify risks with AI transaction tools, including unclear vendor relationships, data control issues, and potential inaccuracy or hallucination in medical records. Is your office planning sector-wide guidance, mandatory templates, or updated PIA requirements to address these risks?

Ms McLeod: That was quite a question. Thank you, Member. I'm glad you raised virtual care. Yes, we are seeing a lot of privacy impact assessments and, in fact, in certain cases investigations regarding virtual care. Going back to what I had just said to Member Wright, what I'm trying to do is to figure out how best to support custodians in going ahead with these virtual care models. It's a complicated answer, but what it comes down to is that it's a relationship between the private sector and the health sector. The private sector is generally running the show when it comes to the creation of the governance structure that is associated with virtual care, and they're getting it wrong. It's creating risk to Albertans, it's creating risk to custodians, and, quite frankly, to private-sector organizations as well.

So we're looking to see amendments in Bill 11 that would maybe support that more clearly. I'm not sure that they are there. I guess we're going to see what's going to happen with sharing custodian models, and then we're going to have to assess how we're going to have to provide that support. In my 86-page comments and recommendations that I made to government, I talked about the need to ensure we had adequate supports in place to develop those legal frameworks to ensure that all the protections are in place that should be. It's a bit of a wait and see until we see what happens with Bill 11.

In terms of artificial intelligence – sorry. Could you just quickly summarize the bit on artificial intelligence?

Ms Lovely: Is your office planning sector-wide guidance, mandatory templates, or updated PIA requirements to address these risks?

Ms McLeod: Thank you. I appreciate that, repeating the question.

We've already taken those steps. We are starting to see the use of AI scribes by physicians in their practices. As a result of that, it actually led immediately to that guidance being put out there and being used by custodians. We are also, within that, ensuring they understand the risks associated with AI. We actually provide some guidance on how to assess that because hallucinations in transcribing medical care that ends up in someone's medical record is serious, so you have to make sure that you've got somebody reviewing the output to ensure that it's accurate.

We certainly have put into our comments and recommendations on all the amendments to all three laws information about how best to protect the public in privacy legislation. I also put out a policy and legal framework for the use of artificial intelligence in general in the province to try and ensure that we are having the appropriate guardrails in place so that, you know, there's safe, responsible use of artificial intelligence in the province, and then there's trust by the public knowing that there's some guardrails around its use.

The Chair: Thank you, everyone. We'll wrap up this part.

Thank you, Ms McLeod and your staff. Really appreciate you joining us, and we will make sure that we follow up in writing with any decisions made by the committee.

With that, we will set our timer again for five minutes and switch our offices over. The next step will be the office of the Ombudsman and the Public Interest Commissioner.

Thank you so much.

[The committee adjourned from 11:17 a.m. to 11:22 a.m.]

The Chair: All right. Well, welcome back, everybody.

We're now pleased to be joined by the office of the Ombudsman and the Public Interest Commissioner. Presenting this without comment, but you are the office before lunch, so just raising awareness. Of course, if we need to go past 12:30, we can.

I would like to welcome Kevin Brezinski, Ombudsman and Public Interest Commissioner, along with his staff to the meeting. We will begin by addressing your '25-26 supplementary funding requests for the office of the Ombudsman in the amount of \$58,500. I would ask that you keep your remarks to five minutes or less so that committee members have time to ask questions. Please begin when ready.

Office of the Ombudsman

Office of the Public Interest Commissioner

Mr. Brezinski: Thank you, Mr. Chair and committee members, for the opportunity to speak to you today about the offices of the Ombudsman and Public Interest Commissioner. I'm joined here by my deputy, Mike Good, who will share highlights from our business plan for the upcoming fiscal year, and Gladys Gonyoe, who is my director of corporate services, and she'll speak to each office's budget.

I'll start with the supplementary budget request for management employees in the Ombudsman office. On November 3 this committee approved a supplementary budget increase of \$141,500 for nonmanagement employees. I'm now formally requesting additional supplementary budget approval to address changes in the Alberta public service management compensation structure. The revised compensation structure for our management staff has led to an increase in personnel costs beyond our approved budget for the year. The additional funding required to support these changes is \$88,500, which covers increased salaries and benefits retroactive to September 3.

As noted during my last presentation to the committee, we have absorbed the 3 per cent salary increases from April of this year and have found other cost-saving measures. Although the anticipated cost associated with the management increases amounts to \$88,500, we've identified approximately \$30,000 in savings within our current budget to off-set this expense. As such, my office requests a supplementary budget of \$58,500. We will not be requesting any supplementary budget for the Public Interest Commissioner office as we can manage that internally.

We can answer any questions you may have.

The Chair: All right. Great. I would open the floor to any members who have questions on this supplemental request. MLA Shepherd, go ahead.

Mr. Shepherd: Thank you very much, Mr. Chair, and thank you to the Ombudsman and the commissioner for being here today with his staff. Just one simple question: if the committee were to choose to deny that supplementary funding, what impact would that have for your office and its work?

Mr. Brezinski: Currently we don't have any vacancies in our office. We absorbed all the costs that we potentially could. We just would be over budget. We just certainly don't have the budget to manage it at this point. The savings – last year on the Ombudsman side we asked for only a 1.7 per cent increase to our budget, so we are extremely lean in that regard. Throughout the year we did find lots of cost-saving measures. We reduced travel and training for our staff just to manage our budget effectively.

Mr. Shepherd: Just a follow-up, Mr. Chair. What is the number of staff in your office on each side?

Mr. Brezinski: We have 40 total, 33 on the Ombudsman side. We do have a shared service between the Ombudsman office, and we share those services with PIC for cost-saving measures as well.

The Chair: Thanks for that.

We'll go with MLA Petrovic, and then MLA Chapman. MLA Petrovic.

Mrs. Petrovic: Thank you, Chair. I appreciate your presentation today and all the work that you're doing. You know, I understand your supplementary funding request. I just want you, if you can, to clarify the percentage of additional funding allocated to mandatory salary adjustments versus merit-based increases.

Mr. Brezinski: I'll turn that over to Gladys.

Ms Gonyoe: Well, for the supplementary request all of it is related to the increase as of September 2025. With the merit increases we actually did absorb it all. We were not asking for that at all. That percentage is not included in the supplementary request.

Mrs. Petrovic: Okay. So the \$58,000 is just solely for the mandatory salary adjustments, then, and nothing for the merit-based increases? That's my understanding.

Ms Gonyoe: Yes. That's correct. That's not even all. We absorbed \$30,000 of that already internally.

Mrs. Petrovic: Okay. Perfect.

Just as we're talking about it and we're talking about the salary increases, are you able to tell me which staff members received merit increases and the criteria that apply to determining these adjustments as well?

Thank you.

Ms Gonyoe: We do follow the public-sector compensation structure. We follow those policies closely. Merit increases do come with any individual's working anniversary so long as they are not at the top. If they are performing accurately, they will get those increments. When it comes to the salary increment provided by the public sector for September 3, it wasn't in our control. I cannot speak to how those come into being, but it was something that was done within the government of Alberta.

Mrs. Petrovic: Okay. Thank you so much.

Thank you, Chair.

The Chair: Thank you, MLA Petrovic.

MLA Chapman, go ahead.

Ms Chapman: You know what? I'm good, Chair. My questions were already answered. Thank you.

The Chair: All right. Sounds good.

It looks like that might be it for the supplemental questions, so we are able to move on to the report business plan and budget estimates section.

We will now move on to reviewing the annual report, business plan, and '26-27 budget estimates for the office of the Ombudsman. Please keep your remarks to 20 minutes or less so that committee members have an opportunity to ask questions. Please go ahead.

Mr. Brezinski: Great. Thank you. Turning now to the broader budget request for the office of the Ombudsman for the upcoming year, I'm requesting a budget increase of \$641,686 to accommodate salary increases and cost-of-living adjustments for existing employees. This request is significant as over 90 per cent of our office's yearly budget is allocated to salaries and benefits.

I'm also requesting an additional \$212,500 to fund two new investigator positions and one support staff to be filled by the

beginning of quarter 2. This budget reflects the reality of our growing operational demands and is critical for maintaining the effectiveness and integrity of our work.

As you will see, we're experiencing a rapid increase in cases, which is putting enormous pressure on our team. Moreover, in 2026 our jurisdiction will expand to include an additional 18 professional regulatory organizations. Without additional resources our ability to fulfill our mandate will be significantly constrained.

11:30

This slide shows our current organizational structure, comprising 40 positions across both offices. The Ombudsman office consists of 33 full-time positions, 14 of which also provide support to the office of the Public Interest Commissioner, ensuring efficient use of our resources and cohesive operations. It's important to note that while we have experienced record increases in our workload, this will be the first time I have requested an increase in personnel since I started in my position in 2022.

The primary purpose of the office is to conduct thorough, impartial, and independent investigations of complaints from Albertans who are unable to access public services, feel they've been treated unfairly, or think their rights are not being respected by authorities that fall within our jurisdiction. Last year the authorities with the highest number of written complaints were Alberta Works, corrections, WCB, maintenance enforcement, and Children and Family Services. Some of these complaints relate to the denial or termination of government-provided benefits while others were related to decision-making processes perceived to be unfair. Our focus is to ensure that administrative processes are fair, which is a benefit to all Albertans.

Our work falls into three main categories: referrals, early resolutions, and full investigations. We receive thousands of calls each year from Albertans in need of assistance navigating bureaucratic systems. We provide a great referral service to help these people understand their options for a way forward. Early resolution is our process for less complex cases that may be quickly resolved either by the authority acting on a request from our office or by our office determining that the authority acted fairly. This process is less formal and more efficient for us, the authority, and, most importantly, Albertans. Full investigations are initiated by my office when complaints are more complex in nature, or I can start an own-motion investigation when we have identified systemic issues.

The timelines to close written complaints remained steady over the last year as we strove to complete complex full investigations and focused on early resolution as a key driver to ensure efficient, timely, and thorough investigations. Ninety-four per cent were closed within three months, 5 per cent were closed within one year, and 1 per cent were closed beyond the one-year mark. Of the more complicated or full investigations, we made recommendations in 100 per cent of these cases. I'm pleased to report that our recommendations were widely accepted, leading to enhanced public services that have benefited Albertans.

I would now like to briefly highlight an own-motion case investigated by my office last year. This investigation was extremely complex. It took more than two years to complete and included several investigative resources in my office. At the conclusion I released a public report that exposed systemic flaws in the administration of the Alberta adult and child health benefit programs. My public report *Programs Adrift* identified the urgent need for modernization and increased oversight within these programs, which helped Albertans living in low-income households cover health-related costs such as dental care, prescription drugs, and diabetic supplies. My report detailed 28 recommendations and

five observations to improve the administrative fairness of the programs. Since the publication of *Programs Adrift* most of the recommendations have been accepted, and considerable measures have been taken to make improvements. ALSS has modernized its application process, reported reduced wait times, and is committed to making further improvements. We will continue to monitor these programs. This case illustrates the service we provide to Albertans and the downstream impact of our work.

There are more examples of how my office works with authorities to positively impact the lives of Albertans in my annual report. However, significant resources are needed in order to maintain the quality of service Albertans expect. Last year this committee asked whether we needed additional resources to handle our rising caseload. At that time I stated that I would monitor the workload and that, before asking for more positions, I would evaluate our processes throughout the year to identify efficiencies. For the '24-25 fiscal year we received 5,647 cases, 2,215 of which were written complaints. All written complaints were analyzed, recorded, and responded to. By the end of this fiscal year we project we will receive approximately 7,000 cases with a corresponding number of written complaints. This would be a 48 per cent increase over the last fiscal year. For further perspective, I can tell you that since the '22-23 fiscal year our office will have received a staggering 124 per cent increase in complaints.

Notwithstanding a significant increase in caseload, our timelines to respond to and close complaints have remained consistent. Strategies to become more efficient, including continuous refinement of our intake and early resolution process, have assisted in us managing the ever-increasing workload. However, I can tell you the main reason we have been able to maintain standards is my staff. I cannot commend them enough for their hard work and determination to serve Albertans in a timely fashion.

As mentioned, I became the Ombudsman in 2022, and since that time I have not asked for any growth positions. I've always been reasonable in my asks to this committee. We are at the point now where the status quo is not sustainable. The sheer volume of cases requires additional resources. I'm asking for funding for two additional investigators and one support staff. This will not totally alleviate the pressure, as I believe our timelines to close complaints will eventually be affected by the increased caseload. Thank you for considering this request, and I look forward to answering your questions at the conclusion of our presentation.

I will turn it over to Mike to present our business plan, which goes into greater detail on how we aim to continue to provide excellent service to Albertans.

Mr. Good: Thank you very much, Kevin. Our business plan for '26-27 focuses on continuing to innovate our service delivery and operational practices to best manage the ever-increasing workload, as highlighted by Kevin. To manage the continuous increase in cases associated with these factors, we will implement initiatives that embrace technology, improve internal processes, and create a better understanding of our jurisdiction and the role we play.

Our '26-27 business plan features strategies designed to deliver four primary outcomes. The first outcome is ensuring that our employees have the support, resources, and training to execute their functions efficiently. We plan to leverage technology and adopt the use of artificial intelligence in a safe and ethical manner. With rapid advancements in technology there is a continual need to both innovate our practices and use technology responsibly. We will take a lead role with our counterparts from across the country in developing and expanding the use of AI within our practice.

The second outcome is to help Albertans better understand our mandate and processes, enabling them to access our services more

effectively. In '24-25 we saw another increase in complaints that fall outside of our legislated authority, also known as nonjurisdictional cases. Educating Albertans about our jurisdiction increases their understanding of our role and how we can best help them resolve their concerns. When individuals contact our office, we want to direct them to the right avenue to best address their needs. For example, our work often involves helping complainants understand the correct complaint or appeal process to follow or which organization they need to contact before our office can review their case. Improving the efficiency of these referrals is one area we will continue to strengthen.

Our third outcome focuses on helping public services and professional organizations provide fair processes for all Albertans. Last year we provided subject matter expertise and guidance to authorities in a number of areas, including administrative fairness and effective decision rating. We will continue to build on that momentum. We will establish forums and engagement sessions with agency leaders to discuss fairness challenges and observations. We will strategically recognize and promote best practices and administrative fairness across various sectors while continuing to build trust through respectful engagement and collaborative problem solving.

Finally, we remain steadfast in our pursuit of modernizing our legislation. Since coming into force in 1967, the Ombudsman Act has not been subject to a fulsome review. We will continue to seek changes to our governing legislation that will modernize elements of the act to best serve Albertans.

Our essential service must continue to evolve to respond effectively to these increased demands. The proactive approach outlined in our '26-27 business plan, supported by our budget request, will benefit all Albertans.

I will now hand over the presentation to Gladys for an overview of our proposed budget.

Ms Gonyoe: Thank you, Mike. I'll begin by sharing the Alberta Ombudsman's financial summary. For the 2024-25 fiscal year our approved budget was \$4,574,080, and we utilized \$4,374,628 of those funds; \$199,452 was returned to the general revenue fund due to hiring delays, parental leave, postponed IT upgrades, and lower than expected legal costs.

11:40

This chart shows that on an annual basis salaries, wages, and benefits consistently account for approximately 90 per cent of our total expenses, with the remaining 10 per cent allocated to supplies and services. In the current fiscal year, '25-26, it was necessary to reallocate funds from supplies and services in order to cover compensation-related expenses and adhere to our approved budget. As illustrated on the left side of this chart, from '25-26 onward salaries, wages, and benefits have increased and now make up 93 per cent of the total budget, leaving only 7 per cent allocated to supplies. Consequently, for this fiscal year initiatives such as IT equipment upgrades and employee training were deferred. Our supplies and services have also been reduced by 21.6 per cent from budget and remain as lean as they possibly can. These austerity measures were to ensure that we had funding to pay our staff.

For this fiscal year we are forecasting to spend \$4,850,310. This forecast incorporates approval of our supplemental requests of \$58,500, presented by Kevin earlier. In developing our next year's budget estimates, we have looked at all areas of our organization. We assessed our current resources and how quickly our case numbers are growing. It is worth noting that we are currently fully staffed yet underresourced to meet the needs of Albertans, as mentioned by Kevin. As Mike also pointed out, we have identified

areas where we can be more efficient and leverage technology where appropriate to alleviate workload. However, the Alberta Ombudsman caseload continues to grow in both volume and complexity. For that reason, our proposed budget includes three new staff and is expected to cost us \$212,500 for the first nine months, as we plan to fill these positions at the start of the second quarter in the fiscal year.

Since our salaries, again, constitute over 90 per cent of our budget, we will therefore require an increase of \$641,686 to cover the salary adjustment put in place effective September 2025 as well as the required merit and general increases for our existing staff. Salary amounts are not discretionary, and as such we cannot run the office without approval of these required increases. Where we have discretion, we have identified about \$50,000, 11 per cent, within our meagre supplies and services line, reflecting our commitment to responsible spending.

Overall, for '26-27 we are requesting \$5,650,260, which is \$799,660 higher than the prior year's required vote. Thank you.

Back to you, Kevin.

Mr. Brezinski: Thanks, Gladys.

We can answer any questions you may have.

The Chair: Okay. Well, thank you so much.

I'll now open the floor to questions from committee members. The first hand I see here is from MLA Chapman. Please go ahead.

Ms Chapman: Thank you, Chair. Thank you so much to the officers for your presentation. It was very thorough. I appreciate all the details that you've provided about that increased workload to your office. I think, if I've read this right, in your annual report it shows that there was a 10 per cent increase to cases received and a 26 per cent increase to complaints. I'm wondering – I don't know if I missed it – if you can detail if there's anything specific that accounted for that increase.

Mr. Brezinski: Well, thank you for your question. There are a number of things that impact our workload, and of course we do outreach and engagement. Our office was not well known and it is across Canada not very well known as to what we do, so one primary focus of our office when I first started the position was to do a lot of outreach and engagement, so certainly getting the word out there.

Secondly, when I issue a public report about an issue – and I've released a few public reports – that gains a lot of attention and I think more awareness to our office and therefore subsequent complaints. The advent of artificial intelligence: we're getting artificial intelligence generated complaints to our office. When you search, "Who do I make a complaint to?" now using AI, we're the first people that pop up, so we're getting more of those complaints as well.

Then, lastly, obviously, the migration of people into Alberta certainly has been significant. Therefore, more people and thus more complaints.

Ms Chapman: Yeah. Thank you. That's very interesting.

Could I have a follow-up, Mr. Chair?

The Chair: Yeah. Go ahead.

Ms Chapman: Thank you. Out of the 887 complaints filed against the government, it looks to me like the majority were under seniors, community, and social services. My recollection is that this is an ongoing trend, but if you could maybe just confirm for me how this has measured up against last year or previous years and if you are

able to provide any sort of insight as to: what was the nature of the complaints around this department?

Mr. Brezinski: Yes. Certainly, it's one of the departments that we get a lot of complaints about, but I think, you know, the reason is that there are a lot of vulnerable people that are trying to access benefits, and obviously when you're trying to access benefits and you're vulnerable and you're desperate, sometimes you're not getting the answers that you want. Therefore, we would get those complaints to our office. Typically ALSS certainly is one of the departments that we do work with a lot. Corrections is another one; WCB. It's typically the same authorities year after year that we get the same kinds of complaints about.

Ms Chapman: Thank you so much.

The Chair: All right. Well, thank you.

We'll go next to MLA Dyck, whose eyes lit up at the AI reference you had there. Go ahead, MLA Dyck.

Mr. Dyck: Well, thank you, Chair. That sure is true. My heart started pumping a little bit faster, so I appreciate the commissioner bringing it up.

I have a couple of questions. First of all, thank you so very much just for looking at how to incorporate salary and wage adjustments within your budget. Thank you for doing that. Thanks for taking that seriously. It's greatly appreciated. My question on this, and then I'll probably have a follow-up, Chair, afterwards: would you just expand a little bit on the details of how you did this? It's pretty substantive work that you did, and I just want to hear a little bit more about what that work entailed.

Mr. Brezinski: You're speaking specifically about AI?

Mr. Dyck: Sorry; I wasn't. I was just broadly – I know that you absorbed some of the cost increases of staff wages, so I just wanted to hear a little bit of how you were able to absorb some of those costs within your current budget so far.

Mr. Brezinski: Sure. We definitely reduced our management of supplies and services. We reduced travel and training for our staff, just the very core training that we actually provided to our staff, so they were extremely diligent in that regard. We reduced advertising. We did have a budget for advertising as well in order to get the word out about our office, so we reduced that. We didn't have any vacancies over this current year, but last year we did have a couple of vacancies. We absorbed the costs on the public interest side for a conference that we took part in.

Is there anything else, Gladys, that you can think of?

Ms Gonyoe: The other thing that we cut out was legal. Although we couldn't predict what legal claims might come through, there wasn't much to pay this time, so that also helped with our budget in absorbing the salaries and wages component.

Mr. Dyck: Excellent. No, I appreciate that.

Chair, if I can have a follow-up.

The Chair: Yeah. Go ahead.

Mr. Dyck: I know that you're looking for a couple of extra staff positions, and I appreciate you just being forthright about that. This is kind of a two-part question here. What are the specific priorities? I missed that if that was mentioned. What are the specific priorities that those three staff are going to do?

Then I just want to hear about retention rates, too. How are you bringing stability? What kind of measures are there for your workforce stability internally as well? So two questions there that I'd love to hear some answers on.

11:50

Mr. Brezinski: Sure. Obviously, you saw the slide with our increased workload. It's significant; 124 per cent over the last three years. Two of the three positions are going to be investigative positions on the Ombudsman side. They'll be conducting our typical early resolution files, our full investigations once they get the experience, and then some of our referral work. We have a live intake system which they'll partake in, and it's just going to alleviate some of the pressure that the other investigators are currently facing.

In an ideal situation you would want to have between eight and 10 case files per investigator so that it's manageable. The way it stands now, because of the flow of information or complaints that are coming into our office, sometimes it's upward of 20 files, which is extremely unmanageable at this point.

The support staff that I'm requesting: currently we have one support staff that is managing support to all of our investigators. When cases come into our office – written complaints, for example – that person has to input them into our case management system, delegate it to the manager for assignment, and then create correspondence to complainants. It's a lot of work for one person. As cases have been increasing, so, too, has the support staff work. It's just a matter of complementing the work that we're already doing.

The Chair: All right. Thank you.

We'll keep moving on our list here. MLA Miyashiro, please go ahead.

Member Miyashiro: Thank you, Chair. Thank you, Ombudsman and your staff, for the presentation. Again, I'll reflect on what my colleague just said about the great work you've done to adjust your budget in order to make your costs. I think I've asked this question to the previous presenter as well, and it's really impactful for you given that you're at a 93 per cent salary to 7 per cent other split in your budget. Did the public-sector compensation review and adjustment account for the entirety of your budget on the salary side? That's my first question.

Ms Gonyoe: It accounted for parts of it. The other part is merit increases, that staff would get on an annual basis. But the majority of it was that.

Member Miyashiro: What was the compensation adjustment according to the public-sector compensation review? It was something that was out of your control versus something that was more systemic, I guess, is what I'm getting at.

Ms Gonyoe: Well, at the end of the day, the merit increases: I guess one could say that is also really out of our control because we do follow the PSC standards. If you want a specific dollar value of the salary adjustment put on in September 2025, it's close to \$400,000 of that sum, of that amount.

Member Miyashiro: Or roughly two-thirds, I think, of what your ask was?

Ms Gonyoe: Yes.

Member Miyashiro: Something like that. Okay. Thank you.

Related to that, too, because your other costs are only, like, 7 per cent, I think the Ombudsman said or you did that you've had to do without on the other side of operations, so fewer opportunities for staff development, slower uptake of IT upgrades, et cetera. What's the impact on your operations when you're so heavily focused just on the people side and the support side is waning? What's the impact?

Ms Gonyoe: For instance, for IT, I mean, the computers don't die right after the time you are supposed to evergreen them, so we dragged it out as long as we could. That means slower processors, old IT, computers. However, we can manage right now. The austerity measures we put in place were meant to be temporary. We are supposed to get back on track next year if this budget is approved, and then we can upgrade those IT supplies that we need to.

Do you want to answer that?

Mr. Brezinski: No. I think that's right. I mean, it's not sustainable to not train your staff year after year. I think it's really important for their competency and for the work that they do that they're properly trained. Could we do it for one year? Yes, we did. Is it sustainable in the future? It's probably not the best practice.

Member Miyashiro: Great. Thank you very much.

The Chair: Thank you.

We'll move to MLA de Jonge.

Ms de Jonge: Thank you very much, Chair. I'm looking at contract services in the '26-27 budget estimate. You project that contract services will be \$23,500 lower than the previous year's budget. I'm wondering what factors are contributing to that reduction.

Ms Gonyoe: There is a different number for the variance for contracted services, but the things that do contribute to that amount are lower than expected legal expenses that we are supposed to have. We also cut down on marketing as well, as Kevin mentioned earlier, and those are the primary ones that we cut back on. In addition, we found little savings in all areas that could off-set the expense of salaries, wages, and benefits.

Ms de Jonge: Just to follow up, you mentioned legal services and marketing. Can you share a bit more about different types of contracts that your office engages in? Is it primarily those two areas, or are there others as well?

Mr. Brezinski: Really, those two as well as IT. But, yeah, for the legal services, for example, sometimes we're subject to judicial review. When that's the case, we have to hire external counsel, and that takes its toll on our budget as well.

Ms de Jonge: And then, Chair, another question if I may.

The Chair: Yep. Go ahead.

Ms de Jonge: On your statement of operations I see that other revenues decreased from \$50,403 in '24 to \$33,077 in 2025. Sort of similar to my last question: what's the reason for that decrease?

Ms Gonyoe: The office of the Ombudsman does not generate revenue. The revenue line that you see there is a piddly amount of surplus sales. Also, in the years prior there was somebody who was no longer with the organization but found employment within the government. For that reason, whatever was paid out to them at the time is supposed to be returned to the government, to us. For that

reason, we got those funds back. It was staggered, so not all of it came out of the person's account immediately. That's what you see there as revenue, but the actual revenue that we get is surplus sales. When we evergreen our computers and we send it to surplus, sometimes it's about \$50. It's not a whole lot.

Ms de Jonge: So most of what we're seeing there comes from that contract.

Ms Gonyoe: It's coming from recouping funds from paying out somebody who left the organization at some point in time two years ago.

Ms de Jonge: All right. Thank you.

The Chair: Thank you. We'll go to MLA Chapman.

Ms Chapman: Thank you, Chair. In your annual report goal 4, page 15, you discuss the expected expansion of the Ombudsman role as a result of Bill 40, the Professional Governance Act, which added 18 additional professional regulatory organizations, and with the establishment of the new Police Review Commission you expect the jurisdiction of the Ombudsman to expand yet again. Do you find that your office is currently equipped to take on this expanded role? Is this a part of the FTEs that you have already mentioned? Sorry; I've lost it now. I believe you've requested three FTEs in this. Or is there anticipating that you're going to need to add additional FTEs in future budget cycles to manage that workload?

Mr. Brezinski: Yes. As I included in my speaking notes before, those 18 professional regulatory positions are certainly going to increase our workload. That was factored in when I was asking for the total of three positions. Of course, year after year we'll continue to assess. It's going to add a little bit of work to our workload, which is currently a little bit unmanageable at this point, but we'll keep assessing moving forward.

Ms Chapman: Thank you.

No follow-up, Mr. Chair. I just do want to take the chance I have here to thank the Ombudsman and his office for the work they do and for what they have done to manage and keep up with a really substantial increase, it looks to me, in the number of cases and inquiries they're getting in the service of Albertans, of course.

Thank you.

12:00

The Chair: Right. Well, thank you, MLA Chapman.

In the room here I have MLAs Lovely, Wright, and Cyr, and then we probably have to cut it off here and hear a little bit about the Public Interest Commissioner.

We'll go to MLA Lovely.

Ms Lovely: Thank you so much. I see that supplies and services remained under budget and nearly undercharged from the previous fiscal year: \$401,190 this year versus \$401,601 last year. What measures were in place to control these costs, and are there significant changes in service contracts or procurement practices?

Ms Gonyoe: Looking back to contracted services over the years, the one thing that is not predictable is how much we spend on legal. Should it come in that we require the money, then we use it. So you would see fluctuations within that category for quite a bit. Also, over the past two years is when we actually put into place our marketing strategy, so there was a bit of a ramp up, and then it

tapered off when we got to this fiscal year. That's how you see the fluctuation back and forth in that category.

Ms Lovely: I have a follow-up as well if that's okay.

The Chair: Yeah. Go ahead.

Ms Lovely: Your net operating costs for this fiscal year budget was at \$4,160,080, but your actual was \$3,851,771, meaning operations were just over \$308,000 below budget. What cost-saving measures did you implement to achieve this? How was the extra \$300,000 utilized or reallocated? And for the upcoming fiscal year do you have specific targets and measures to continue ensuring fiscal prudence?

Ms Gonyoe: For prior year the lapse that we had was \$199,000, as I mentioned earlier, and that was due to parental leave, hiring delays. Those were the ones that constituted it. The lapse was actually no more than \$200,000 for last year. This year we are using everything plus the supplementary request that we just put in, so all of it will be utilized for the current fiscal year.

The Chair: Thank you, MLA Lovely.
We'll go to MLA Wright.

Ms Wright: Thank you, Chair. Through you, I'm trying to sort of join a bunch of things together, so forgive me if it's not quite clear in terms of what it is I'm actually asking of you.

I heard you say earlier that you've decreased marketing, that that was one of those places, but at the same time that you're decreasing marketing, you had also mentioned the fact that there are many folks out there who don't know what your office does. In fact, you've had an increase – I forget the number at the moment – in terms of those nonjurisdictional sort of inquiries. At the same time you've got an increase, I think, in the health sector inquiries as well as one other one, which I can't remember at the moment. Are you thinking perhaps that, in fact, that marketing piece might actually have to come up a bit in order to compensate for some of those extra inquiries?

Then, further, it was really just a point of clarification in terms of supplies and services because you've referred to those as well. In the budget it talks about technology and contract services and office equipment, supplies. I'm just wondering if there are other parts of your budget that might be encapsulated in there but aren't necessarily showing through as a line item, but mostly I'm interested in that marketing piece.

Mr. Brezinski: Sure. I'll answer the marketing piece, and then I may turn that over to you, Gladys.

With respect to the marketing platform, we had a three-year plan. When I first started my position, we had a three-year plan. We're coming to the end of that plan. Some of it resulted in digital marketing. We're at a point now where I think we've exhausted certain means of our plan, and we're going back to kind of the grassroots approach where we're going to not-for-profit organizations that help newcomers to Alberta, for example, and doing presentations. Some of the workers in the nonprofit, not-for-profit organizations, if they understand our work, they can then refer people that they deal with back to our office. I think we can manage our marketing. We may have to increase it a little bit as we move forward, but I think we can be very careful in how we spend those dollars.

And the second piece?

Ms Gonyoe: In today's world most things are moving to digital. So instead of having a poster out there, you go digital, and you have a lot of reach as well. Our marketing budget is all encompassing. It ranges from advertising for jobs that we put up to going to visit people and having one-to-one conversations. I believe the marketing strategy is to have meaningful touchpoints rather than putting something out there that will not reach the target market that we are trying to reach.

The Chair: Okay. Great.
We'll go to MLA Cyr.

Mr. Cyr: Well, thank you. Is it possible to bring that presentation back up again that we had? I'd like to go to the bar graph, if we could, of the increase in caseload that they've got, wherever that is. All right.

Well, that's, I guess, a very enlightening graph that you see here. Again, I commend you for the fact that you've been able to work within the budgets that you've had over there since – you said you took office in 2022?

Mr. Brezinski: Yes.

Mr. Cyr: Again, thank you for your service, and I have to commend all of the hard work that your men and women in your office have been able to accomplish over this last three years. It's quite remarkable to see the increase of workload and the fact that you were able to work within your means here.

In the Business Plan, '26-27, on page 2 it says,

Presently, our office is receiving complaints in unprecedented numbers. Over the past . . . three years, complaints have increased more than 50 per cent. Several factors influence our caseload.

Alberta continues to experience explosive population . . .

I'm curious on how the increase in our population of the good people that are moving into our province, whether it's potentially new Canadians or through the other provinces: how is it that that would affect your office? Again, I also recognize that it never even occurred to me that AI would be shifting a lot of the people with concerns straight to your office, saying you're the first step. Again, I understand why, maybe – I really want you to communicate, but I think AI seems to be taking on a lot of that burden for you, so if you wouldn't mind kind of enlightening us on how it is that the newcomers to our great province here are affecting your office.

Mr. Brezinski: Sure. I can say that, obviously, with the influx of people into our province, a lot of those people will be accessing government services, and when they access government services and they feel that they've been treated unfairly, you know, we're the office of last resort and typically they would come to us at that point. You know, I think there's a direct correlation between population growth and number of complaints. I think you can safely say that.

Then with the advent of AI, like you'd mentioned, yeah, it's unprecedented, and, again, it's across Canada, with my colleagues across Canada mentioning the same sorts of things, that they are seeing an increased workload as well.

Mr. Cyr: Can I ask a quick follow-up?

The Chair: Yeah. Go ahead.

Mr. Cyr: Do we track, inside of this increased workload that you've got, how many of them are new Albertans and how many of them are long-standing Albertans, if you will?

Mr. Brezinski: We don't collect that information. One of the questions that we ask on intake is: how did you hear about us? Not necessarily: where did you come from; when did you arrive in Alberta? Again, it's a safe assumption, I think, to think that people, as they migrate to Alberta, will be accessing services and therefore contacting our office.

The Chair: Okay. One more quick follow-up. Go ahead.

Mr. Cyr: Do you have an estimate of what you think? Is it 50-50, or is there just no ability to be able to kind of – like, I'm just curious. We're seeing a rampant increase in your office. It would be nice to know exactly what it is. Is this flattening out for our newcomers? Again, I love the fact that people are choosing Alberta, to make us their home, and making sure that we're responsive to their needs.

Mr. Brezinski: Thanks. I don't think we would have a particular number.

Mike, do you?

12:10

Mr. Good: No, we don't collect race-based data, as Kevin alluded to, so it would be pretty difficult to generate a number that would give a fair estimate of what that looks like.

Mr. Cyr: Thank you for that.

The Chair: Thank you, MLA Cyr.

We're going to give the last word on this to MLA Dyck, and then we'll move on to the Public Interest Commissioner presentation.

Go ahead, MLA Dyck.

Mr. Dyck: Excellent. Thank you so very much. Actually, I think my question is for the Public Interest Commissioner. If that's okay, Chair, I'll just jump in there and ask a question here. One of my questions here is that you have a note there on measures and reallocations from supplies and services to salaries and benefits. What controls are in place to ensure service quality is maintained during this time? Sorry. I apologize. I'm jumping over to the office of the Public Interest Commissioner section here.

The Chair: If it's okay, MLA Dyck, we'll hear the presentation. We'll keep you queued up though. I appreciate your interest, and it's certainly an important question.

With that, we will move on and we will get a chance to hear from Mr. Brezinski about the request for the report, business plan, and budget estimates for the Public Interest Commissioner. Please, again, keep your remarks to 20 minutes or less, and then we will have an opportunity to keep going with our questions. Thank you.

Mr. Brezinski: Thank you, Mr. Chair. This presentation will be slightly quicker than the last one. I'll turn to my role as the Public Interest Commissioner legislated by the Public Interest Disclosure (Whistleblower Protection) Act. We are seeking a budget increase for the next fiscal year to manage the salary adjustments and cost-of-living increases as outlined by the Public Service Commission.

The total budget request is \$149,358. The office of the Public Interest Commissioner consists of seven FTE positions. As I mentioned earlier, staff from the Ombudsman's office also provide support. Our role is to investigate allegations of wrongdoing and complaints of reprisal in the public sector. Public-sector employees are encouraged to report serious wrongdoings that may threaten the public interest. These include allegations of gross mismanagement, contraventions of law, and acts that threaten the life, health, or safety of individuals or the environment. Employees may also report acts of reprisal which occur when adverse employment

actions are taken against them for reporting wrongdoing or co-operating with investigations into wrongdoing. Our independent, impartial investigations into these matters may result in corrective recommendations. Ultimately, our work contributes to making the public sector a better place for everyone.

I'd like to share some stats from this past year to illustrate the work done by this office. This slide shows that we received a total of 241 cases for the last fiscal year, which was a 16 per cent increase from the previous year and a 66 per cent increase since fiscal year '22-23. We also responded to 114 inquiries for assistance with policy development and advice regarding the act.

Of our 241 cases from last year, 105 were disclosures alleging wrongdoing and 22 were complaints of reprisal. Gross mismanagement of employees continues to be the number one allegation investigated by my office, representing 46 per cent of the disclosures. This slide gives you the breakdown of the various sectors those cases relate to as well as the number of cases which were nonjurisdictional. Of note, the health sector and the government ministries accounted for over 50 per cent of the total cases received from jurisdictional entities.

As noted in our annual report, we did not find instances of wrongdoing or reprisal this past year. However, we did make several recommendations to authorities to improve the procedures to safeguard them from future issues.

Moving to this current fiscal year, I'd like to give you an idea of several ongoing investigations currently being handled by our office. We are working on a reprisal investigation about a senior executive whose employment was terminated after declining to participate in wrongdoing. There's a case involving the gross mismanagement of public funds connected to a leader's decisions that further their personal financial interests. We are investigating whether a toxic work environment may have negatively impacted patient care. Finally, there's an allegation of gross mismanagement of funds related to sole-source contracts, a sponsorship agreement, and CEO expenses. These investigations are complex, and they require time to conclude. However, it's essential that we conduct thorough and procedurally fair investigations to ensure these matters are resolved appropriately.

Another significant occurrence under way is the mandated review of our legislation. Our investigations have revealed patterns that directly expose weaknesses in the current legislation, making a strong case for targeted improvements. Concerns about confidentiality and protection have significantly impacted our investigations. Many whistle-blowers and witnesses hesitated or ultimately decided not to participate in investigations, fearing that their identities could be revealed or that they may face civil liability. The perception that the act does not provide robust safeguards has further discouraged individuals from coming forward, limiting the effectiveness of our inquiries.

In addition, several cases highlighted weaknesses in organizational policy and procedure. Outdated, unclear, or insufficient organizational guidelines have led to confusion and, ultimately, allegations of wrongdoing. Transparency and accountability remain ongoing concerns. Many cases involved questions about decision-making practices, the use of public funds, and the handling of complaints, underscoring the need for greater openness within organizations.

Workplace culture and leadership also emerged as critical issues. Allegations frequently focused on toxic work environments, bullying, harassment, and gross mismanagement by leaders. Notably, these continue to be the most common types of allegations received by our office. It is clear that barriers to reporting wrongdoing persist. Fear of reprisal, doubts about the effectiveness of whistle-blower protections, and a lack of awareness about

reporting mechanisms consistently prevent individuals from coming forward. My office emphasized the need for ongoing education and outreach to build trust and encourage reporting.

To address the concerns identified in these themes, my office has been highly engaged with the Standing Committee on Resource Stewardship, who have begun the process of reviewing our legislation, a process that occurs every five years. We've provided several recommended amendments. Some of the key highlights are strengthening protections for whistle-blowers, bolstering confidentiality, defining prescribed service providers, and expanding our jurisdiction to include all subsidiary health corporations and many others.

Looking ahead, communicating, monitoring, and implementing legislative amendments would be key priorities for our office. To speak more about those plans, I'm going to turn it over to Mike to present our business plan.

Mr. Good: Thank you, Kevin. I will begin by briefly highlighting key results from our '24-25 business plan. In June of 2024 we conducted a comprehensive survey of public-sector employees to establish a baseline measurement of their awareness of our office. The survey showed that the majority of Alberta's public-sector employees didn't know about whistle-blower policies or procedures within their own organizations. Based on those results, we employed strategies directed to increasing interactions with public-sector employees. We also created new materials to better guide complaints. This included a new online tool, our complaint checker, which helps users better understand workplace wrongdoing and the role of our office.

Looking ahead to '26-27, our office will achieve three key outcomes, as outlined in our business plan. The first is aligning our policies, procedures, and public materials with amendments to the public interest disclosure act, which, as noted by the commissioner, is currently subject to a legislative review. In anticipation of legislative amendments we have developed strategies, including the establishment of a team of subject matter experts to monitor legislative amendments and track their implementation. These efforts will align with the communications plan to educate and inform stakeholders about the changes in legislation.

Our second outcome is achieving operational efficiency and innovation through enhanced systems, a skilled workforce, and the ethical use of technology. Given the continued trend of rising caseloads that we've experienced, we will direct our efforts to leveraging technology and artificial intelligence in a responsible manner to strengthen our efficiency and best meet service delivery expectations. We will also enhance the skill sets of our team members through continuous learning and improvement opportunities.

Our third outcome is to increase the understanding of whistle-blower protections and reporting procedures. We understand that public-sector employees are more likely to report serious wrongdoing when they have a solid understanding of the rights and protections of our act. With that in mind, we will focus on outreach and education. This includes the development of a communications plan to improve awareness of the act and its protection mechanisms. We will also host forums and workshops aimed at both designated officers and public-sector employees. Finally, we will collaborate with agencies and departments to integrate disclosure awareness into employee onboarding and training programs.

12:20

The outcomes and strategies of this business plan will manage the rising caseload that we've been experiencing while encouraging

more employees to come forward if they believe they have witnessed or experienced wrongdoing or reprisal.

Gladys will now provide the committee with an overview of our budget.

Ms Gonyoe: Thanks again, Mike.

I am pleased to provide the 2024-25 financial highlights as well as the current year's forecast and budget estimate for '26-27 for the Public Interest Commissioner. During the '24-25 fiscal year our office operated with a \$1,439,610 budget, of which we spent a little over 99 per cent. We only had \$8,370 remaining to return to the general revenue fund.

For the '25-26 fiscal year our office projects that we will fully utilize both the allocated budget and the supplementary supply approved for our operation, totalling \$1,511,402. The forecast reflects our commitment to responsible stewardship, ensuring every dollar is directed towards maintaining services and delivering on our mandate.

For the '26-27 fiscal year the Public Interest Commissioner is requesting a budget estimate of \$1,660,760. This represents \$149,358, or a 9.9 per cent increase from last year's approved vote. Like the Ombudsman's office, the requested increase accounts for the September salary adjustment, merit and general salary increases, off-set by savings within our supplies and services of 4 per cent, or \$22,395.

As previously mentioned by Kevin, the office of the Ombudsman provides shared services to the Public Interest Commissioner, resulting in cost savings for Albertans. The shared services for '25-26 are forecasted to be \$425,000 and expected to remain unchanged for '26-27.

Thank you.

Mr. Brezinski: Thanks, Gladys.

Before we conclude, I'd like to thank my staff for their incredible work throughout this past year. It's greatly appreciated. Obviously, with a workload for both offices they've done a tremendous job.

With that, I'll answer any questions.

The Chair: Great. Thank you so much, and of course thank you to your staff.

I'm going to reward eagerness and let MLA Dyck get the first kick at the can here. Go ahead, MLA Dyck.

Mr. Dyck: Well, thank you very much, Chair. Greatly appreciate that. Thanks for the presentation on this. I think you mostly answered my first question, but another question here for you. I just see that your technology services line increased to \$40,000. I just want to understand some of the key cost pressures on that. Are these yearly costs? Are they one-time purchases? And then, also: how do they reflect ongoing, recurring costs for the next fiscal year?

And then part two of that question, which is what you alluded to prior, is just: in this section, too, have you considered AI? What's the generation like? Are you utilizing it in this as well? Just kind of curious where you guys are at in that.

Thank you. Appreciate it, Chair.

Mr. Brezinski: You can answer the first part.

Ms Gonyoe: Thank you. For the IT line we did – last year we presented that we were doing an upgrade to our case management system. We are working on that right now and getting ready to actually go live, so we spent some money on that as well. We did sign a contract for the upgrade. It's a system we've been using for a long time, so we are just doing an upgrade to it, but we did sign a contract to it which came up a little bit higher than what we were

paying for the past few years. That's why you see an increase in that line.

I will kick off the AI component and leave it for the others to respond. We are actively pursuing AI. I am quite excited about it. We do have a trial period happening for our general office, so we are cautiously moving forward. My area, which is more corporate, is using it actively, but for the case management side I'll leave it to the team to respond to that.

Mr. Brezinski: Sure. Just a couple of comments, and then I can turn it over to Mike as well. We have a member in our office that is actually chairing a national committee on the Ombudsman side relative to AI and looking for best practices across the country, so we're kind of ahead of the curve a little. Obviously, we're testing it right now. We're creating policy.

Mike, do you have anything else to share on that?

Mr. Good: As we continue to flesh that out, we'll look at ways we can, you know, responsibly use AI in our office to look at submissions when they're made, to pare them down. There are other things that we can do in-house as well that will help aid the investigative team while still being mindful of a responsibility to safeguard personal information and the sensitivity of these cases.

The Chair: All right. Perfect. Thank you.

We'll go to MLA Chapman.

Ms Chapman: Thank you, Chair. I'm less excited about AI, but I think I just worry about what all the people will do for jobs when AI eats them all up.

On the PIC budget, just so I can get very clear on the record here, it looks to me like the only increase to your budget is due to the salary increases required by the public service. I would just like for you to clarify that, yes, that is the case, that the entire increase that you're looking for for your office is to cover those government-set salary adjustments.

Ms Gonyoe: Yes, the salary adjustment as well as a tiny merit increase. There are only seven people within the Public Interest Commissioner. It's a little bit on the small side, so a huge chunk of that is the salary adjustment. Yes.

Ms Chapman: That's great. Thank you.

And follow-up. Can you just clarify for me, because I think I must have missed it in your presentation – you've made a big cut in your contract services. You're down I think it was \$23,000. Can you just detail how or where that savings came from?

Ms Gonyoe: Just like the Ombudsman, it is coming from legal as well as marketing, so our communications strategy. The majority of it is coming from legal because we are currently concluding our current cases, so there's no projection to move forward unless another case comes ahead, which we hope not. Otherwise, those are concluding this year.

Ms Chapman: That's great. Thank you.

The Chair: All right. I saw MLA Lovely's hand. Please go ahead.

Ms Lovely: Thank you. On page 4 of the budget document I noticed that the forecast for travel this year is significantly below the budgeted amount. The forecast is \$2,800 while the budget was \$10,000. Can you explain the reason for the variance?

Ms Gonyoe: Just like the Ombudsman, we had austerity measures in place, and only required travel was approved to move forward this year. That's where the cut is coming from.

Ms Lovely: If I could ask a follow-up as well.

The Chair: Yeah. Please go ahead.

Ms Lovely: It appears your office focused on permanent staff and budgeting rather than the contracted services. How have you ensured your office remains on top of its mandate with this approach? Your forecast for contracted services is well below the – wait a second. Oh, what types of contracted services do you plan to reduce or eliminate in the upcoming fiscal year, and will reducing contracted services affect specialized functions such as legal or marketing support? How will you mitigate any risks to delivery services?

Ms Gonyoe: I'll first tackle the legal component of it. Those are unknown, and it's whenever it comes. When we do have judicial review, that's when we actually kick in the legal budget.

With respect to the other component of the contracted services we do have the marketing strategy component in there, which we reduced, and using alternate ways of reaching our targeted clients so that we could be more efficient in the way we do business. We do have a component where we have specialized contracted folks when we need them to come in, but we don't anticipate to use a lot of those. The majority of the savings that we have is actually the legal and the communications budget.

The Chair: All right. Well, thank you very much.

I'm not seeing any other questions.

Thank you very much for your presentation. We'll make sure to follow up in writing regarding any decisions made by the committee.

We will now be breaking for lunch. We will be back on the record along with representatives from Elections Alberta at 1 p.m.

[The committee adjourned from 12:30 p.m. to 1 p.m.]

The Chair: All right. Welcome back, everyone. I'd like to quickly go around the table and give everyone an opportunity to introduce themselves again for the record, starting here in the room and then online.

Ms Lovely: Oh, sorry. Jackie Lovely, MLA for the Camrose constituency.

Mr. Cyr: Scott Cyr, MLA, Bonnyville-Cold Lake-St. Paul.

Mr. Akintunde: I'm Sunday, director of finance.

Ms Maskoske: Jennifer Maskoske.

Mr. McClure: Hello. I'm Gordon McClure, CEO for Elections Alberta.

Mr. Kaye: I'm Steve Kaye, Deputy Election Commissioner and interim Deputy Chief Electoral Officer.

Mr. Phillips: Ryan Phillips, director of IT.

Mr. Shepherd: David Shepherd, MLA, Edmonton-City Centre.

Ms Wright: Peggy Wright, MLA, Edmonton-Beverly-Clareview.

Ms Rempel: Jody Rempel, committee clerk.

The Chair: I, of course, should have introduced myself again. Brandon Lundy, MLA for Leduc-Beaumont.

Quickly we'll hop online. I see MLA Dyck. Go ahead.

Mr. Dyck: Nolan Dyck, MLA for Grande Prairie.

The Chair: MLA Chapman.

Ms Chapman: Amanda Chapman, MLA, Calgary-Beddington.

The Chair: MLA Petrovic.

Mrs. Petrovic: Chelsae Petrovic, MLA for Livingstone-Macleod.

The Chair: And do we have MLA de Jonge with us? We'll have to maybe come back to her.

MLA Miyashiro, are you on?

Hopefully, we'll get those two MLAs joining us online shortly.

We'll move along in our agenda here. I'd like to welcome Gordon McClure, the Chief Electoral Officer, along with his staff to this meeting with us this afternoon.

We'd like to ask Mr. McClure to begin by addressing your '25-26 supplementary funding request. I would ask that you please keep your remarks to 15 minutes or less so that committee members have time to ask questions. When you're ready, please begin.

Office of the Chief Electoral Officer

Mr. McClure: Thank you, Mr. Chair. Good afternoon and thank you to the committee for hearing us today. It's a pleasure to meet with you once again and present our third supplemental budget request for 2025. My staff have introduced themselves, so I will not go and do another introduction.

This presentation is to provide an explanation as to why my office urgently requires an additional supplemental funding. As you may be aware, my office has received and approved 21 recall petitions. This level of activity is unprecedented, and each one of these 21 petitions will need to be reviewed and verified during this fiscal period. As I have previously stated to the committee, there are costs incurred by my office immediately upon receipt of any application, and once we find ourselves encumbered to meet these criteria for approval, the process leading up to the requirement for signature verification is legislatively unstopable.

There is nothing that permits my office to interrupt, delay, or prohibit verification determination from taking place. In the case of a submission that lacks the required number of signatures, the verification activity may be short-lived and generate significantly less cost, but we have no way of knowing this ahead of time, until we are into the process. In addition, as we transition to a state of continuous event and election readiness, my office must ensure that we have critically essential materials and supplies on hand.

A provincial event could come in any form of an early election or a referendum. An event of this magnitude may require 12 to 18 months of preparation in advance of an event, in addition to significant funding. To begin the preparation necessary to deliver a provincial event of this nature, my office requires additional supplemental funding immediately.

Lastly, I'm also requesting funds to implement a salary and market adjustment that has been identified and recommended by Treasury Board. Like every other independent office, we were not aware that this was occurring this fiscal period and do not have the funding required to implement the adjustment. This adjustment has been recommended to ensure our staff are compensated at industry-equitable levels and promote the retention of these talented individuals. To summarize, my office requires supplemental funding of an additional \$9.96 million.

My office requires the funds necessary to conduct the verification of 21 recall petitions at approximately \$318,000 for each verification. The total estimated cost to complete the delivery and verification process for each of these 21 active petitions is approximately \$6.7 million. A detailed cost breakdown is shown in the appendix that was attached to our letter. Initially we believed that this would cost roughly \$1.1 million to fully complete a petition verification. What we found, using a process that we have implemented, is that it could be completed in a shorter amount of time and at a reduced cost without compromising the accuracy and signature authenticity requirements. Our staff completed the Alberta Forever Canadian petition verification process in roughly half the time that we had estimated. Our actual cost to verify the Forever Canadian petition was \$340,000, or approximately \$700,000 less than anticipated.

We estimate the total manpower cost to deliver and verify 21 recall petitions will amount to \$2,408,553, or approximately 40 per cent of the total cost. Manpower costs include the cost of hiring verification and service agents, quality assurance supervisors, and managers. We estimate slightly over \$1.5 million for the total freight and postage cost for the 21 recall petition verifications. Freight and postage costs are required to mail canvasser badges for canvasser identification. The rental cost of \$840,000 includes the cost for additional washroom facilities to accommodate the volume of additional staff. Finally, other costs estimated at about \$162,750 include the cost of advertisement materials and supplies and hosting. A detailed cost breakdown is shown in the appendix attached to our letter.

I have included a supplemental funding request once again for event preparation activities. My request is predicated upon several strong indicators that a provincial event may take place in 2026. The Alberta Next Panel web page indicates that a 2026 referendum will be called; government officials have been referring to and speaking of a 2026 referendum; and recent amendments to the regulations all suggest that a referendum in 2026 is a very real possibility.

Provincial events of any kind require significant preparation, in the range of 12 to 18 months on average. We are alive to the possibility that we may be required to deliver an event in a very compressed time period. Having been denied the funding request to begin preparing this just over a month ago, I'm including a reduced funding request that reflects what is possible to complete in the remaining fiscal period.

To commence these activities to begin preparing for a provincial event occurring in 2026, I am requesting an additional \$3,070,926. Roughly 95 per cent of our event readiness funding request is related to materials and supplies. My office requires critical materials and supplies, estimated at approximately \$3 million, for IT equipment, for returning office supplies, ballot boxes, voting screens, IT licensing fees, forms, envelopes, and more. The availability of these items varies widely based on supplier stock situations. Ordering and having these on hand as early as possible helps us achieve our readiness plans for the next fiscal year rather than waiting for these items to eventually become available. Again, all these materials can be used in a future general election. Finally, in preparation for a province-wide event, we require immediate funding for other costs such as postage and courier services and contract services.

The total initial funding requirement for my office to work towards an event readiness model before our next budget cycle commences in April 2026 is estimated at \$3,070,926 and is outlined in the appendix attached to our letter.

I'm also requesting, Mr. Chair, the funds to implement the salary market adjustment that has been identified and recommended by

Treasury Board. Like every other independent office, we were not aware that this was occurring during the fiscal period and do not have the funding required to implement this adjustment. This adjustment has been recommended to ensure our staff are compensated at an industry-equitable level to promote retention of these talented individuals. To accommodate and implement this adjustment, my office is requesting an additional \$226,853.

To summarize, I am requesting the committee's approval for supplemental funding for my office of \$9,964,082. Approval of this funding is crucial for my office to manage an unprecedented spike in recall petition activity, to maintain a state of operational functionality, and to ready ourselves for delivery of any upcoming event that falls within our statutory responsibilities. I am simply requesting the funds that my office requires to address a significant increase in activity and changes that have recently taken place, most of which are beyond our control and ability to defer until the 2026-27 fiscal period.

In closing, approval of this request will allow my office to successfully fulfill its legislative mandates and complete these activities. It will also allow Elections Alberta to be in the best position to deliver services that come to be expected by Albertans and the political participants we serve.

1:10

I would like to thank you for your time and the opportunity to present this material. This concludes my presentation. My team and I would be very happy to answer any questions you may have.

The Chair: Thank you for that presentation.

I caught a hand and then I see we have an order online as well, so we will go to MLA Shepherd and then we'll go to MLA de Jonge right after.

Mr. Shepherd: Thank you, Mr. Chair and, through you, to Mr. McClure and his staff for joining us today. It's good to see you, and thank you for the work you're doing.

Let's just start talking then about that supplementary funding. Now, of course, this is a follow-up to the previous meeting where you came to meet with us. At that meeting I did see government members raise a number of questions about the amounts you were requesting to prepare for some of the work that you're talking about here, the recall petitions and the citizens' initiative. I do appreciate, you know, that you have found some savings, you're coming back, you're bringing us some concrete numbers, the clarity of your request, and also just to note the letter that you sent us here at committee outlining what the stakes are. I just want to read a portion of that. What you told us is:

To not do what is prescribed would be a miscarriage of justice and cause erosion of public trust and faith in my Office, the legislation, and our democratic process and institutions. I am obliged to act in specific situations. Sufficient funding is required to meet this obligation.

Again, thank you. I think it is important to have that clarity and have it put in very clear terms.

In terms of what we're looking at here today, I know that with some of the previous officers, we've heard government members use language suggesting that officers of the Legislature were refusing to do work that was assigned to them and the budgets provided to them, recognizing that, indeed, I think it varied between offices. Things are very dynamic, dynamic enough that you sent us an updated supplementary request yesterday on more recall petitions. I don't want to belabour it too long. Let's get to the question.

Recognizing that some of these petitions might not be successful and they're going to require, I think, a certain level of work, and

you've detailed some of those numbers here, and that's helpful to get that breakdown of the categories of costs that are involved, I just want to clarify: are all of those costs unavoidable? Will there be any variation in those costs depending on whether or not those petitions are successful, whether they actually complete the petition – so if folks end up backing out of the process – or is it a situation where, now that these wheels are turning, this number that you put in front of us today, \$6,666,303, you are incurring those costs regardless? Can you just provide us some clarity on that?

Mr. McClure: Certainly. The moment we receive an application for, for example, a recall, the legislation is such that we have seven days to approve the recall, another seven days in which to receive a member's statement post, and then it goes out to petition. Once it goes out for petition, it is expected that it will come back. We have to plan as if it was coming back. We will prepare a verification team, because once we receive it back, we have 21 days in which to verify, so we will stand up a team and have them ready. Should a party not return their petition, we would stand down that team. There would be savings in that verification team, but we have to be prepared at that time to go. So it means that we do all the work and then wait for the outcome.

Should a petition come back with insufficient names on it, we will have to verify to the point where we would then determine it was insufficient. It may result in some savings because of the time that is then cut, but, again, we still have to prepare and be ready to verify those because we're in a legislative predicament where we have no discretion. It is based on: we shall provide these services and be ready, and the clock does not stop. There may be some savings if people don't return their petition or they don't fulfill it, but we do not know that and we cannot project that. There's no way to tell.

Mr. Shepherd: Excellent. A follow-up, Mr. Chair?

The Chair: Yeah. Go ahead.

Mr. Shepherd: Thank you. So what I'm hearing you say, then, is: it's possible if folks don't follow through that there may be some savings at the far end in terms of the actual verification work, but in the meantime, you have to do this work, incur these costs, set this stuff up. There are going to be costs to your office of at least, I would guess out of 21, several million dollars.

What happens then if that funding is denied? If government members or other members of this committee were to choose today to say, "No, we are not going to fund you for this full amount," does that mean that you are going to have to then take that funding from other areas of your work, and that's going to impact on your services to Albertans?

Mr. McClure: Should we not receive the funding – we are legislatively mandated to perform this work – we will have to look within our budgets, but we also will most likely become encumbered. It means we carry the cost forward in years, and we would have to pay it off out of other budgets.

Mr. Shepherd: Thank you.

The Chair: All right. Thank you.

We'll move to MLA de Jonge.

Ms de Jonge: Thank you so much, Chair. Sorry; I'm just confirming my mic is working. Looks like it. All right. Thank you very much to the officials that are with us today. We appreciate that your office has revisited and quite significantly refined the costing

for both the citizen's initiative verification process and the recall petition verification process.

I just want to dive into the numbers here. I want to really dive into the details here, so I'll be asking a number of questions. The updated request now shows that the cost of verifying a province-wide citizen's initiative dropped from approximately \$1.1 million down to about \$500,000, and for recall the verification process dropped from about \$1 million to just over \$300,000. My first question is – like, these amended amounts are vastly different than the original estimates. It's generally advised to overestimate than underestimate. For the citizen's initiative your actual costs are fully half the costs originally asked for, and for recall the updated request dropped by two-thirds. So I'm curious: how did you come up with the original numbers?

Mr. Kaye: I'm happy to answer that question for you. For clarification, we have completed a citizen initiative, but we have not yet completed the recall process. The numbers are backwards. We requested funding the last time we were here for citizen initiative of \$1.1 million, and yes, you're correct. We completed it for \$340,000, not 500 and some thousand. We were anticipating doing, as per the legislation, this verification over the span of 60 days, manpower costs associated to 60 days. It was completed within 18 days, or one-third of the amount of time. One-third of \$1.1 million is roughly \$360,000, so arguably we qualified our number, and we presented that figure back to the committee.

Ms de Jonge: Thank you.

On staffing, what does that look like? How much did you spend on staffing? I'm wondering. The verification job: is that considered an entry-level position? What type of experience is needed for those positions?

Ms Maskoske: Thank you. With regard to validation agents the type of individuals that we are looking for would be a data entry type individual. So entry level, but there are requirements of meeting some abilities to ensure that the information that they've collected being inputted into our tracking system is easily readable, looking for 100 per cent correctness. We don't need errors on this, and we can't afford errors on this. Yes, entry level, but there were some requirements that they have to be able to easily data entry the information in front of them.

Ms de Jonge: Did you look into different technology solutions to help make that process more efficient or expedite it? If you haven't looked into anything – you know, I understand the importance. There's very little margin for error here. There's no margin for error here. I'm just looking for some clarity around that. We've talked in this committee today a lot about different AI solutions that expedite different processes, and I'm wondering if that's something you looked at to expedite that process.

Ms Maskoske: Sure. Thank you for the question. Legislation is very clear, and it states that the signatures have to be wet signatures, so inked signatures. This process requires us to have eyes on sheets. We weren't able to photocopy anything, scan it. We had to ensure that that signature was, in fact, a signature written by an individual.

1:20

The Chair: Okay. Thank you.

I've got MLA Shepherd up next.

Mr. Shepherd: Thank you, Mr. Chair. In regard to the event preparation activities we're talking about that referendum that I would agree seems quite likely in the offing. The Premier, as you

said, committed to this. We see changes in the Legislature currently regarding Bill 14. That's intended to free up one of the other referendum petitions. You've said previously, I think, that – well, actually, you reiterated today that 12 to 18 months generally is what you prefer to see to prepare for that.

Can you give us a better sense of: what are the costs that are involved in that preparation, then, and what are the impacts going to be if you're denied the funds you need to prepare for that eventuality? Like, I recognize you've adapted amazingly well given the very dynamic landscape you've had to navigate with I think at least three different elections bills making significant changes on multiple fronts under the current government. You know, you're in this space of limbo, kind of waiting for the Premier to determine or say when she is going to do this, when she will pull the trigger. How do you determine, I guess, what the costs are? What is it that you need to do, and if you are not funded for the dollars you're asking today, what are the implications on that work? Is it potentially going to cost more if you're required to do this under the gun at the last minute?

Mr. McClure: The question of under the gun comes down to two aspects, one being that the closer you are to an event, you lose efficiencies in trying to acquire certain things in a quick and timely manner. A time span allows us to not be held – I'm not going to say held hostage – beholden to a supplier. Now, when I look at the breakdown for the delivery of an event – sorry. I do apologize. I had to go and get readers because I had just gotten new glasses and I set them down somewhere, and I couldn't find them once I set them down.

Overall, there's a \$20 million increase in our pre-election budget. This deals with things such as inflation, but there are staffing needs that will come into play. We have to recruit returning officer liaisons in advance to prepare for training.

We then have to look at securing voting places. With a change in the landscape with the Electoral Boundaries Commission there could be another additional two electoral districts, and there has also been a significant increase in population, which will lead to more voting places being found, as well as the legislation now requires us to have accessible voting within 50 kilometres of population on a whole. Now, that means that we'll be increasing the number of voting places. That would also mean that we have to start scouting for where voting can be, especially in some of the larger rural areas. That means negotiating. Having grown up in rural, I know that quite often people are booking the only spots that are available quite early.

Now, we also will be looking – I do apologize – at the fees for materials and supplies. We're looking at approximately \$5.2 million for voting. This is supplies. This is where-to-vote cards, freight, postage, printed materials. There are computer requirements. It would have to be . . .

Mr. Shepherd: Sorry, Chair. If I can just clarify. We are at this point talking about the referendum. We'll talk about the election pieces when we get to the main budget.

Mr. McClure: These would go into the same.

Mr. Shepherd: Oh, the two are connected?

Mr. McClure: Referendum and PG are a province-wide event and have the same implications as far as we're concerned, because we provide . . .

Mr. Shepherd: Understood. Thank you.

Mr. McClure: We used to rent our computers from Ontario, but that's no longer a possibility. We're looking at a means of purchasing computers but then renting them out ourselves, and it should recapture our cost. There's also – sorry. I'm just looking through my notes here.

Mr. Kaye: I can jump in.

Mr. McClure: If you'd like to jump in.

Mr. Kaye: Yeah. To Gordon's point, the computer equipment: we have supply issues as well. How far out can we acquire these? That's a big one. Ballot paper: if there is another event, perhaps we're okay; if there are two, I'm not sure we're okay. Ballot paper is sometimes challenging to locate. Knowing that we have these materials on hand, ready to go, provides us the ability to focus on other issues as opposed to a very, very short time turnaround. You know, can we get a couple hundred laptops in short order? That's a big ask, and it's not always guaranteed.

To Gordon's point as well, if they're not used in 2026, these are all material and supplies that can be used in 2027. What you'll see then is a reduced amount for materials and supplies because we have them on hand. But having them on hand is critical as far as a readiness model.

Mr. Shepherd: A follow-up, Mr. Chair?

The Chair: Go ahead.

Mr. Shepherd: What I'm hearing you saying is that with these costs if things are bought early and then not used, it's not wasted money because it's carried over to a future term and reduces costs in the future, but if the funding is not provided now and you have to get these at the last minute, we are looking at potentially not being able to access it and increased costs. I appreciate that clarity.

Just one other question on this, then. Should you have unexpended funds, so should you be granted the amounts you're asking from the committee today for this work and not end up spending part of that, what happens to those dollars?

Mr. McClure: Those dollars would be returned to the government. We do not use them, and then they would be returned.

Mr. Shepherd: Excellent. Thank you.

The Chair: All right. Thank you.

Next on our list we have MLA Petrovic.

Mrs. Petrovic: Thank you, Chair. I just want to jump into it because I know we're short on time here. For the recall petitions you stated in your letter that the cost for signature verification is estimated at \$317,000 to \$534,500 for both a potential recall vote and by-election, bringing the total estimated cost to a successful recall to just under \$1.4 million. Now, can you please break down the costs under each stage of the verification process? The reason why I ask is that last time we spoke, you didn't provide an answer for this but said that the overwhelming majority of the costs came from the verification stage. For the recall petitions currently under way, how much cost have you already incurred?

Mr. Kaye: I can answer a portion of that. The figure you're referring to – I think you said \$540,000 – would be the number applicable to a recall vote. The recall vote is the second stage of the process. The verification of a recall is the first stage. The verification costs we have suggested – I think you said \$317,000. The number I have is \$318,000, perhaps as a result of rounding. That is phase 1. Phase 2 does not occur unless phase 1 is successful.

Phase 2 is a recall vote, a yes-no vote in the electoral division of the member involved in the recall. We estimated the cost of those to be approximately \$527,000. That's stage 2.

Stage 3 of the recall process, only if stage 2 is successful, would result in a by-election. We have estimated the cost of holding a by-election in an electoral division for a recalled member to be \$527,000.

Mrs. Petrovic: Okay. You still haven't answered: how much costs have you already incurred?

Mr. Kaye: We'll turn that over to Sunday, our director of finance.

Mr. Akintunde: Yeah. For the citizen initiative, for the first one that we just concluded . . .

Mrs. Petrovic: Sorry. Chair, if I might, I'm asking specifically about the recalls. How much has your office incurred for recalls to date?

Mr. Akintunde: Basically, for recall for every application received, we start incurring certain costs which are critical in starting the process. That is about 10 to 15 per cent of the entire cost, and that is incurred regardless. That is already incurred. That duplication of this is the fact that it might be encumbered at the end of the fiscal year if our ask is not approved. At the initial process we spend 10 to 15 per cent of the total amount. For a recall we have \$317,000 for the total verification process, and 10 to 15 per cent of that will amount to, like, \$30,000 to \$40,000. At the initial stage for each of the recalls we spend about \$30,000.

1:30

Mrs. Petrovic: Okay. For the recall process is your office able to provide me what you have spent to date? Just looking for a number, sir.

Mr. Akintunde: I'm not able to provide that specific number. I can give a range. We spend . . .

Mrs. Petrovic: Okay. My understanding is that there are currently 21 recall petitions under way. My ask is that we should have a sense of what the office has spent to date.

That being said, since you guys are unwilling to answer, I'd like to move on. On December 3, 2021, for the 2022-2023 budget your office requested \$449,000 for the Senate referendum, citizen initiatives, and recall votes. In the fiscal year of 2022-2023 none of those events took place to my knowledge. Where did that money go, and what type of preparation work was done in anticipation that should have streamlined costs now?

My same question is that December 2, 2022, your office requested \$201,000 for Senate referendum and citizen initiatives and recall. Where did that money go, and what was it spent on?

Same with December 1, 2023. Your office requested \$471,000 for recall petitions, citizen initiative petitions, and referendum. Where did that money go? What was it spent on?

On December 6, 2024, your office requested \$921,000 for recall petitions, referenda, and citizen initiative petitions; \$388,000 of that amount was specifically earmarked for recall. However, I don't see where that funding is applied to any of these recall petitions. Where has that money gone, and what was it spent on?

Mr. Akintunde: Basically, when we project, we do the estimate of what potentially we would need to start any process. For example, a referendum is a full election budget. It's a provincial event, and it's a huge amount of money. We do not budget that specifically because that would be a full election budget, so what we do is

budget for things that will help us to start the process should a referendum be called or if an event is to be held. How do we start the process? All of the times you have mentioned, basically, we returned the money. If an event is not called – for example, there was no citizen initiative. We didn't have a citizen initiative last year. Bill 51 brought citizen initiatives, and since that time we've only had one recently. So all of the money goes back. Like, if it is not utilized, it is returned to the government.

The Chair: Okay. Thank you.

Mrs. Petrovic: Okay. So you're . . .

The Chair: Oh, sorry. Chelsae, you have one more follow-up, and then I'll go with someone else.

Mrs. Petrovic: Yeah. I understand that.

You know, just can you tell us: what preplanning and arrangements have been taken into care over the past four budget cycles that should have positioned you guys for the potential of recall petitions for this year?

From there, Chair, I will add my name to the list for afterwards. Thank you.

Mr. Akintunde: For recall we always anticipate the possibility for an event every year. In our budget, in our strategic plans, and in our operational plans we always include what it is that can happen. Whether that's indeed a possibility or not, we consider the risk of not being prepared, so we look at a lot of things. To position our office to be able to kick-start any event, we must have adequate funding available to start that process. We cannot predict some things. We cannot predict if a referendum will be called. We cannot determine that. We have no control over that. So what we do is conduct a risk analysis and do an evaluative scan to see: what are the possibilities? Then that will inform if we are to get some contractors onboard, if we are to purchase materials and supplies, and if we are to procure some other things. Basically, it's part of our operational strategy to always be prepared.

The Chair: All right. Thank you.

We're going to go to MLA Shepherd.

Mr. Shepherd: Thank you, Mr. Chair. Just building off that last line of questioning a little bit, there seems to be a sense that there's a lot of questioning about whether you are spending money appropriately or whether you are planning appropriately, these sorts of things. I'm just curious. Of course, again, as Mr. McClure, through you, Mr. Chair, to him, indicated in his letter, his department is simply required to respond to what government puts forward, and they put forward the legislation in the spring which significantly lowered the thresholds for citizens' initiative petitions and for the referendums as well. I'm just curious, Mr. McClure. In the process of preparing that legislation, at any point did the Justice minister or any other official from government reach out to discuss with you what the potential cost implications might be?

Mr. McClure: No.

Mr. Shepherd: A follow-up, Mr. Chair?

The Chair: Yes.

Mr. Shepherd: My understanding is, then, you know, based on very little consultation from the Justice minister or any other member of government on their intentions, their direction, or even indeed the legislation they're bringing forward itself, recalling that

you did reach out to us after to flag concerns with another piece, which suggests there was not much consultation, you and your department have simply been doing your best diligence to respond to what government has dictated to you, handed to you in the lack of other communication or clarity about the government's direction and intent.

Mr. McClure: We provide the service that is mandated to us by the legislation and by the government.

Mr. Shepherd: Thank you, Mr. McClure.

The Chair: All right. Thank you.

I have MLA Cyr, and then MLA Wright after that.

Mr. Cyr: Thank you, again. I want to thank you for your service, sir, as well as all the hard-working staff that you've got at your commission. I recognize the committee needed to make a hard decision this last time. I believe that you've done a lot of work to find the savings to move forward with this, and I commend you on that, sir. I recognize the difficult position you're in because we are breaking ground.

As MLA Shepherd had mentioned, government has brought forward important accountability policy for government and its MLAs. To see that we've come down from about \$23.1 million – you were going about \$1.1 million per recall – to \$6.7 million, again, I recognize that there are costs, and I'm very thankful, again, that you're reviewing this and you're trying to find it and you're working through a new process. So thank you again. I'm hopeful that when we move forward with these recalls, again, Albertans feel that they've gotten the results in a fair manner and complete and confident in Elections Alberta.

One of the things that I'm, I guess, still kind of curious on is that we had about 100 temporary staff that you were going to move forward in the last one. Can you just walk me through? Do we still need that 100 temporary staff? Again, I'm just trying to understand. We had this before. Are we at that now?

Ms Maskoske: Sure. Thank you for your question. The staff that we had used for the validation, as you mentioned, were temporary. So they completed their task and were – I want to say “let go.” Can I say “let go”? They were no longer required. However, depending on where these next recall applications get to, as mentioned, there will be a verification process that will have to take place. So then we will bring back those temporary folks, put out the recruitment, as we had done previously, and bring them in for another temporary time period to meet that validation process.

The Chair: A follow-up, Mr. Cyr?

Mr. Cyr: Yes, please. That's quite remarkable, that you've brought it from 60 days down to 18 days. I think that's quite an achievement, and it says a lot about your office. You know, you bring in some timelines and some budgets. Again, it's for us as government to find – we're accountable to the taxpayer, and you're accountable as well. Again, I'm so thankful that you guys were able to really find the ability to be able to come up with that efficiency. Again, this was the first time that we broke ground on this. To move from 60 days down to 18 just shows the level of training, the level of insight, the level of planning that you've put behind this. Thank you again for that.

Now, for the next phase of this we're going to be bringing in that same hundred should this move forward. Do we need that, or are we going to be using those for the recall? Like, what is it? Is this a one-time thing for that 100 temporary staff? Can you kind of walk me through that?

Mr. Kaye: We hope to have as many of the people who assisted us in the first initiative return. Obviously, not everyone is going to want to. We sure hope that everyone enjoyed themselves, enjoyed the work, and that they'll come back. As many of those people as we can re-engage we would like to have come back.

1:40

What we don't know, based on the timings of the various recall petitions, is how many – well, I guess we do know. But the problem we're going to run into is that we could have as many as six verifications occurring at the same time, maybe eight, so 100 people will not be enough. We'll be closer to 400 or 450 people. We're challenged, then, on a couple of fronts: recruiting, getting these people in. Where are we going to put six to eight recall teams? We're already pressed for space. We have a plan potentially of doing something in our warehouse and some temporary tables, et cetera.

Again, as has been mentioned previously, we don't know which of these, if any or all, will move forward until they're submitted to our office. An analogy I would use is: I don't really like paying what I do for my house insurance, but if I don't and something bad happens, I'm going to be less happy with that result. If I could predict when an event was going to occur involving my house, I would just have insurance for that period of time, but I can't. The position we're in with recall petitions is quite similar.

The Chair: All right. One more quick follow-up from MLA Cyr. Then we're going to go to MLA Wright.

Mr. Cyr: I just want to confirm that this \$9.964 million would cover, assuming everything goes according to plan, that additional bit of bump that you would need.

Mr. Kaye: We believe so, yes.

Mr. Cyr: Okay. Thank you again, sir. Again, I want to thank you all for your hard work. I know it's got to be a trying time right now, and I'm hopeful that we can get through this tense period that we're in.

Thank you.

The Chair: All right. Thank you.
MLA Wright, please go ahead.

Ms Wright: Thank you very much. What I'm going to ask, first of all – and I do have one, perhaps two follow-ups, Mr. Chair – is really just to get a little bit of clarity in terms of those anticipated costs. You had gone through, for instance, that range of costs that it could be. I'm speaking specifically right now about recall. I'll tell you what I noted, and then if you could do me a favour and just tell me if I'm correct about that, please.

In terms of the recall petition you were looking at \$318,000; if there was a recall vote, I think \$540,000; and then a by-election, \$527,000. Yeah? Okay. Then in terms of that sort of overall cost of everything when one looks at the budget itself, I think you had mentioned having to expend already I think it was 30 to 50 per cent of what that total might be or 10 to 15 per cent. That's where I'm not clear.

Mr. Akintunde: Basically, for a recall once the process starts, there are some of the fixed costs that go with it, for example freight and postage. We have to mail out the packages and all those things, and that has to start right away once the recall is approved. We also have materials and supplies that are fixed in terms of: they have to be expended. We have to procure materials and supplies. Basically, what we have here is that materials and supplies is about \$6,000.

That might be expended right away, regardless of what happens, regardless of the outcome of the recall. We have rentals. We have to get some facilities ready, for example washrooms, and that has to be stationed right there, and we have to pay for that, regardless of the outcome of the recall. I've talked about freight and postage. Some level of advertising is about \$1,500. So all of these go into it.

In terms of salaries and wages, which is about 30 per cent of the cost, we have to get the supervisors in. The supervisors have to be trained. That is why we are trying to retain experienced supervisors, so we don't have to retrain. So supervisors have to be here, and we have one manager for each recall because once the recall process starts, we can't wait. Everything is based on time. We have a stipulated timeline that we have to follow. The supervisors will be hired regardless of what happens, and they have to be paid. So all of these are the immediate costs attached to each of the recalls.

Ms Wright: Thank you.

A follow-up, if I may?

The Chair: Yeah. Go ahead.

Ms Wright: Okay. So you've got this kind of bucket of costs that have to be expended because they have to be. You are required to fulfill this work because of the legislation that you are required to work under. Once that process starts, it's a bit like a moving train. You're just kind of going, you know, that sort of thing, and whether or not it proceeds to that by-election, of course, depends upon the verification process. Nonetheless, staff is required, a place to work is required, washrooms are required, materials are required.

We are now looking, I think, at something like 21 recalls. You had mentioned the potential for six or eight to be happening at the same time in terms of verification. If this supplementary funding is denied, or if it is decreased, what then will be the implications for your work? Will it be that encumbrance that you've talked about? Will it be the veracity of the results? I'm thinking if you have to deal with less staff, perhaps, and I'm wondering about that important trust piece for Albertans, for instance. Really, just what are the implications?

Mr. McClure: The implications are that we would become encumbered. We understand that the verification is critical and it has to be trusted, and as the body we will fulfill our obligations to provide an unbiased and unprejudiced review of documentation. So we would become encumbered. We can't cut from the verification process. It's important to all parties. We would fulfill our mandate, which means we would be encumbered with that cost. We would try and off-set that cost within our budgets, but we have not planned for this.

Ms Wright: Could I ask just one more?

The Chair: Go ahead.

Ms Wright: I'll make it quick, I promise. Knowing, then, that we may have a citizen initiative referendum coming, knowing that at some point in the next year, year and a half, we will be looking at a big election event as well, the general election, what effect would that encumbrance have on the budgets for those two events? Or would it?

Mr. McClure: If we're encumbered, we carry that amount that we owe. We'd be owing forward, and it would affect our budget.

Ms Wright: Okay. Thank you.

The Chair: All right. Thank you.

We do need to get to the main estimates. I have two online plus MLA Shepherd in the room. Hopefully we can cut the supplemental discussion off after the next three. We'll start with MLA de Jonge.

Ms de Jonge: Thank you, Chair. On the recall petition process, I want to reference the recent Calgary mayoral recall effort. That petition required 514,284 signatures, but organizers said they submitted only 72,271, which is about 14 per cent of the required threshold. Despite falling short, the city of Calgary city clerk and the CAO still conducted a verification process and ultimately confirmed 69,344 signatures. I'm wondering if the same could happen for recalls that fall under Elections Alberta. More pointedly, can you clarify: is there a requirement to proceed with a full verification process even when the number of signatures submitted is clearly insufficient to meet the statutory threshold?

Mr. McClure: The legislation requires us to verify that there was at least 60 per cent of the individuals in that voting electoral district that resided there, so we would have to ascertain how many people actually did sign. I don't have the ability to look at a box and figure out without a count how many signatures are in it. Some pages can have one or two signatures; others can be completely filled. We would have to verify to a point that there were enough signatures or not enough signatures. Should there not be enough, then we would not go forward on the next part, which is to verify the residency requirement within there because one of the requirements is that they have to also be a resident.

What we did on the citizen initiative is we first did a count to make sure there were enough signatures. Then we went through the verification process. Should you not have enough signatures, it would stop there. But it's about being fair to all parties and making sure that first there's enough to actually carry forward with the next stage.

1:50

Ms de Jonge: Okay. Just to reiterate, you have that initial screening process where you perform a count; if it doesn't reach the threshold, you are not spending the \$318,000 on the verification process.

Mr. McClure: That is very correct.

Ms de Jonge: Okay. This counting process of X amount of sheets: how much might that cost?

Mr. McClure: That's a number I don't have in front of me.

Mr. Kaye: We've never done it before for a recall, so it'll be a new experience for us where we get some very definitive hard numbers.

The Chair: All right. Thank you.
We'll go to MLA Shepherd.

Mr. Shepherd: Thank you. Just one quick question, Mr. Chair, regarding the third piece of the supplementary cost, which we haven't really touched on, the additional funding, then, to cover the mandated salary increase for the staff, so the market valuation salary adjustment. I recognize it's a small part of this, but if that funding were denied, what impact would that have on your office?

Mr. Akintunde: Basically, the market-adjusted salary increases weren't in our budget originally. It was the decision of the public service. As you know, we follow the public service salary scale. Whatever happens in the public service also affects us. Some of those increases we were not even aware before they were executed. We got to know after some staff had been paid, except for management

salaries that were informed ahead of time. At that time we had no control. We have to follow suit.

Ultimately, if it is not approved because of the situation right now, budget situation, event readiness preparation, we are not able to move things around. We have explored all possible opportunities, and we have covered some of those costs already. What we are presenting now is actually what we need to balance it out. We have moved some things around initially, and we have done our best to make sure that we are able to explore every possible opportunity. If this is not approved, then that might also cause us to be encumbered at the end of the year.

Mr. Shepherd: Thank you.

The Chair: All right. Thank you.

Last call on the supplemental. MLA Petrovic.

Mrs. Petrovic: Thank you, Chair. Just extrapolating from some of the answers you've just given my colleagues here. We've done a look across jurisdictions. Recall verification costs appear to be significantly lower than what's projected under this budget. For example, in British Columbia past recall petitions have ranged from 23 cents to \$2.85 per voter. For example, Oak Bay-Gordon Head cost \$109,460 for just over 38,000 voters, which amounts to \$2.85 per registered voter. Comox Valley was 42 cents per voter. Kamloops-North Thompson was 67 cents per voter. Even Calgary's recent mayoral recall, where only 14 per cent of required signatures were submitted, cost the city around \$30,000 to verify about 70,000 signatures, which works out to about 50 cents per signature, or about six cents when measured against the full signature threshold.

By comparison, under the budget estimate you guys have submitted for signature verification alone of \$317,000 or \$318,000, I guess depending on where we're rounding, with an average of 55,000 registered voters per riding and a 60 per cent turnout, the required signatures would be about 19,800, let's say, resulting in approximately \$16 per required signature. It's quite a large discrepancy from crossjurisdictional figures that I previously stated. You've already said it, but I'm going to re-ask it just because I feel like I need to hear this again. Given this wide crossjurisdictional gap, can you provide the committee with Elections Alberta's estimated cost per voter or per required signature for just the verification stage alone?

Mr. Akintunde: Thank you for the question. I think comparing jurisdictions, we have to consider a number of factors. For example, we have space constraints in our office. In some other jurisdictions they may not need to provide for additional facilities like washrooms. That in itself is a factor because we have to make provisions for additional facilities to cater for washrooms and other things.

Again, this is the first time we are doing a recall. At the end of the day, we will continue to explore the possibility for better efficiency, and whatever is saved, we'll return it. At the end of the day, based on our processes and everything, we may be able to have additional savings, but we want to assure the committee that we are taking every possible step to make sure that we save money in this process.

Mrs. Petrovic: All right. Well, that's one expensive bathroom.

Did your office undertake any crossjurisdictional analysis when developing these costs? You guys have said it many times, that you've never done a recall. Has your office undertaken any of these crossjurisdictional processes? Have you compared? Have you chatted with other jurisdictions? You know, besides the bathroom, I'm just trying to see what factors are going to account for Alberta's

significantly higher – we’re talking almost \$15 per voter higher in Alberta than we are looking at B.C. and Calgary. When we look at Calgary even, I’m sure there are facilities there that have washrooms. We were able to look at the recall vote in Calgary. Can you just give me a little bit more about this, maybe in greater detail?

Ms Maskoske: When we were starting to look at our recall process and putting the different manuals, processes, how we were going to verify this information, we did look at other jurisdictions. We did look at B.C. We had conversations. Our formula for validation is through Treasury Board and Finance. It came out of California, so we did look crossjurisdictional to see what others are doing.

Yes, B.C. has done this in the past. That was where we had most of our discussions on the process, on: how can we handle a recall, and what does that look like? How do we train folks? How do we bring validation agents in? How do we hire them? We’ve had those conversations to see what they had learned from their lessons.

The Chair: Okay. Thank you so much.

In the interest of time I think we definitely need to move on to the report, business plan, and budget estimates, so we will now move on to reviewing your annual report, business plan, and '26-27 budget estimates. We ask that you please keep your remarks to 20 minutes or less so that committee members have an opportunity to ask questions. Please go ahead.

Mr. McClure: Thank you, Mr. Chair. Good afternoon. It’s a pleasure to meet with you today to review the activities of my office during the '24-25 fiscal year and to present Elections Alberta’s budget request for the '26-27 fiscal year. You’ll see that I am joined by the same members. Didn’t ask anyone to leave the table. In the materials today I’ve provided you with our 2024-2025 annual report, our strategic plan for 2024 through 2028, and our budget submission for '26-27.

Next slide, please. I would like to begin by providing you with a few highlights from the 2024-25 annual report. The report includes the annual activities of political entities in 2024. However, it does not include any election activities. Contribution reports for the 2024 Lethbridge-West by-election are available in the 2024 by-election report. In 2024 roughly \$15.5 million in annual contributions were received across all parties, constituency associations, and third-party advertisers. These funds were contributed by roughly 53,000 contributors making a combined total of over 200,000 contributions.

Next slide, please. Regarding the contributions, the chart on the left shows the number of overcontributors we identified and resolved during our financial audit process compared to those that occurred in 2023. The issues identified during this period were resolved and corrected during our financial audit processes. The table on the right breaks down the 541 political participants who were required to file financial statements in 2024. Only 17 of the 541 political participants filed late. The legislated required \$500 late filing fee was applied in each of these instances.

2:00

During this reporting period we received a wide assortment of complaints under the Election Act, the Election Finances and Contributions Disclosure Act, and the Local Authorities Election Act. We received 126 new complaints, initiated 30 new investigations, and concluded 56 of the 126 complaints within five business days. In all, 290 complaints were resolved by way of review and/or investigation during this year. Of those that were investigated, we identified 48 instances where there had been a breach of the legislation. These breaches were addressed through the issuance of 17 administrative penalties, four letters of

reprimand, and 26 letters of advice for future conduct. The details of the contraventions, which resulted in administrative penalties or letters of reprimand, have been posted on our website as required by legislation.

Next slide, please. Moving along, I will now discuss the strategic plan. The plan, which we shared with the committee last year, is a refreshed continuation of our vision, mission, mandate, and future goals for Elections Alberta. It will guide and prepare my office for the successful delivery of the next provincial general election and other electoral events. There are several events that will impact our plan, and these were considered during the assessment and development process.

Bill 31, the Justice Statutes Amendment Act, 2024, enables new electoral divisions, which impacts the number of satellite offices we will require. This has cost implications for our budget planning. Approved boundaries are essential to provide us with activities such as appointment of returning officers, selecting voting places, locating returning offices, as well as outreach and engagement efforts. We must also prepare, pack, and ship all the necessary materials and supplies to each individual electoral division.

Secondly, we considered the potential impact of any legislative changes. Early notification of the changes to election legislation is critical to allow my office time to adequately prepare and deliver them. For example, my office has already begun to adjust and prepare for legislative change to the fixed election date, which was passed during the spring 2024 legislative sitting. Ideally, all legislative amendments have been passed during the spring 2025 legislative session while the Electoral Boundaries Commission is conducting their work. Doing so would permit us to focus on election preparations and implementation as soon as the new boundaries are approved.

The final consideration was the potential that a provincial referendum could occur. A provincial referendum can be conducted in one of three ways: in conjunction with a local municipal election, which is no longer a possibility until 2029; in conjunction with a provincial general election under the Election Act; or as a stand-alone event with the same services offered as those in a provincial general election. The latter would require the opening of 87 offices, special ballot voting, mobile voting, five days of events, and election day voting.

Our strategic plan and efforts are designed to ensure that we can deliver any provincial event in accordance with our state-of-readiness approach. As you will see in our budget presentation, we have prioritized readiness for both the provincial general election and other provincial events. This approach ensures my office is fully prepared to mobilize quickly and ultimately positions us for the successful delivery of the 2027 provincial general election.

Our strategic plan focuses on four core areas based on the election environment and our timeline considerations for this election cycle. They are maintaining our electoral event readiness status. This means being positioned to deliver a provincial general election or a referendum within one year in addition to by-elections and recall votes at any time. Second is working to enhance our services for electors, election officers, and political participants using a model of constant readiness. Third, we look to build and maintain trust in the electoral process and, finally, create an environment for our employees’ continued success.

Our progress to date in achieving these goals is outlined on pages 16 to 19 of our annual report. We continue to monitor and evaluate our progress, and we will report on the progress of our plan in future annual reports.

The first was population growth. Alberta’s population is growing by 1.5 per cent every year. At the current rate Alberta will have 7.1 million residents by 2051, with roughly 4.7 million of those being

eligible electors. Elections are about people, and electoral counts impact the number of voting stations that are required, the number of staff needed to work at those locations, and the volume of supplies and ballots needed for each and every one.

Secondly, we considered our expanded mandate. Elections Alberta must prepare to deliver election events of any size at any time while meeting the expectations of the electorate and complying with all the legislative requirements. Alberta's electoral legislation landscape has expanded to include Senate elections, nonconstitutional referendums, citizen initiatives, and recalls. This requires a shift in Elections Alberta's operational tempo. We must now move away from the typical four-year election preparation cycle and adopt a continual readiness posture and model.

Next were the issues relating to limitations of our office and warehouse infrastructure. Elections Alberta headquarters and warehouse have operated out of the same location for 43 years. The space has been repeatedly modified to accommodate our growth in staffing and supply requirements, but there has been no change in the square footage. It is at its limits, so much so that additional off-site warehouse space and portable construction-type bathroom trailers were required during our 2023 provincial general election. Discussions with Alberta Infrastructure are ongoing to address these space issues, but a solution does not appear to be on the near horizon. In the meantime we continue to look at creative use of space and nontraditional solutions to operate and continue to deliver the services that are expected of my office.

Finally, we also considered the public trust. Seemingly, we are witnessing a global decline in trust in public institutions and faith in the democratic process. This has a significant impact on elector voting behaviour, political participation, and information consumption habits. Attempts to spread misinformation and disinformation regarding the democratic electoral process, political figures and participants as well as government agencies, boards, and offices are concerning trends that need to be further evaluated and addressed as we plan for future electoral events.

Next slide, please. Next if we could refer you to our budget handouts, I will now discuss our budget request. In total, we are requesting funding of \$64,112,000 for the fiscal year 2026 to 2027. This represents an increase from last year, which is expected as we are in a pre-election preparation and event readiness period. Since this is a pre-election budget, it represents an increase of approximately \$48 million over our request last year. It is important to understand several factors that are driving this request. In the following slides I'll take you through these.

Included in our budget handout are program comparators for corporate services, elections, enumerations, and other electoral events and compliance and enforcement services. Page 2 compares our consolidated 2025-2026 budget to our 2026-2027 estimates. As I mentioned in the previous slide, the variances are significant as we are comparing a pre-election budget to a nonelection budget. The variances are best explained by looking at each individual program area in detail.

I will start with corporate services, which can be found on pages 4 and 5 of your budget handout. Our corporate services estimate of \$10,325,000 is a net increase of 27 per cent over the last year. Personnel costs increased significantly by \$1,320,484, which includes a \$984,000 increase due to in-range merit and market adjustment increases in salaries for staff, including five additional FTEs; a \$336,484 increase in employer contributions and staff professional development; and \$175,000 increase in contract services due to increased costs of services required from outside specialists, including building future voter translation services, legal fees, and outreach work.

There is also a \$398,500 increase in technology services due to increasing maintenance costs and corporate IT infrastructure, including desktops and server hosting, and \$351,000 is due to an increase in materials and supplies, advertising, rentals, and telephones and communications services. Materials and supplies include multiyear software licences and renewals and upgrades.

2:10

Turning to pages 6 to 9, the estimates of our total pre-election budget is about \$49 million. This includes slightly over \$47 million for a provincial general election/event, for which I will provide a breakdown on the next slide. We have estimated slightly over \$1 million for the conduct of two by-elections and \$390,000 for capital development related to continued enhancements of our electoral management system.

The pre-election cost is broken down across major cost categories; 43 per cent of the total cost is contract services; the fees and employer contributions for election officers, from the staff in the returning offices to approximately 20,000 people to work at advanced mobile and election day voting places.

Other significant cost drivers are materials and supplies at 17 per cent. This includes software licensing and crucial election supplies for provincial election readiness. Rentals are at 7 per cent, which includes 99 returning offices; 89 RO offices, and 10 projected satellite offices, training spaces, and voting place rentals. Freight and postage accounts for 8 per cent, which includes delivery of election supplies to returning offices, the mail-out of where-to-vote cards and special ballot mailings. Advertising, at 7 per cent of the total, includes advertisement of voting place locations and media placement costs for election and event campaigns, and 12 per cent in election workers' salaries and wages, including employer contributions. These six items represent 94 per cent of the election budget.

Across all categories we have experienced rising costs due to inflation and supply chain issues. Additionally, with Bill 54 and the increase in the number of electoral divisions, we must increase the number of voting locations for election day to continue to provide convenient election day options for electors within legislated proximity to their residences. These include the introduction of Bill 54, which removes the vote-anywhere service now, and we are anticipating fewer locations and staff for advanced voting. Additionally, with Bill 54 and the increase in the number of electoral divisions, we intend to increase the number of voting locations for election day to continue to provide convenient election day options for electors, combined with a new staffing model intended to improve the voter experience, particularly for electors that need to register prior to voting.

Expansion of the number of shelters and community support centres that receive mobile voting options. Mobile voting in these locations was offered in previous elections, and our returning officers have been completing engagement activities to increase participation and awareness of this important voting option. Improving the accessibility of special ballot by voting options by co-ordinating mail-outs using a centralized process, providing expedited mailing for all packages as well as providing postage-paid return. We are also opening a minimum of 10 satellite offices in geographically large electoral divisions to improve access to voting services for electors in those divisions.

Next is enumeration. Turning to pages 10 to 11 of the handout, you will see that our total enumeration budget request is \$987,000. This will fund ongoing register-to-vote activities, including social media advertising and a mail-out to targeted households that are new or for those who have moved. We conduct this by using data available from Canada Post. This budget includes \$385,000 for

salaries and wages of enumeration staff, \$75,000 for social media advertising campaigns for enumeration, \$277,000 for postage for a mail-out to approximately 500,000 households who have moved or are new, including annual costs of data from Canada Post, and \$250,000 for contract services for printing, bundling, and mailing materials to approximately 500,000 households.

Other electoral events. Turning to pages 12 to 15, you will see the budget for other electoral events. The program area includes \$3,392,000 for four recall petitions, two recall votes, and two citizen initiative petitions. The '26-27 other electoral events include three major events. Four possible recall petition verifications for a total of \$1,270,000 at \$318,000 for each. This supports the validation of the recall petitions, which includes staffing for verification agents, call centre operations, petition processing, postage for canvasser badges, technology for verification systems, and communications to inform the public.

Two recall votes at approximately \$535,000 each for the total of \$1,069,000. These funds are for the delivery of a recall vote, including voting locations, staffing logistics, special ballots, technology, and public advertising to support voter awareness.

Two citizen initiative processes, including ensuring that we meet the legislative requirements should they occur. Supports the processing and verification of citizen-initiated petitions, covering the staff, verification systems, printing, postage, supplies, and public awareness activities. It is important to note that this budget only includes the cost of the citizen initiatives to the end of the petition verification. Any costs to deliver a resulting vote would be brought forward as a supplemental budget request if required. Together the estimated cost for all three events is \$3,392,000.

Compliance and enforcement. Finally, on page 16 of the handout we have our budget for compliance and enforcement. You will see our request for this program is unchanged from last year at \$695,000. Most of the cost is related to fees for contract investigators and handling of complaints and investigation files.

To summarize, our total budget estimate for the 2026-27 fiscal year for my office is \$64,112. Pardon me; \$64,112,000. God, I wish it was \$64,000. I apologize.

I would like to now thank you for the opportunity to present this material, and it concludes my presentation. My team and I would be very glad to help answer any questions you may have.

The Chair: All right. Great. Thank you so much for that information. I'll go to MLA Shepherd.

Mr. Shepherd: Thank you, Mr. Chair. Thank you again to Mr. McClure and his team for that presentation and that discussion. Certainly, I know we've had a very dynamic legislative landscape, three or four bills in the last two years, some significant changes to how we conduct elections. I just want to get a good understanding, I guess, of kind of what we're dealing with here.

You know, Bill 54, as you just noted towards the end of your presentation, required you to end the opportunity for Albertans to be able to vote at any voting station and also reduced the number of advanced voting locations. That was a decision of government. As you noted, there may be some financial savings from that, though I personally would question the democratic impact. That aside, at the same time you're required to expand the number of voting locations on election day. Do you have a sense of what the difference is going to be between those? Are we realizing savings? Is it going to cost more? Is it going to kind of come out as a wash?

Mr. McClure: On the difference and the changes brought in Bill 54 with the loss of the tabulator to count, we estimate that we need an additional 5,000 people in order, on election day, to count the

votes. That brings us up to a total of approximately 20,000 individuals on election day to count the votes across all electoral districts.

Mr. Shepherd: Do you have a sense of the cost of those 5,000?

Mr. Akintunde: Five million.

Mr. Shepherd: About \$5 million.

Again, my question was sort of just in regard to the other pieces. You're not going to be setting up as many advance voting locations, but you are going to be setting up more voting locations on election day. Financially is that just going to kind of balance out, or do you anticipate that costs may rise or fall?

Mr. McClure: Since the last pre-election budget there has been about a 15 per cent inflationary increase as well. The population has increased dramatically, so we are expecting the cost to rise, but it's within the cost of additional staff but also inflation and the cost of materials.

Mr. Shepherd: Thank you, Mr. McClure.

The Chair: All right. Thank you.

We'll go to MLA Cyr.

Mr. Cyr: Again – I'm going to sound like a broken record – I think you're doing some great work over in Elections Alberta, and I look forward to seeing where our next election goes and the preparation that you guys are putting into this. I will say that, building on my colleague over there, one of the things you did mention in your opening discussion was that there has been an erosion of trust within our elections. One of these things that we're doing is that we're trying to work through what we can do to rebuild that trust, if you will.

2:20

I'd like to give you the opportunity of going back to your strategic plan for 2024 to 2028. One of the second factors there was that we opened up a lot of new legislation to build that confidence within the voters, the recall and the Citizen Initiative Act. I just kind of wonder: what did we do over the last – since 2019 how have we opened up your scope? Can you walk us through just what it is that we've done as a government to build on that, trying to get that trust back from Albertans?

Mr. McClure: Do you want to speak to the outreach?

Mr. Kaye: Yeah. I mean, a lot has changed. You're correct. The landscape, you know, four years ago, six years ago, 2019: very, very different than it is today. We've had to adapt to that because the legislation is our script. We don't create it; we just deliver on it. Jen's team is heavily involved in outreach activities. We do a bunch of different advertising campaigns to try to spread the message of the legislation and the functions that we perform that are driven by the changes to the legislation.

Jen can talk about some of the great work her team does in outreach.

Ms Maskoske: Sure.

Yeah. Outreach has been doing a lot of work with some of our First Nation folks, trying to engage with them on how to get those electors out. We've done work with our seniors facilities, engaging with them. How can we reach those folks better? Just having those conversations of meeting people where they are, not forcing our process on them but having conversations with them. Then also just

some of the media stuff that we've done lately on citizen initiatives and bringing them in to see how that validation works to, as you say, hopefully bring some of that trust back into the work that we're doing.

The Chair: A follow-up?

Mr. Cyr: Yes. Again, great work, and I'm glad to see that. Whenever you're opening up the scope, there are going to be some complexities and some learnings that come along with that.

I suppose that we brought forward this legislation – it wasn't yesterday. It wasn't a year ago. A lot of this legislation was brought in in 2019. Back then I'm sure we must have prepared for citizens' initiatives to move forward and recalls. Was that built into your budgets over the last six years, where we've kind of decided that, "Hey, we know that this potential could come up; we've allowed for this inside of our general budget"? If so, I guess for this point, have we been prepared enough? I'd love to hear your thoughts on that.

Mr. McClure: If I may, in the past we would prepare for the possibility of citizen initiative or a referendum, but it was very modest in that it was preparing in such a way as to initially respond and then be prepared to come back to this Assembly and ask for a supplemental budget at that time. The landscape changed quite dramatically in the last year, and we saw a very significant uptick.

The Chair: A follow-up, MLA Cyr, then I'll go back to MLA Shepherd.

Mr. Shepherd: Mr. Chair, respectfully, he had two questions. He had a question and a follow-up.

Mr. Cyr: Thank you, Chair. The chair has spoken.

The Chair: Very quick, Mr. Cyr.

Mr. Cyr: I will be brief.

This is just a normal part of the process from 2019. We were anticipating that should recalls and citizen initiatives move forward, supplementary budgets would be put forward at that time. I just wanted to clarify that this was the intent all the way back to 2019.

Mr. McClure: Yes. I have been in the role for a year now. I looked at past budgets. There is preparatory anticipation, and then if it wasn't used, it was returned but with the expectation that should something arrive, we would appear before the Legislative Assembly to seek a supplementary budget.

The Chair: Thank you.

We will go to MLA Shepherd.

Mr. Shepherd: Thank you, Mr. Chair. Speaking of changes that have been made, we recognize that Bill 54 from the spring did introduce a number changes. Indeed, through you, Mr. Chair, to Mr. McClure, he wrote us in the spring indicating some concerns with one part of that, the statute of limitations, basically shortening the time period during which the Election Commissioner could impose an administrative sanction from three years to one and noting that could significantly impact their ability to complete investigations. I think that does seem to be a valid concern. Indeed, I look at the news today. There's a news story just today about an individual, Sam Mraiche, in the process of a current investigation, not talking about a specific case but just noting how things have played out, used a number of tactics to delay and outright deny an interview with one of the investigators before being ruled in contempt of court

and complying. Just noting that, again not asking about that case, individuals can employ a number of tactics to delay that could extend beyond a year.

With that change I was just curious. Through you to the CEO, Mr. McClure: have you seen any impacts on your ability to investigate and sanction due to these changes in Bill 54 so far?

Mr. Kaye: I can speak to that. We have looked at the potential implications of the legislation, recognized that we have to adapt and alter our process somewhat to be far more reactive when any investigation occurs because of compressed timelines. We have and continue to work through that process as we complete these things, but it's certainly a changed landscape.

Mr. Shepherd: Okay. A follow-up, Mr. Chair?

The Chair: Yeah. Go ahead.

Mr. Shepherd: Thank you. Just to follow up on that, in your compliance budget, then, you're keeping that figure static, but we know there is quite a bit more, shall we say, democratic activity, whether that's donations now that are going to – people can donate to a recall petition, to the citizens' initiatives, to petitions, to a number of different factors, so there's quite a bit more activity in the landscape. Do you feel that a static budget for compliance is going to provide enough to be able to, as we've been talking about, continue to ensure Albertans can feel trust in their electoral system?

Mr. Kaye: That's a very good question, and it's something we're very alive to. The changes, obviously, aren't limited to the time period. The threshold for the Election Commissioner to initiate an investigation has also changed, and that threshold deviation we believe will have impacts on investigations that may be approved and conducted. That is a very different bar than what existed previously. It would be premature to say that we know fully what the implications are going to be because, you know, where you take something away, you add something else. It's hard to quantify. I would suggest we would be able to give a far more accurate answer once we have had more time to absorb the implications. How is the compressed timeline versus the reasonable grounds piece? How is it all going to balance out in the end?

Mr. Shepherd: If I may, Mr. Chair?

The Chair: Go ahead.

Mr. Shepherd: Thank you. Looking at that, then, talking about that, the compliance budget and that, the other piece there being 43 per cent of your pre-election budget being for contract services. Can you just give us a clarification on what kinds of contract services are involved there? Are those costs likely to increase if funding is not given to you today for those contracts and you have to delay entering into those contracts, if that makes sense? Give us a sense of what kind of contracts are you needing to enter into, that lion's share of your pre-election budget, and what are the implications if it's not funded today or next week?

Mr. Akintunde: The contract services include the returning office rental cost, the voting place rental, the voting places, and we have the returning officer staff fees, like the returning officers, the election clerks, IT, trainers, the support staff that will be working at the returning office. We also have the election workers. That is where we have all the election workers, as Gordon mentioned previously. We had anticipated about 20,000 election workers to be hired. In the 2023 election we hired about 40,000, but due to the removal of tabulators we have factored about \$5.2 million in

addition to that, like for 5,000 election workers to be up to 20,000. Those are the fees in the contract services, and definitely the market adjustment affected our rates, which is already added. So I think those are the – basically, for election workers. We also have elements of legal contractors, like for legal fees, and the election workers like contractors that will be supporting the election offices.

2:30

Mr. Shepherd: Excellent. Thank you.

The Chair: All right. Thank you so much.

We'll go online now. MLA de Jonge.

Ms de Jonge: Thank you, Chair. I understand that your office, like all independent offices, is dealing with the recent salary and wage adjustments related to the recent successful contract negotiations. That was something you touched on in your statements and something that's impacting all departments and agencies, boards, and commissions across the government. I understand that Treasury Board often directs ministries to examine ways to account for the increase in salaries but then to find approximately 5 per cent in savings. I'm wondering if your office has attempted to incorporate any salary and wage adjustments within your existing budget, which, as I understand, has been the case in previous years. Then what specific efficiencies or reallocations have you identified in your budget, if any?

Mr. McClure: We have worked within our existing budget to absorb a good portion of the salary adjustments; hence, the request on that is actually quite a bit lower. It's at \$262,000, if I remember correctly. We have absorbed a good portion initially from the bargain unit. The further adjustments that then came for the management were beyond our ability to absorb. Now, we run a very lean office, and that also works against us. When I look at other jurisdictions – I will look at the number of employees by ratio. We run on a ratio right now of 1 employee to every 64,000 electors. If I look at Quebec, it's 1 to 19,000. If I look at New Brunswick, it's 1 to 26,000 electors. Same with Nova Scotia. We are the lowest ratio amongst all the provinces in Canada, and we run very, very lean and efficient, which I have ascribed to for many years as part of the Alberta advantage. It's why we went back and sharpened our pencils.

So, yes, we have looked inside. We take it very seriously when we have to come before this House. You may gather that I'm not terribly comfortable here. But we very carefully examine our budget. My staff will tell you that I hammer the table on that every penny better be accounted for. It's a part of my background when I was a former ADM of finance and revenue in my past life, that I take the accounts very seriously. So yes. The answer is that we have looked deeply within this. We have tried to adjust, but there's a certain amount we cannot.

The Chair: All right. Thank you so much. I speak for all committee members. I certainly appreciate you coming and joining us and answering our questions.

I have a couple more on the list here. I know we're a little bit up for time, but I want to make sure we get a chance to ask our questions. I believe I have MLA Shepherd next.

Mr. Shepherd: Thank you, Mr. Chair. I'll endeavour to be brief.

I just wanted to follow up, then, on the information that was provided by Sunday earlier. Regarding those contracting services I appreciate you giving me a very thorough breakdown, but through you, Mr. Chair, to him I just note that a number of these seem to be for things that wouldn't be needed immediately, or at least that's

my sense: voting places, returning officers, hiring some of the support staff. Then again, appreciating that costs can certainly increase as we get further ahead, or perhaps – I don't know the real estate market – we need to sign contracts further ahead to be prepared. Certainly, these would be pieces, I imagine, that would also be involved in the referendum, which the Premier has indicated is going to be coming. So I just wanted to get that clarification. Is that sort of what's involved here? Why you're asking for all this funding up front is in part because some of these pieces you do need to front-load and prepare for?

Mr. Akintunde: Exactly. We need – for example, for pre-election – like, similar to what we presented in the 2022-2023 general election. We presented a similar budget of about \$45 million. The purpose of this is for us to be able to conduct an election or any provincial event on time. Some of these, for example, the returning officers, have to start looking at their EDs to make sure that they are able to find suitable locations. That takes a lot of effort, and we have to go into agreement with the landlords. Some of them actually ask for payment in advance. So we have to pay them in advance, and if we are not able to pay them, then they would not guarantee those locations. That becomes a problem at the end of the day.

Materials and supplies, for example: we have to procure them ahead of time, and election workers, we have to start the recruitment process ahead of time. Again, if an event is called, we have the responsibility to ensure that we are able to conduct the event regardless. So we have to be prepared.

Mr. Shepherd: Just a quick follow-up, Mr. Chair?

The Chair: Go ahead.

Mr. Shepherd: I appreciate that, and I guess it also occurs to me then: should there be a snap election called? Not suggesting that there's one in the offing, but in that event, and there's not the opportunity to come back here with the supplementary funding request for said election, those dollars need to be in the bank already.

Mr. Akintunde: Yeah. Basically when there's a snap election called, there are some things that must have been in place. We can't start when the snap election is called. We must always be in a state of readiness, at every point in time. So that is the challenge we face as an office. Besides the election workers or returning officers, we also have critical materials and supplies that must always be available. We must keep a certain level of stock in the warehouse and continue to monitor those. Those are very critical. We do not get to start the procurement process when an election is called. We have to put some things in place. That is the challenge we have, especially when it has to do with when it has a provincial dimension to it. It is significant.

The Chair: All right. Thank you. We can clear our list online and then I also had MLA Wright, who maybe we'll give the last word to. MLA Petrovic can, if you hear me, go ahead.

Mrs. Petrovic: Thank you, Chair. I appreciate that. I just have a couple of quick questions. I'm still trying to get an answer on it, but I'm pleased to see that both your budget and supplementary budget requests have already been incorporating lessons learned from the Forever Canada petition process into our future verifications. As we've already talked about, it looks like it resulted in a \$700,000 reduction in expected recall and CIP verification costs. You've already stated that there are three costs stages to recall and CIP signature collection: the initial submission of the proponent, the

signature collection phase, and, finally, the signature verification phase.

Just looking back at Calgary and B.C.'s experience, which I've already talked about, we can recall specifically the B.C. recall attempts that occurred in 2010, 2011. In that case, all four recalls fell short, and two of the recall-attempt signatures were not even submitted. I believe the average cost of the recalls was approximately \$41,000. In the case of Calgary, which we've already talked about again, when they attempted to recall the former mayor, it was a cost around \$30,000 to process the petition that also fell well short. Taking into consideration the experience that we've already seen in Calgary, should the recall petitions fail to require signature verifications because they fell short of the required amount, how much money would you return?

Mr. McClure: What was left over. Quite frankly, as soon as we do the count, if it was not sufficient, that would stop the process and the remainder would be available for recall.

Mrs. Petrovic: Okay. So if all 21 petitions that you've requested supplementary funding for fall short, the government can expect a budget return of said amount of dollars. Are you able to tell me that exact number or even a pretty good ballpark number?

Mr. McClure: That's near impossible because I don't know how many would actually meet the requirement.

Mr. Kaye: Yeah, and I think it's hard to quantify. Do they fall short because they didn't have the required number of signatures? Did they fall short because they failed to meet the verification process, which is further down the line? At what point are you specifically referring to them falling short?

2:40

I think Sunday has said that, should they fall short, you know, we're incurring costs of roughly 10 to 15 per cent to get to the verification process. If it's submitted on day 1 and you open a box that needs 16,000 signatures and you see six, it's a fairly safe bet that that activity will terminate at that time. If we have to go through the calling, determination that an individual lives in an ED and it doesn't meet the verification threshold, we've pretty much gone through the whole process before we say: okay; that one didn't meet the criteria. So we're not talking about saying: if one fails, how much will we save? That's not a single point in time because failure can occur on day 1 or day 21. That's very hard to quantify.

Mrs. Petrovic: Yeah. Just trying to revisit that question because earlier I asked this, again, you know, for the suggested 21 potential recalls that are sitting in front of us right now. I've already asked how much this cost has already incurred to you, and I haven't had a number.

Moving on from that, I just see one other very interesting number when looking through the budget, and I was just hoping you could extrapolate a little bit on it. In the supplies and services section of your budget document the advertising line increases from \$167,000 to just over \$3.4 million. It's almost a 2,000 per cent increase, a 1,980 per cent jump. It's kind of one of the largest percentage increases in the entire operating budget. Are you just able to talk a little bit more on that? That's a huge number, and I would just like to hear a little bit more about why that is the way it is.

Mr. Kaye: Actually, we're going to have one of our other members come up, who is intricately involved in the advertising aspect of things at our office. Her name is Dallas, and she'll come sit in my seat right now.

The Chair: There's a podium behind if you'd like. If you wouldn't mind, could you please state your name for the record.

Ms Stoesz: Yes. I'm Dallas Stoesz. I'm the director of corporate services for Elections Alberta.

The biggest difference is the amount of advertising we need to do. In the run-up to an election we have several different campaigns. We need to encourage people to register to vote. We need to inform them of changes to their voting experience and the rules since the last provincial general election. We will be sending out information that helps people understand all the different processes. That goes to every elector. We have had a 10 per cent increase in the number of residents in Alberta. Each of those will receive information.

Our costs, like all other costs, are subject to significant inflation, and I think the net difference between a nonelection year, where we do almost no advertising – we only advertise in order to generally recruit or to support an electoral event. If there is no electoral event going on, we're not spending any advertising dollars. When we are running up to an event, that is when all the advertising dollars are spent. Comparing one year of a nonelection year to the run-up of an election year: that net difference is not really a great comparator because we don't do advertising in years where we don't have those events coming.

The Chair: Okay. Thank you.

We'll go to . . .

Mrs. Petrovic: Chair, do you mind if I just have a quick follow-up with that?

The Chair: It can be very quick, please.

Mrs. Petrovic: Okay. Sorry. When we're looking at a 2,000 per cent increase, I just wanted to know, you know, how we're going to know if we have achieved the intended goals with an increase like that. It's just a quick follow-up.

Thank you.

Ms Stoesz: This is consistent with every election that we've done in the past at the provincial level. The costs are very similar. If you look back at what 2023 was, the costs in the run-up to that election were very, very similar. We establish key performance indicators and metrics before we do any campaigns. We establish goals and objectives, and then following each of those campaigns we do analytics. We also do follow-up directly with electors to determine whether we have achieved meeting the needs that they have and they feel informed and engaged.

The Chair: Thank you.

MLA Wright, if you would take us home on this one, please.

Ms Wright: Sure. I'm going to apologize in advance because this won't be the most exciting part of our deliberations today. I wanted to return a little bit, and it has to do with the equipment that you require. I know that the last time we met we talked about a need to purchase laptops because you were no longer able to rent them, and then today I'm pretty sure that one of the things that I heard was that you were looking at a way to potentially recoup costs by having us here in Alberta perform essentially that same rental function that the folks in Ontario have previously done. I'm just wondering if you can expand on that a little bit, that sort of opportunity to recoup some of the costs of needed materials.

Mr. McClure: I'll ask my director of IT to answer.

Ms Wright: Thank you.

Mr. Phillips: Yeah. Absolutely. Lots of municipalities in this last municipal election used computers and/or printers in voting locations to help register voters as part of their new permanent electors registers. Other provinces also have similar models to our advanced voting model, where we are printing off forms and using laptops for the voting record in the advanced voting locations. Being able to have that equipment on hand we will look to recoup some of the costs by renting to either municipalities in Alberta to help them save some of their costs as well as other provincial entities, mostly Saskatchewan, B.C., Manitoba.

Ms Wright: Thank you.

The Chair: All right. Thank you very much for joining us this afternoon and making your presentations. Our committee will follow up with you in writing regarding any decisions made by the committee.

I'll note our next agenda item is the office of the Child and Youth Advocate. We are going to take a five-minute break and have them join us.

[The committee adjourned from 2:47 p.m. to 2:52 p.m.]

The Chair: All right. We are back, and we are talking to the office of the Child and Youth Advocate. We'll begin with the supplementary funding request. I'd like to welcome Terri Pelton, Child and Youth Advocate, along with her staff to the meeting this afternoon.

As I mentioned, we will begin by addressing your '25-26 supplementary funding request in the amount of \$183,000. I would ask that you keep your remarks to five minutes or less so that committee members have time to ask questions. When you are ready please begin by introducing your staff. Thank you.

Office of the Child and Youth Advocate

Ms Pelton: Thank you. Good afternoon, Chairperson Lundy and committee members. Thank you for taking the time to meet with us. Presenting with me today is Bolu Idowu, our executive director of strategic support.

As we begin I'd like to respectfully acknowledge that we are on Treaty 6 territory, and the work of our office extends throughout the province on the traditional territory of the many Indigenous peoples of treaties 6, 7, and 8 and the Métis people within Alberta.

Today I'm bringing forward a supplemental request for a 2025-2026 budget. Recent changes to the Alberta public service compensation structure have significantly increased our budget estimates for staff salaries. The total impact of the recent increases in the 2025-2026 fiscal year is an additional \$538,000. Of that amount I'm confident that through cost savings measures in our supplies and services category, we can absorb \$355,000. We're unable to absorb the remainder. Therefore, I'm respectfully requesting an additional \$183,000 to accommodate the recent salary increases announced by the Public Service Commission.

I'd be happy to answer any questions on our supplemental request before we proceed to our main presentation.

The Chair: All right. Sounds great. Thank you very much.

I would now open the floor to any questions from members. Oh, sorry. Did I see a hand?

Mr. Cyr: Nope.

The Chair: No? Okay.

Mr. Cyr: Online.

The Chair: Oh, online. I do, in fact, have someone online despite staring right at it. Only four people had to point me your way, MLA Miyashiro. Go ahead.

Member Miyashiro: No problem, Chair. Thank you very much. Thank you to the advocate as well for the request letter and the great work your office does.

I'm just going to be a little bit repetitive because I want to have absolute clarity on this. In your letter of request for supplementary budget approval you state that salary and benefits increases are due to a compensation review which align to the compensation framework established by the provincial bargaining and compensation office and was really for the broader public sector and to align with market medians. So you want to be aligned with the market, obviously. It resulted in changes to the Alberta public service compensation structure. I understand this to mean that the decision to increase salaries and benefits for OCYA staff is largely out of the control of the office and is dictated by systemic compensation frameworks. Is that an accurate interpretation of your request?

Ms Pelton: Yes, that's absolutely accurate. I had no input or feedback into the compensation adjustments.

Member Miyashiro: Great. Thank you. Is it correct to assume – sorry, Mr. Chair, I just want to follow that up.

The Chair: Yeah. Go ahead.

Member Miyashiro: Is it also correct to assume that you've also been paying this out since September, as some of the other offices have been?

Ms Pelton: It's exactly the same as the other offices. Some of the increases for the union staff and the bargaining unit were made in September, some in October. The management increases were paid out on their checks today but backdated to September, so it's already been done.

Member Miyashiro: Great. Thank you for that clarification.

The Chair: All right, sounds good. Checking my peripheral vision, I think MLA Lovely was trying to get my attention.

Go ahead, MLA Lovely.

Ms Lovely: Thank you so much, Chair. Regarding supplemental you mentioned that without supplemental funding, essential program delivery could be compromised due to the impact of negotiated and targeted salary increases. Can you elaborate on which program areas, such as legal representation, direct advocacy, or youth engagement, would face the most strain if the requested supplemental amount were not approved?

Ms Pelton: It would be the areas of the office that didn't provide direct service delivery. We'd start there and then expand out. LRCY is an interesting program, and I'm sure we'll talk about this as we go through. I don't have a lot of control about how long court matters last and therefore what the lawyer costs are, so when we get into this year's budget request, you'll see that we returned \$600,000 last year, about, and that was in large part to the LRCY program not using all of that money, plus \$100,000 that was for a capital project.

Ms Lovely: Could I have . . .

The Chair: A follow-up? Yeah.

Ms Lovely: Your supplemental request of \$183,000 reflects salary and benefit adjustments under the updated APS compensation framework. Can you outline how much of this pressure you were able to absorb internally given that your office notes covering approximately 67 per cent through the reduced supplies and services and how the remaining portion directly supports stability for front-line advocacy work?

Ms Pelton: Do you want to answer that?

Ms Idowu: Yeah. Sure, I can. The most recent increase had an impact of \$538,000 on our budget, and we were able to absorb about 67 per cent of that. That is why we are asking for \$183,000 as a supplementary estimate. Earlier in the year we were also able to absorb the 3 per cent general increase that was provided to government of Alberta employees as well as the increases for nonmanagement staff.

Ms Lovely: Okay. Just one more, if that's okay.

The Chair: All right. Final supplemental. Go ahead.

Ms Lovely: Your submission indicates that the supplemental request is tied entirely due to compensation adjustments aligned with the provincial bargaining and compensation office. Can you confirm whether these compensation charges fully align OCYA salaries with the broader public-sector market median and whether you anticipate any additional wage pressures in '26-27?

Ms Pelton: It absolutely will bring us in line, so if somebody wants to go and work across the street for Children and Family Services, they would receive the same benefits. I think that when we've figured out our budget for the coming year, there's also a 3 per cent increase that will come in April for all staff, and we have that figured out in our budget ask for next year.

The Chair: Great. Thank you so much.
I'll go to MLA Shepherd.

Mr. Shepherd: Actually, Mr. Chair, I'm good. I think my questions have been answered.

The Chair: All right. I'm not seeing any further questions on the supplemental part of our agenda here. I can move us along to reviewing the annual report, business plan, and '26-27 budget estimates. I'd ask to please keep your remarks to 20 minutes or less so that committee members have an opportunity to ask questions.

Please go ahead.

Ms Pelton: I'd like to now move into presenting our 2024-2025 annual report, 2026 to 2027 budget estimates, and our 2026 to 2029 business plan. As we begin, I'd like to tell you about our reconciliation efforts with Indigenous young people, families, and communities.

3:00

Over the past year we continued taking measures to honour the Truth and Reconciliation Commission's calls to action, which included participating in land-based training at Blue Quills university, where staff received teachings on Indigenous healing and trauma recovery; deepening our knowledge about Indigenous ways of knowing and being by participating in sweat lodges, medicine, picking, and pipe ceremonies; and updating our advocacy policies to emphasize both the individual rights of young people and the collective rights that Indigenous children and youth hold.

As elders have reminded us, reconciliation is a generational process, and we're sowing the seeds for future generations.

Our role is to represent the rights, interests, and viewpoints of young people involved in child intervention and youth justice. We do this through providing advocacy and legal representation to children and youth; engaging with young people, community stakeholders, and decision-makers; investigating the serious injuries and deaths of youth who meet the criteria for an investigative review; providing advice and recommendations to government on issues that affect young people.

Our involvement does not replace the natural support systems that young people may have. Parents and family members play a key role in advocating for their children. However, young people who come into contact with child intervention and youth justice face complex challenges, and many don't have the strong natural supports to help them navigate these systems. In these situations, our advocates work to ensure that the young person's rights, interests, and perspectives are heard by decision-makers. In carrying out our mandate, some of our staff work directly with young people while others play an indirect role by providing the resources and infrastructure to support our work. We have two offices, one in Edmonton and one in Calgary; however, our work extends throughout the province, and we meet with young people wherever they are most comfortable.

This year we worked hard to amplify the voices of young people. We provided an advocate or lawyer to over 4,700 children and youth, of whom over 58 per cent were Indigenous; shared information on children's rights and the role of our office through 158 presentations, workshops, booths, and events; engaged with 24 First Nations, all the way from Smith's Landing in the far north of our province to Kainai the far south; released investigative reviews for 69 young people who had involvement with the child intervention system, 60 who passed away and nine who were seriously injured; and we made five new recommendations to government. I am proud of the impact we made for children and youth across the province.

I will now turn it over to Bolu to speak about how the financial investment Albertans made in our office last year was utilized to support this important work.

Ms Idowu: Thank you, Terri. In the 2024-2025 fiscal year our approved budget for operating expenses was \$16,445,305 and \$200,000 for capital expenditure. The approved estimates for capital expenditure included a \$100,000 carry-over amount from the previous year. Actual spending in both operating and capital expenditure categories was approximately \$16,039,897, which is approximately \$605,000, or 4 per cent, below the approved amounts. This was primarily due to savings and travel costs, disbursements under our legal representation for children and youth program, and contracts and IT services. Unspent amounts at the end of the 2024-25 fiscal year were not carried forward to the 2025-26 fiscal year.

Ms Pelton: Thank you, Bolu. This financial overview highlights how we use the funds entrusted to us to fulfill our mandate, but numbers and statistics cannot capture the full story. Behind them are real children and youth, and I'd like to share some of their experiences. Names and identifying details have been changed to protect their confidentiality. I'd like to begin with two young people who, tragically, passed away. Through our investigative reviews we examine the circumstances of these young people, and we use what we learn to identify broader systemic issues and inform our recommendations to government.

Tory's experience is a heartbreaking example of how gaps in transition supports can have devastating impacts on young people. After reports of parental substance use and neglect were received, Tory was apprehended and placed in foster care when she was only two years old. In the years that followed, after she was returned to her parents, child intervention received a number of reported concerns related to physical and verbal abuse, exposure to substance use, and inadequate supervision.

When Tory was 13 years old, she and her siblings were apprehended again and permanently placed in government care. While there are times when the government must intervene to ensure the safety of young people, being apprehended compounds trauma for young people who have already had a horrific start to their young lives. At 13, for context, she would have been in grade 8. In a foster home, separated from her siblings, Tory began to self-harm, use substances, and attempted suicide. Assessments found that she had cognitive impairments, and she moved placements several times because her needs and behaviours exceeded the capacity of her caregivers.

When Tory was 18 years old, she began receiving transition to adulthood services and supports. However, these weren't informed by her level of functioning nor her evolving needs. Due to her disability, she wasn't able to do what was expected of her to keep receiving the help she needed. Her substance use continued, and she didn't have a stable place to live. When she was unable to maintain contact with caseworkers, her services were terminated. The following year Tory died from fentanyl and methamphetamine toxicity. She is deeply missed by those who knew and loved her.

Eliza's short life highlights the importance of adequate assessments for children who may be in need of intervention. When Eliza was born, child intervention was already involved with her family due to concerns about parental substance use. After her birth Eliza's mother requested supports to help her with her addictions. However, caseworkers attempted to contact her several times but were unsuccessful, and the file was closed.

At nine months old Eliza was taken to the hospital for accidental opioid and methamphetamine ingestion. Caseworkers spoke to her mother, but the safety concerns for Eliza being exposed to substance use weren't addressed before the file was closed.

When Eliza was 12 months old, child intervention became involved again due to concerns about her mother's substance use. Eliza's mother placed her in the care of a relative, and the caseworkers made a safety plan with the new caregiver, but they couldn't find her mother. Although concerns with the safety plan were noted, it wasn't adjusted. Approximately six months later emergency medical services responded to the home of her caregiver, and 19-month-old Eliza was pronounced deceased. Her mother had been staying in the home, and Eliza died from toxic exposure to opioids and methamphetamines. Eliza's circumstances are tragic and may have been preventable.

It's heartbreaking that young people like Eliza and Tory are losing their lives. These are just two of the 60 children and youth whose deaths were reviewed last year. These investigations are difficult work. We undertake them not to assign blame or fault but to identify where systems can be strengthened and to make recommendations that may help prevent future tragedies and improve outcomes for other young people in government systems. Families have told us that even though it can't lessen their immeasurable loss, knowing that their child's circumstances were reviewed and that the process may lead to positive change brings some measure of comfort to them.

This year I made five new recommendations to government through a Calling for Change report that focused on improving community-level supports and services, enhancing navigation and

access to information, and strengthening supports for young people transitioning to adulthood. In 2024-2025 we also evaluated 23 recommendations which were made in previous years. Of these, four had no progress, 13 had some progress, five significant progress, and one was closed with some progress. Working collaboratively with our colleagues in government ministries and other public bodies is essential to ensuring recommendations can be successfully completed and make a meaningful difference for young people.

One example of this is a recommendation made in *Renewed Focus: A Follow-up Report on Youth Opioid Use in Alberta*. We ask the government "to develop and support [the] implementation of a youth opioid and substance use strategy." I appreciate that there has been collaboration between ministries and with our office on this recommendation. In our regular meetings with the Ministry of Mental Health and Addiction we've discussed the importance of services and supports being tailored to meet the unique developmental stage of young people. However, a youth-specific opioid and substance use strategy has yet to be developed. I will continue to advocate for the government to take that final step to action this recommendation, at which point it will be considered met.

3:10

I'd also like to share an example of a recommendation where we've not yet seen any progress. In January 2024 I recommended that the Ministry of Children and Family Services partner with disability experts and young people to complete a review and identify actions to meet the needs of young people with disabilities involved with the supports for permanency program. This recommendation was evaluated at no progress for 2024-2025. Young people with disabilities in the child intervention system are particularly vulnerable, and we'll continue to engage with our ministry colleagues about what actions can be taken to move this recommendation forward.

While our investigative reviews and recommendations often arise from tragic circumstances, it is equally important to highlight the advocacy work we do to support young people involved with child intervention and youth justice. Our individual advocacy team works directly with these children and youth, advocating for their voices to be heard in decisions about where they will live, maintaining relationships that matter to them, and accessing the services and supports they need. Their voices can help to inform stronger solutions that benefit not only them but their families and communities. We often hear from young people that when they are involved in decisions about them, it often helps them understand and accept the final decision even though it might not be what they were hoping for.

The following cases highlight the meaningful change that can happen when children and youth in government systems have the support of an advocate. We've advocated for strengthened familial connections for many children such as four-year-old Addy and five-year-old Trayvon. After they were placed in government care, their father was concerned that he wasn't getting consistent visits. We followed up with the case team and advocated for the right of the children to spend time with their father. Work continues to help foster this relationship in a safe and healthy way.

Our work often extends beyond the initial reason a young person is referred to us such as in the case of five-year-old Lexie. She was referred for advocacy services due to concerns about approval delays for dental surgery. We learned that Lexie had four young siblings in care all living separately, and the children hadn't seen one another in over two years. We worked to resolve the delayed dental approvals and also to support Lexie's right to stay connected

with her siblings. The surgery approvals were confirmed, and we continued to push for meaningful contact between Lexie and her siblings.

While our advocacy work highlights both the challenges and resilience of children and youth navigating complex systems, we also see their hope and resilience through participation in our youth council. I'd like to share the perspective of Shaylene, one of our youth council alumni, whose experiences demonstrate how meaningful it is for young people to be involved in decisions that impact them.

Shaylene writes:

When I first joined the OCYA Youth Council, I didn't fully realize how much it would change me. At that time I was still learning to believe that my story and my voice had value. Like many young people who have been part of the child intervention system, I carried experiences that were painful and often misunderstood, but through the council I found a place where my story was not just heard; it was respected and it was powerful.

Being surrounded by other young people who shared similar journeys gave me a sense of belonging I hadn't felt before. Together we created something special, a space built on honesty, courage, and compassion. We shared our truths, supported each other, and worked together to make sure the voices of youth were not only included but centred in decisions that affect us.

Through the council I learned how to turn my experiences into advocacy. I found the confidence to speak up in rooms I never thought I'd be in to challenge systems with both strength and empathy and to believe that change is possible when youth are truly part of the conversation.

Today I carry those lessons with me in everything I do. Being on the youth council didn't just help me grow; it reminded me that every young person deserves to be heard, to feel seen, and to know that their voice can create real, lasting change.

End quote.

The experiences I've shared illustrate the broad impact of our work, advocating for children and youth by ensuring their voices are heard by decision-makers, honouring those who have passed away by driving systemic change through our recommendations and empowering young people to lead change through youth engagement initiatives. This impact is the result of an investment of time, resources, and passion.

To sustain this level of support for young people into 2026-2027, we need to ensure our budget reflects current realities and emerging cost pressures. For the upcoming fiscal year I'm requesting a budget of \$18,734,000, which is an increase of 9.8 per cent over our previous year's revised budget. To be clear, this estimate is strictly to manage the pressure we are facing due to salary increases and benefits. It does not account for any inflationary costs. These estimates incorporate the compensation increases approved by the Public Service Commission for Alberta public service employees in the next fiscal year. It also includes a capital budget request for the replacement of our legal representation for children and youth appointment and payment system, which is over 13 years old and has reached the end of its lifespan.

I'll turn it back to Bolu to discuss our budget estimates in more detail.

Ms Idowu: Salaries and benefits continue to be the largest category of our estimates at \$12,198,000, representing about 65 per cent. This amount is what is required to maintain our current staffing levels. As Terri said, we have not budgeted for any additional positions or considered inflationary costs in determining these estimates.

Fees and disbursements for our legal representation for children and youth program continue to also represent a significant amount,

accounting for approximately 22 per cent of our estimates. The overall budget for this program remains the same as the previous year, and it has actually been the same for the last five years.

Contracts and IT services represent about 7 per cent of our budget. This is a slight decrease of 2 per cent from the previous year. We continue to embrace virtual opportunities to connect, reducing production and printing costs for reports and streamlining file review processes.

We are asking for a capital budget of \$270,000 for the upcoming year, an increase of \$250,000 to replace our aging LRCY lawyer appointment and payment system. To ensure appropriate tracking of expenses and activities, we are required to replace the system in the coming year as support for the existing software infrastructure is being phased out by vendors. Maintaining the integrity of the LRCY program requires reliable systems. Without this replacement we risk gaps in tracking and reporting that are critical for accountability and service delivery.

I will now turn it back to Terri for our closing comments.

Ms Pelton: Thank you, Bolu. As I reflect on the past year, I'm deeply proud of the work we've done to stand up for the rights and well-being of young people in Alberta. As an independent office of the Legislature we are uniquely positioned to ensure their voices are heard and their rights are prioritized in decisions that shape their lives. This has a positive impact not only on them but on their families and communities. The children and youth we work with are among the most vulnerable in the province, and this work is only possible because of the dedication and compassion of our staff on the front lines and those who provide essential support behind the scenes.

Chairperson Lundy and committee members, in conclusion, I'm respectfully requesting your approval of our 2026-2027 budget estimate of \$18,734,000. This investment from Albertans will allow us to continue advancing the rights, interests, and well-being of children and youth.

Thank you again for your time and your commitment to young people. We're happy to respond to any questions.

The Chair: Well, thank you so much for that presentation and, of course, for highlighting the incredible importance and gravity of some of the work that you do. On behalf of the committee I definitely want to say thank you for all your efforts.

I have a couple of hands up. I'm going to go to MLA Miyashiro, and then I'm going to go to MLA Dyck after that. Go ahead, MLA Miyashiro.

Member Miyashiro: Thank you, Chair, and thank you to the advocate and her staff for this presentation today. Great to see the work that you're doing. I spent about 17 years of my life working in the children's services system, and I know the young people we work with valued the support they were given from your office during those times.

A question about something in your annual report. As recommendation 5 from your annual report states, "The Ministry of Children and Family Services should review and revise the supports provided under the Transition to Adulthood Program (TAP)." Can you tell us your recommended age of termination of this program? What additional costs would your office incur with additional tracking of youth in that transition to adulthood?

3:20

Ms Pelton: I haven't actually made a recommendation on what the age should be. Young people: their brains are developing up to 29, and across the country – I need to find it – we've done some looking at what the supports for young adults transitioning away from

children's care are, and they go up to about I think 26 is the oldest, and we are amongst the youngest.

Member Miyashiro: Yeah. You know, thanks for advocating for that. I mean, that's pretty straightforward. I actually ran a supported independent living program, and I knew we were tracking – and we didn't have to – them as long as we could and encouraged the young people to keep in contact with us. We were in contact with people into their 30s. As you know and as you just stated, some people develop at different levels, and they actually stop developing at certain levels as well, so I encourage you to keep fighting for those costs to keep that tracking going and keep TAP extended.

Mr. Chair, I just have something related to service as well if I can.

The Chair: Yeah. Go ahead.

Member Miyashiro: The several recommendations you had in your annual report point to higher levels of multidepartmental and crossjurisdictional collaboration, services identification, services navigation, and public communication of all of your services options. This might be difficult to answer – I don't know – but what effect would achieving all of those recommendations have on positive outcomes for youth? If some magic wand happened where all those jurisdictions were actually working together, which, I should add, we started trying to do in the mid-90s, just so you know, what positive impact would that have on your office?

Ms Pelton: I think the positive impact would be that we wouldn't need to have as many staff as we have because young people wouldn't need the advocacy. We would just see young people flourishing, and hopefully the supports that they were being provided would reduce our involvement and would reduce the involvement of government systems in their lives. But that's quite a magic wand.

I can say that some of the recommendations that we've made: where they've been actioned, we've seen very, very positive outcomes. A recent one that I can share actually isn't even a child intervention story; it's youth justice. That was around just reporting on the use of OC spray and letting us know and then education between the two systems. We've seen much positive come out of that, so that's one situation.

Member Miyashiro: Great. Well, thank you very much for that answer.

Mr. Chair, just so you know, I will jump in with one more question later on, I think.

The Chair: Okay. I can read you to the list for sure.

We will go to MLA Dyck.

Mr. Dyck: Well, thank you, Chair, and thank you for your work on this file. As your story said, this can be quite a challenging and difficult file, so thank you for your work on it. I do also want to talk about budget, and I know that's why we're here, so let's hop to it as well. Now, you mentioned in your presentation that you have an increase in the forecast of about 9.8-9.9 from last year's budget. Predominantly, I think it's about 1.7 in personal costs. Can you clarify what is attributed to the 2025-26 salary and benefits pressure versus planned '26-27 compensation adjustments? Can you just clarify where those numbers are, or is that all just public service compensation adjustments?

Ms Idowu: To answer your question, it's all as a result of the public service compensation adjustments. We do not have any additional staff included in the estimates.

Mr. Dyck: Okay. Excellent. Thank you.

If I may have a follow-up, Chair, since that was a quick one?

The Chair: Yeah. Go ahead.

Mr. Dyck: As you mentioned, capital investment increased by \$245,000, so close to a 980 per cent rise, due to the replacement of your legal appointment payment system. With the implementation timelines will this capital of \$245,000 fully cover the development, testing, and transition to this new software, too, as well, or is this purely software cost?

Ms Idowu: It's the entire software life. We are hoping that that will be enough. We are going through a business case analysis to support that amount. Now, that amount is similar to the amount that we used to replace our current case management system. The \$250,000 estimate is for the software, the migration, testing: everything. The plan is for everything to happen in the next fiscal year.

Mr. Dyck: Excellent. And you've already chosen the software, so these numbers are fairly firm?

Ms Idowu: We have not chosen the software. We have not done an RFP. We're hoping to do that in April.

Mr. Dyck: Okay. So we could still be coming back for more after this potentially, after the RFP qualifications.

Ms Pelton: We hope not.

Ms Idowu: No. We hope not. This estimate was based on the current replacement amount for our case management system that we have now, the new case management system that was implemented about two fiscal years ago. We estimate that this system that is being replaced as a separate system will be about the same cost. If it is significantly more, we may have to come back.

Ms Pelton: Just for clarification, when Bolu is talking about the case management system, that was for our advocacy side of the office. We replaced that two years ago, and it was about \$250,000. We feel pretty confident that we can do the same for the lawyer appointment and payment system, but as you point out, IT is subject to, I guess, the whims of the vendors, so we may be back, but I am not anticipating it.

The Chair: Okay. Thank you so much.

Mr. Dyck: Thank you.

The Chair: Thank you, MLA Dyck.

We'll go back to MLA Miyashiro.

Member Miyashiro: Okay. Thanks. I just saw someone else up there. Thank you very much, Chair. I notice in your financials there might be something missing that maybe you can explain to us. I think there was a private member's bill passed for parent advocates to be included in the office of the Child and Youth Advocate. I believe it was MLA Cyr's private member's bill. You don't have any budget numbers for including that in your projection. Do you know how much that may cost or what the financial impact on your budget will be for that position or positions?

Ms Pelton: Sure. We've done some very preliminary work on that. We're waiting proclamation from – it's sitting with Children and Family Services right now. I anticipate that it will be about a million dollars, but we need to look at regulation and what the classification

is and what all of those other pieces would be. When that is proclaimed, I will have to come back and ask for a supplementary.

Member Miyashiro: Okay.

There was no consideration of moving those into, like, family support or some other unit other than your office?

Ms Pelton: It was outside my influence. It passed in the House as something that is important, so when it's proclaimed, we will make it work.

Member Miyashiro: Great. Thank you very much.

The Chair: All right. Thank you.

MLA de Jonge, I do see you online, but MLA Cyr did catch my eye just before you. I'm going to go to him right now. MLA Cyr.

Mr. Cyr: Thank you, and thank you for the good work. Also, thank you for sharing those heartbreaking stories of Tory and Eliza. It reminds us how important your office is and your advocacy for children and youth across the province.

One of the things that you had mentioned in your opening statements was Blue Quills. That's a college within my constituency, and I'm very proud of them. I would like to hear some of your thoughts on how that whole thing is moving forward. Again, I want to bring that back to them. That sounds like this is a success.

I also would like to talk more generally about the youth engagement that continues to expand, including the advisory groups like the our voices self-advocacy tool kit and the youth council. Is there any portion of the 2026-27 increase dedicated to the expanding of the youth-led programming for travel in rural or remote areas? You can see why this is something that I'm very attached to. I wanted to make sure that my local region sees some of this benefit as well.

Ms Pelton: I'm happy to answer those questions. I'll start with Blue Quills. This is I think the third or fourth time we've taken staff out to Blue Quills.

Given that the young people we serve are about 60 per cent Indigenous, it's critically important that our staff understand the impact of historical trauma and the ongoing legacy of residential schools. Blue Quills has partnered with us, with their elders and with their space, and we had the opportunity to have a sweat lodge out there. Staff toured the residential school, which is very impactful, and then we need time to help them process the tragedies that happened at Blue Quills. It's a critically important piece of Alberta history that needs to be shared with all Albertans, and I can't say enough positive about the staff that work there and how gracious they are.

3:30

Our youth council in the past year, in that year's annual report, also had the opportunity to go to Métis Crossing, which may also be in your riding.

Mr. Cyr: Close, but no.

Ms Pelton: They really appreciated the opportunity, too, to hear from elders there, and so the youth engagement is probably the favourite part of my office. You can imagine that dealing with investigative reviews can get very heavy, but when I spend time with the young people, I'm really encouraged about where we're moving: Shaylene and her words and how thoughtful her letter was to include today.

We do have money dedicated to travel for the youth engagement team. We right now have an intern. They don't show up as FTEs

because they're on wages, and if we need to make cuts, that's probably a place that we would look to. However, the youth council is made up of young people from across the province, and we help them get to where we're meeting, we go out and see them where they're at, so yes, definitely, there is travel money for our youth engagement team to remote areas.

Mr. Cyr: Thank you for that very comprehensive answer, and again, if you're ever up in my area I'd love you to stop by my office up in Bonnyville-Cold Lake-St. Paul.

Ms Pelton: Thank you. I'd love to.

The Chair: All right. Well, thank you, MLA Cyr.

I have one more speaker, it looks like. We'll go to MLA de Jonge, and then we'll go to MLA Wright. Go ahead, MLA de Jonge. You've been waiting a while.

Ms de Jonge: Thank you so much, Chair, and thank you for the advocate and her team for being here today. I see that last year the OCYA provided 4,700 children and youth with an advocate or a lawyer, and I see that you're maintaining a similar level of funding for legal representation in '25-26, so I'm just wondering how you estimate how many cases of legal representation will be required in a year. Is there, like, an average per case that you estimate, or how do you make that decision or estimation?

Ms Pelton: I'll do the best to start that, and Bolu will probably have to finish. I started my tenure at the office of the Child and Youth Advocate in 2007 in the legal representation for children and youth program, and it really is about looking at what's happened in the previous year and averaging it, and then it's a best guesstimate.

I think Bolu said that we haven't increased that budget in five years. We've had some years where we are barely scraping by or we've been overbudget, and then we've had years like last year where there was money to give back. Because we have no control over how long a court matter goes on or how long a lawyer will be involved, we can guess that a temporary guardianship application might take 10 court hours, but in reality, if it's a complex case, it could take 110. Our lawyers are paid at the same rate as legal aid, \$125 an hour, which, I'm sure most of you know, isn't a lot of money for lawyers today, but they are passionate about working with young people. It's almost pro bono work for them. We decreased their hourly rate for a couple of years when we had cost pressures, and then we went back to the \$125, but they have never made more than \$125 an hour.

Bolu, did you have something to add to that?

Ms Idowu: Yeah. The reimbursements for those lawyers are also in alignment with the GOA directives on reimbursement for mileage and for travel. We do not reimburse for travel time or kilometres to local courts, so we try to get some efficiencies within that program. Like Terri said, the expenditures within this program are contingent on what's happening in Children and Family Services. As those caseloads over there increase, or if there are major policy shifts, that also affects the lawyers that get appointed.

Ms de Jonge: A follow-up, if I may, Chair.

The Chair: Sure. Go ahead.

Ms de Jonge: Thank you.

I also see you're increasing your direct advocacy services from just over \$4.1 million to closer to \$4.9 million. Can you please describe and expand on what those direct advocacy services are, and can you also help me understand how that differs from indirect

advocacy services which are provided by your office? I do see an increase in that budget as well.

Ms Pelton: I will start, and I'll get Bolu to complete.

Direct advocacy is the direct service delivery. That's our lawyers and our advocates who work directly with young people. I have a deputy advocate who oversees that half of the office, and the indirect advocacy is our systemic advocacy, so our investigative reviews, our special reports. We did a disability report a couple of years ago, well, 18 months ago, I guess, and we're working on a youth homelessness report that will be released in the spring. All of the increases other than the \$250,000 are directly related to salaries and benefits because of the public service compensation change. Is that the answer?

Ms Idowu: Yeah. That's the answer.

The Chair: Well, great. Thank you so much for those questions and answers.

We're almost on time, but I certainly want to give MLA Wright a chance to get her questions in. Go ahead, MLA Wright.

Ms Wright: Thank you, Chair and through you to the advocate.

I am conscious of the fact that the bulk of your operational expense is firmly centred on the children it is your responsibility and job to advocate for. Because of that, what I'm wondering is: what will the impact be, particularly in terms of those children and youth who you are advocating on behalf of, should the entirety of your budget asks not be approved?

Ms Pelton: I would have to take a really long, hard look at the areas of my office that don't provide direct service, but I say that at the same time with a cautionary word that systemic advocacy is direct advocacy in another way. That's where we make the recommendations to government that make positive change. That's where we review the circumstances of young people who have passed away and been injured. So it will impact service delivery if I don't – we looked really hard at what was the very minimum amount that we could manage with these really high increases that were negotiated or that the public service brought in. I've been a public servant for 39 years, and I have never seen increases like this. It is very impactful on our budget, and I don't know where I would start, but we would have to start somewhere.

The Chair: All right. Thank you so much, and we sure appreciate you coming to present to our committee this afternoon. We'll make sure that our committee follows up with you in writing regarding any future decisions.

With that, we will set our final five-minute timer and prepare for our final office, which is the office of the Ethics Commissioner.

[The committee adjourned from 3:39 p.m. to 3:44 p.m.]

The Chair: All right. Well, welcome back, everyone.

I'm pleased to welcome the office of the Ethics Commissioner with us, and we'll begin with their supplementary funding ask. I'd like to welcome Shawn McLeod, the Ethics Commissioner, along with his staff to the meeting. As mentioned, we'll be addressing your '25-26 supplementary funding request in the amount of \$23,203.29. I would ask that you keep your remarks to five minutes or less so that committee members have time to ask questions.

With that, I would turn it over to Mr. McLeod.

Office of the Ethics Commissioner

Mr. McLeod: Thank you and good afternoon.

With me today are Kent Ziegler, our chief administrative officer, responsible for a host of things, including budgeting, and Josh de Groot, who wears two hats, principally the first being our lobbyist registrar, and he's also a general counsel at the office of the Ethics Commissioner.

This portion of my submission is related to a supplemental budget request for the fiscal year 2025-2026, the current budget year. I am here today asking for a supplemental budget request in the amount of \$23,203. This submission is for the current fiscal year to address salary-specific increases that have occurred this year.

This amount is comprised of a request made by a letter to this committee on November 4 seeking an additional \$12,068. This represented salary increase is for two employees within our office's fiscal year. As you've heard from others today, these amounts effectively represent increases to our employees in line with increases that the GOA has given for the relevant classifications in the opted-out and excluded group within the GOA.

Approximately two weeks after submitting that initial request, we were then informed that the government of Alberta was also adjusting the salaries of its management employees. We have one staff member who is in management classification. As a result, on November 19 I submitted an additional supplemental request in the amount of \$11,134, bringing the total to the amount already discussed; \$23,203.

Simply put, we did not budget for these amounts and do not have room to absorb them in our current budget allocation. As you will note, we are currently projecting a budget shortfall this year, even with current projected savings of approximately 15 per cent in our supplies and services portion of the budget, which is the only other place we have to look. We hope that will ultimately turn out to not be a deficit, but time will tell.

That concludes my supplemental budget submission, and I'm pleased to answer any questions you may have.

The Chair: All right. Thank you very much.

I see MLA Wright has her hand up.

Ms Wright: Yeah. It's a fairly simple question, I suppose. Given that your supplementary budget request is solely because of those two increases that are simply given to you so that you can in turn give them to staff, I'm wondering then – and you did allude to it; you talked about there is nowhere else to look in your budget – what might the potential effects or potential impacts be on your staff and on your operations should the budget request either be denied or just given in part rather than in whole?

Mr. McLeod: Well, I think it's a cumulative, sort of, impact. I'm sort of getting into the second portion of the presentation. There are other impacts that I'm going to talk about, and so they're cumulative. I would say overall that – it's just like probably most of the answers you've heard today – we would have to look. It would result in less activity potentially, depending on how today goes, fewer staff, less timely activity, and you'll hear me say it in the second part of the presentation, but the bottom line is that we have simply been playing very close to the bone in terms of our budget for many, many years. I made that point last year and I'll make it again this year. So I'm hoping that this is successful because there really is no nowhere else to look, so to speak.

The Chair: Follow up, MLA Wright?

Ms Wright: No.

The Chair: Okay. Great.

I see MLA Dyck online. Go ahead.

Mr. Dyck: I think most of my questions have been answered. I just wanted to make sure that the salary adjustment fully aligns with what the public service was. I guess you can just clearly answer it, but I think you've already answered most of it.

Mr. McLeod: It does.

The Chair: All right. Perfect. Short and sweet. I don't see any other hands or questions on the supplemental, so I think we can move on.

We will now move on to reviewing the annual report, business plan, and '26-27 budget estimates. I asked the commissioner to please keep his remarks to 20 minutes or less so that committee members have an opportunity to ask questions. Please go ahead.

Mr. McLeod: Thank you, Chair Lundy, and all committee members for the opportunity to present to you today. I know I'm last on the list. It won't be too long, but I do have a few things to say.

While I provided expanded comments last year as part of my first appearance before this committee, in keeping with this office's general tradition and the previous commissioner's tradition, I think I have attempted to keep my remarks succinct and as to the point as I can.

Overall, fiscal year 2024-25 was a busy year. We continue to receive a significant number of requests for advice, with inquiries about gifts and post-employment being the two most frequent inquiries. We also continue to have an issue with a small number of individuals failing to provide their financial disclosure on a timely basis. I emphasize this is a small number of people of the roughly 300 individuals that fall under my office's purview, although it is a consistent theme as you have heard in previous submissions. Of note and as outlined on page 9 of the annual report, the number of requests for investigations in fiscal year 2024-25 rose dramatically.

3:50

The driver behind this rise in complaints is the use of what amounts to a letter-writing campaign style of complaint that we're seeing in our office now. This is a situation where one person or organization prepares a complaint or the outline of a complaint, in any event, and encourages others to send in either an identical or substantial or similar complaint on a specific topic or issue.

Frequently, this amounts to effectively forwarding a form of complaint that has already been prepared with any given complainant adding their name and address to the complaint and forwarding or sending it to our office as their individual complaint.

While sometimes we can treat these as sort of a bulk and we have sort of the same answer for all of them, I just want to emphasize that we do have to go through each individual complaint, so it's been a fair change in terms of the volume of complaints that we have to go through and the number of hands that have to touch those before we make that final decision. It's my expectation, based on what's happened this year, again, that that probably is a feature of the system on a go-forward basis and we'll just have to adjust and deal with that.

Under the Lobbyists Act the lobbyist registry continues to see growth with the number of active registrations increasing from 998 at the beginning of the year to 1,088 at the end. Health, energy, and the environment continue to be the most common lobbying subject matters. The Premier's office remained the department most often listed as the subject of lobbying, and AHS remained the public agency most often listed.

Switching to our budget request for the budget year '26-27, our budget submission this year is in the amount of \$1,217,500. This represents a \$127,000 increase from budget 2025-2026. This is comprised of a \$117,000 increase in salaries and employer

contributions and a \$10,000 increase in the amount for supplies and services.

Turning first to salaries and contributions. While the budgeted amount for fiscal year '26-27 is a noteworthy year-over-year increase, it results from both an increase in salaries and employer contributions but also from a different way of putting this budget forward in terms of how it's been done in past years. In the past the budgeted amount for salary-employer contributions was simply the amount for current salaries at the time of the budget request. It did not take into account salary increases, expected or otherwise, that occurred during a given fiscal year and even more accurately that occurred after the budget submission to this committee that generally occurs in December of any given year. The result was that in years where salary increases occurred during the year, our office would generally absorb those increases by off-setting them with reduced spending from the supplies and services portion of the budget. In years where there were no increases or increases were moderate, this generally could be accomplished. This is not one of those years. This approach had the unusual results of actually identifying the salary amounts as of the time of the budget submission but not taking into account in-year salary increases that occur, effectively understating the funding that would be required for salaries and employer contributions in those years.

The decision to absorb such increases in the supplies and services portion of the budget has resulted in an inability to spend in specific areas such as IT security, keeping up with our website, conference attendance, and more, including potential automation of the work we do, including financial disclosure required under the relevant legislation that we operate under.

As you may remember from my budget submission last year, in the 10 years prior to my being appointed to my current role, our budget increased by a total of 4 per cent, not 4 per cent annually but 4 per cent over the entire 10-year period. While this was fiscally prudent, it has left us with some real challenges in terms of our overall operations and in particular our ability to fund the supplies and services agenda that we have.

This year's submission effectively attempts to change our budgeting approach by tying the specific budget requests in all areas, including salaries and employer contributions, to the amount that is anticipated to be needed for the upcoming fiscal year rather than continuing our past practice of effectively understating the amount necessary for salaries during the year and in turn trying to find those savings in supplies and services to off-set that shortfall.

The following comprises the increase of \$117,000 in the salaries and benefits area that is being requested for the fiscal year 2026-2027: (a) increases in the amount of \$68,000, that occurred earlier in the fiscal year, which were not factored into this year's budget. This includes merit, general increases in targeted market adjustments; \$31,000 accompanying the above salary changes for employer contributions that are mandatory, EI, CPP pension contributions, and health benefit payments; and a 3 per cent general increase in salary during the '26-27 year, approximately \$18,000 that the government of Alberta has indicated is forthcoming. The above changes are all changes to salaries that mirror the various changes or salary adjustments that the government of Alberta has provided to its employees.

We are also seeking a \$10,000 increase in our supplies and services budget. This amount is the net result of the following changes: a \$5,000 reduction in the travel component, a \$1,000 reduction in telephones and communications, a \$5,000 increase in technology services, a \$4,500 increase in hosting, a \$5,000 increase in office supplies, and a \$1,500 increase in employee allowances and benefits. The \$5,000 reduction in travel effectively becomes a \$4,500 increase in hosting as we will not be travelling to the

lobbying conference this year; rather, we'll be hosting it with associated hosting costs. The \$5,000 increase in technology services represents a portion of the increased cost for a renewed contract for our lobbyist registry system. The balance is being absorbed within our budget. This is the first lobbyist system contract increase in 10 years. The \$5,000 increase in supplies and services simply represents inflationary pressure from our various office supply vendors as well as an increased volume of activity. Last year the line item ended up basically being the amount that we're requesting this year.

Finally, I have increased the employee allowance and benefits line item by \$1,500 because I feel that the staff in our office require and should be offered educational and skill training, which we have not been able to offer them over the past few years due to budgetary constraints. In my view, they are at risk of falling behind in professional development as it pertains to their current work. For example, our legal counsel should be availing himself of ongoing professional development to allow him to effectively and efficiently do his job. Similarly, my chief administrative officer should be undertaking training, including financial market training, to assist him as he reviews disclosure and potential conflict issues.

I would also like to highlight that we are in the process of exploring the feasibility of creating an automated or digitized office, including making both private disclosure and public disclosure processes more automated. Offices across this country have various levels of automation, with Manitoba being the most recent example to automate significant portions of their process. This next year we'll be exploring the scope and cost of such a project with the possibility of undertaking the project in fiscal '27-28. As you may know, we had a similar project on the lobbyist side of the office in 2015.

Finally, I'd like to thank the individuals I work with, including Mr. Ziegler and Mr. de Groot, who are with me today, as well as Effi Kaoukis and Heidi Horne. They collectively are essential to the work we do, and I'm very much appreciative of the work they do.

This concludes my submission, and I'm happy to answer any questions you might have.

The Chair: All right. Thank you so much for your presentation.

We will now go to questions from members. MLA Wright, why don't you kick us off?

Ms Wright: Thank you. Usually with a "W" I'm last, so I appreciate that, Chair.

Okay. Again, I'll begin my questions with something I think fairly basic, Chair, if that's all right, and it has to do with remarks that you made earlier, that idea of sort of everything being really close to the bone. My interpretation of that is – and you also alluded to it last year. You talked about the budget constricting from year to year. At the same time the work that your office was materially required to do through legislation was in fact increasing, as it has again this year. I very much take your point about the types of complaints that seem to be coming in over and over and over again and the fact that a person has to actually look at that piece, whatever that piece might be. I'm sort of, I guess, characterizing the budget then that you've presented to us as really one of austerity in many ways. I'm wondering if I am correct in that, if that sort of budget is really reflective of what your office is required to do in terms of legislation or in terms of things that you, in fact, and the folks that you work with might be thinking might be coming down along the line in case of impacts in terms of legislation and that sort of thing.

4:00

Mr. McLeod: Yeah. I think you could describe it as an austerity budget. If you look at our current year, you know, outside of salaries

we have \$200,000 in the supplies and services. We are currently attempting and projecting to save \$30,000 of that number. Assuming we get the \$23,000 that we've asked for, we still have to find another \$25,000, so we will be attempting to save 25 per cent of the supplies and services budget, which is the only discretionary funding we have. In reality a lot of that is not discretionary. We have to have computers. We have to have a photocopier. We have to do a bunch of those things. The things that we are calling discretionary are things like not going to conferences, not having training for our staff, basic things that generally would be included in an office.

I think I made the point last year. I think our office has done a very good job of maintaining real prudence in its spending, but we're sort of at that limit. Perhaps next year or the year after – we'll see – we might come back with some bigger asks. Like I said, we're considering this sort of automation project, and we might even come back with some asks in terms of sort of an expanded scope of what we're doing. But for now we're continuing on with the basic workload that we have done in the past. The reality is, you know, that we do what we have to, but we don't have a lot of extra for sort of additional things.

Ms Wright: That's it for now.

The Chair: Great. Thank you so much.

We'll go to MLA Dyck.

Mr. Dyck: Excellent. Thank you, Chair. I got two questions here. I'm just kind of curious. You've put in a \$10,000 increase in supplies and services for technology services. Sounds like this will continue helping the modernization of the lobbyist. Is this some portion of the AI? Are you doing anything with that? Is this just extra costs with software? Can you just expand a little bit on that?

Mr. McLeod: I'm going ask Kent to speak to that, but it's not with respect to the lobbyist registrar.

Mr. Ziegler: The additional increase from IT went from \$115,000 in our current budget, and we're asking for \$120,000 in our next year's budget. That \$5,000 is partly due to the increase in the lobbyist registry contract that is increasing, but we're not asking for that full increase because we think we can find some savings in the IT area to help off-set the cost of the lobbyist contract increase, which is about \$7,500 per year. We're only asking for a little bit of that, hoping to find some savings in other areas to off-set that.

Sorry. You had one other area you were asking about?

Mr. Dyck: Yeah. I'm just very interested in – I know you've identified a few efficiencies, internal savings. We've talked a lot about that. Are there any areas where you can just expand on where the technology piece has really helped the workflow or any other operational pressures that that technology piece has really helped with?

Mr. McLeod: The reality is that we have not really gone down the technology road. That's sort of a future conversation for, really, two years from now, I guess. Next year we're going to basically explore that, assuming we have the money to do that. We did have some technology plans in terms of spending some money on security based on last year's budget, but we are holding off on that. It's ready to go, but we're holding off on that pending sort of how things go. As I say, we simply may not have room to do that because we have effectively \$50,000 savings that we have to come up with on this year's budget. That's kind of the current status and what we're looking at on a go-forward basis.

Mr. Dyck: Thank you very much.

The Chair: Okay. Well, thank you so much, MLA Dyck.

Looking online, I see we have MLA Petrovic with her hand up.

Mrs. Petrovic: Thank you, Chair, and thank you for the presentation. I just have to say that you took away most of my questions.

I just have one really quick. I've seen you've cut in lots of areas and allocated to make sure that you have good savings, and it looks like good utilization of some of your funds. But one of the things is the request for advice as it continues to be a core service for MLAs and our public officials. How is your office going to continue to ensure consistency and clarity in advice while maintaining some of these fluctuating volumes that you're seeing?

Mr. McLeod: Well, I think if we get the requests that we're asking for, we'll effectively have the money to kind of do the job as we're doing it right now, which includes providing advice to a variety of people but members in particular. I think we can continue to do that. It's a key function. I personally think it's one of the most important functions we have, and if we get the money that we need to do that, we'll be able to continue.

The Chair: All right. Thank you so much.

MLA Wright, go ahead.

Ms Wright: Thank you. I'd like to move just for a moment over to the technology side, and I'll try and kind of compress all of the questions. There aren't too many. The first one has to do with the lobbyist registry and the management of that particular database. I noted the words "update and enhance the Lobbyist Registry application and website as necessary and appropriate." I'm wondering what "as necessary" means and what "appropriate" means. So there's that to begin with.

Then just in terms of, then – you talked about looking at the feasibility of transitioning from paper to electronic and beginning that process with an RFQ and then moving on, hopefully, at some point in the future to an RFP. I'm just wondering if you have any sort of timeline in mind in terms of what it is that you might be thinking of this year.

Mr. McLeod: In terms of the lobbyist registry I'm going to ask Josh to comment on that. He's most familiar with that.

Mr. de Groot: Yeah. I'm not sure which falls into "necessary" and which falls into "appropriate," but we have two types of updates essentially that come to the lobbyist registry. There's the real technical – you know, there's a bug, then we ask our service provider to work on those bugs, to work them out. That's all part of our contract, so those are covered. The other type we would have is if there was, you know, a legislative change that required us to overhaul the registry or if there just was a way that we thought they could change the system to work better for the lobbyists who are doing the registrations, to make it a smoother process. We've done small tweaks like that over the year to update the system.

Mr. McLeod: In terms of the automation side of things we have already done some of that work. I was at a presentation where Manitoba presented the work that they've done and sort of what it looked like. Kent has taken a shallow dive, I would say, into their activity and what that looked like. Our hope would be at the beginning of the next year to effectively take those steps, to get out some version of an RFQ to get back some answers as to feasibility, the scope of the project, and hopefully some cost estimates and then

take that out to, you know, some sort of RFP, on the assumption that we have the money to do that.

I think, if my memory serves me right, Josh, Manitoba spent about \$300,000. Is that correct?

Mr. Ziegler: I wouldn't want to quote but a ballpark.

Ms Wright: Okay.

Just one further if I may?

The Chair: Yeah. Go ahead.

Ms Wright: I noticed at some point in the documents that you provided you talked about moving to an on-demand model for technology services. I'm just wondering: in terms of what you found with respect to that particular model, is it still required? Is it going to be ongoing? Is it working?

Mr. McLeod: Do you have an answer to that one, Kent? I don't.

Mr. Ziegler: I think in terms – maybe if you could rephrase the question or repeat it for me.

Ms Wright: Yeah. It talked about technology services and utilizing an on-demand model. Like, my interpretation was that there was some kind of a question – it could have been a bug – so the demand is there rather than kind of looking at a much more holistic sort of approach to planning having to do with technology. That was my interpretation of it, though, so the reason for the question.

Mr. Ziegler: Do you want to grab that one around the lobbyist side because that was the lobbyist ...

Mr. de Groot: Yeah. On the lobbyist side, I mean, I think it would just be what I spoke to earlier of the bugs and that sort of thing.

Another thing our office – I mean, we do have the on-demand IT support as well. I'm not sure if that might be what you're referring to as well.

Ms Wright: Yeah. That was certainly, like, my impression of it. It's just that as you need something changed, as you need something tweaked, do you just sort of avail yourself of whatever that particular service is rather than perhaps committing yourself to a longer term contract?

4:10

Mr. McLeod: Well, we have a contract for the services of that kind of day-to-day activity to the extent that we need it. I think we're satisfied with that contract. The spend is certainly, I think, manageable, and until we sort of get to that broader system change, I think that's what we're going to do. We're going to continue with some version of that contract to the extent we need help and sort of small tweaks, so to speak: we get them, and if we get to the larger piece, then we'll look at that.

Mr. Ziegler: The other piece I might add now, with that said, from one of our IT providers. Under the current model that we've got that contract, which is a different one than the lobbyist register, we have a different IT provider for the rest of our IT systems, and it is more of an on-demand one where if we need an IT service, we send them a ticket, they send somebody over, and then they bill us. One of the cost savings that we have been doing over the last year or two has been trying to solve our own IT problems rather than calling IT and getting them to send somebody up and then they bill us. Myself and some other folks in our office will now sit down and try to figure out that problem on our own, and only if we can't figure it out do we then call in IT, so it saves a little bit.

Ms Wright: Okay. Thank you.

The Chair: All right. Great. I have MLA Lovely.

Ms Lovely: I want to know if you're handy with plumbing as well. I could use your help.

Mr. Ziegler: No, not at all.

Ms Lovely: Okay. Your plan to assess the feasibility of moving from paper-based to electronic systems aligns with government priorities on modernization. Can you outline what steps you expect to take in 2026-27 with the resources requested?

Mr. McLeod: As I've indicated, basically sort of continue to the extent we need to an internal assessment. Really, we've done some of that legwork already by speaking with Manitoba. We're going to put an RFQ together. We haven't really discussed the exact timing of that, but sometime in the first part of the next year with a view to getting back the information we need, hopefully to see how big a project it is, what's the scope of it, how feasible it is, what are the benefits, and then we'll come back here with a number if we think that it's a good idea.

Ms Lovely: That's it, Chair.

Mr. Ziegler: I might add, Member Lovely, that part of the thing that we found appealing from what we saw in the Manitoba system – and this might appeal to the members of the committee and all MLAs – is the online disclosure process that they have does kind of streamline the process. If everything can come in online, it's less paper flow for you guys, it's less paper flow for us, and everything

is then stored in that system, so it does streamline and make it a little bit more efficient.

The Chair: All right. Great. I think that's it for the questions.

I'd like to thank the commissioner and his staff for joining us today and presenting and let him know that we will be following up in writing regarding any decisions made by the committee.

With that, we have now completed the review of the officers' budget estimates for '26-27. Thank you so much to all the participants for that process.

I'd like to move us along to the remainder of our agenda. In terms of other business I do have a note. I would like to note for the record that the Ministry of Assisted Living and Social Services has provided a written response to questions raised at the February 7, 2025, committee meeting. I would ask if there are any other items for discussion under other business.

All right. Seeing none, I will note our next meeting date is scheduled for the morning of December 12, one week from today.

With that, we can move to adjournment. Would a member like to move a motion to adjourn?

Ms Lovely: So moved.

Mrs. Petrovic: I'll make that.

The Chair: Moved by MLA Lovely, not that we need it but strongly seconded by MLA Petrovic. All right. All those in favour of the motion? Online? All right. Any opposed? That motion is carried.

[The committee adjourned at 4:14 p.m.]

