

9:30

[Mr. Kowalski in the chair]

THE CHAIRMAN: Well, it's 9:30. May I ask the committee to come to order. I have been advised that several members will be unable to attend. Mr. Wickman, as all members know, continues to be in the hospital, has been in the hospital for some length of time. Ms Sloan, I gather, will not be able to attend, and Ms Barrett may be a bit late. But we have a quorum.

I want to thank the members for being prepared to assemble this morning. The month of January was a rather busy one, and it was difficult to arrange to have this meeting prior to yesterday, so I hope all members will recognize how we dealt with that.

The agenda that we have today is very short, is very brief, is very to the point. In the memo that I sent to all members, I indicated that because of your own pressures – and everybody has pressures because of time – we'll deal with the minutes of the last meeting at a future meeting, and we can just deal with today's agenda, which is one item, budget adjustment, which I'll come to and explain in just a second or two if I can have approval of the agenda.

MR. DOERKSEN: I so move.

THE CHAIRMAN: Thank you very much.

You should have three additional sheets of paper before you in addition to the overview agenda one. Perhaps I can just draw your attention to the green sheet first, which you did not have and was not circulated to you. The green sheet covers the budget that was approved by the Members' Services Committee when we met last, over the three days, and these numbers are exactly what everybody agreed to. If you look on the second page of it, there is one line called potential fiscal pressure contingency. The chairman had indicated that what normally happens is that directions are given to all departments of government, in the light of the negotiations that are going on with the public service, to set aside the dollars for a potential fiscal pressure contingency. At the time when we met, we did not know what the government was doing. The committee said: well, no, we can't have any dollars. So the decision was zero dollars. The chairman had also requested that dollars be set aside for a 3 percent salary merit adjustment, and the committee said no, and that was set aside.

Since the last meetings that we had, some correspondence has occurred between the chairman and the Provincial Treasurer. There is a white sheet called Decision Item, Legislative Assembly Budget Revision, that perhaps I'll just read into the record because this as easily explains what's happened as everything else. I sent a memo to the Provincial Treasurer, broke down exactly what the manpower costs were under the Legislative Assembly Office, what the manpower costs were in the various caucus offices, and what the manpower costs were in the constituency offices. The issue is:

Should the 1998/99 budget for the Legislative Assembly be increased by an amount of \$165,000 in order to provide a contingency fund to assist in the adjustment of Assembly salaries as a result of public service salary [adjustments]?

In the correspondence that I had back from the Provincial Treasurer, he advised me that in the overall planning that the government was doing for all of its departments, it had also looked at the manpower costs associated with the Legislative Assembly Office, the caucus offices, and the constituency offices and agreed with the figures that I gave them and essentially looked at a figure of about 2 percent of all of those, and that came down to \$165,000.

In addition, he also provided me the dollars that we might use in contingency for the two following fiscal years beyond this one, but I think that should remain a silent number at this point in time, depending what happens and what decision the government wants

to take in the future. In terms of fiscal '98-99 Treasury has put within their estimates carrying costs of \$165,000.

The 1998/99 estimates for the Legislative Assembly were discussed and approved by the Standing Committee on Members' Services . . . in their November 1997 meetings. The total budget approved for the operations of the Legislative Assembly was \$21,687,659.

Following this meeting the Legislative Assembly Office . . . learned from Alberta Treasury that funding was being set aside in the overall 1998-99 fiscal plan to assist with the cost of salary settlements across the public service. The suggested level of funding for the Assembly for this purpose was \$165,000. This funding is not intended to fund the total cost of particular salary adjustments which might occur in 1998-99, but only to assist in meeting manpower costs.

Neither Treasury nor the Treasury Board has authority to change the budget of the Legislative Assembly passed by the Members' Services Committee. If the Committee considers it appropriate to include the above funding allocation it must make the associated change in its own budget.

There are two alternatives.

1. No Budget Revision. If contingency funds are not budgeted, the Assembly may not be in a position to react to public service salary settlements and compensate its employees (caucus, constituency and LAO staff) in a manner consistent with other Alberta public servants.

The impact in this budget would be neutral.

2. Increase Budget by \$165,000. This will assist the Assembly in responding to public service salary settlements implemented in fiscal 1998-99. The amended total estimate will be \$21,852,659.

So if you look at the blue sheet with you and if you look at the second page, you'll see that the difference between the green page and the blue page is that one item called potential fiscal pressure contingency. The green page had zero dollars for 1998-99, and the blue page has \$165,000. The request being made by the chairman this morning is that the Members' Services Committee approve that so that this information can go to Treasury so the estimates document for the Legislative Assembly and its environs can be published when the Provincial Treasurer puts down and brings forward his total budget, whenever that might be, in some time.

Now, let me just make a couple of comments. The key operative words here are "potential fiscal pressure contingency". To this point in time we know that the government has signed some agreement with its various unions and the public service, an overall master agreement, but negotiations are continuing on the subagreements at this point in time. We don't know what the decision will be and when that decision will be, so this is potential. If in the discussions and the negotiations that go on in the next several months the decision is made that there are no dollars available for anybody in the public service for salary increases in fiscal 1998-99, then this potential fiscal pressure contingency, if approved today, will not be accessed. None of the people associated with any of the agencies that we have are union, so nobody can negotiate for them other than us.

If, on the other hand, the amount of the settlement that the government has with the various unions that it's dealing with is 2 percent for fiscal 1998-99, then we will be in a position to access the \$165,000 on the basis of a 2 percent allocation, and it would be allocated on the basis of the manpower costs for the Legislative Assembly Office, for the various caucus budgets, and for the constituency offices. If the settlement is beyond 2 percent, then we will not be able to respond to anything more than \$165,000, unless the Members' Services Committee chooses to meet again and chooses to allocate additional dollars, which could only be funded either internally, which means that we would have to do some revision internally, or we would have to seek a special warrant

sometime during the fiscal year. Those are basically the three alternatives.

This provides us with the mechanism to move forward in consort with all other departments of government, which already have their things in place. They go through the Treasury Board process. This estimate does not. Again I repeat: if the settlements that come forward in the next number of months are zero, this figure will be untouched and will remain in this budget for the fiscal year and will not be touched or utilized or allocated. Secondly, if it's 2 percent, then that's the figure that would allow us to allocate that on the basis which I have described, and at that point in time, once we've done the administrative paperwork on it, I would call another meeting of the Members' Services Committee for the specific orders that would go for the allocations in those three areas. If the settlement is beyond that number, then again we can only go to that figure or deal with something else. That's the explanation that I have.

Again I apologize that we're into this kind of time frame with this, but these things have been recent developments and the committee is the one who is the master of this decision and its fate.

I'd be happy to answer any questions.

Mr. Renner.

MR. RENNER: Thanks, Mr. Chairman. I just would like you to confirm that the allowance that this committee had for wages and wage increases in the original budget did not provide for the potential increases that you have referred to this morning. To the best of my recollection there was about 3 percent contemplated in the original budget. I'm wondering if you could advise the committee what the status of the employees of the Leg. Assembly is, what the impact of the existing budget on the employees would be, and then how you will be interpreting any subsequent increases based upon settlements that are reached across the board in the public sector.

9:40

THE CHAIRMAN: What we have done so far is basically look at the lag of one fiscal year in terms of salaries and built that lag into the Legislative Assembly budget and the other budgets starting April 1, 1998. The minutes basically of November 12 cover all of this. One had to deal with merit, one had to deal with market adjustment, and the third one had to deal with the contingency, which I cleared up, indicated at that time was wanted to be included but was not included. So we have nothing in this budget that can deal with proposed settlements for the across-the-board people. This would be the only alternative.

MR. RENNER: Thank you. In that case, then, I would be prepared to make a motion. I would move that

the 1998-1999 budget for the Legislative Assembly be increased by an amount of \$165,000 in order to provide a contingency fund to assist in the adjustment of Assembly salaries as a result of public service salary settlements.

Mr. Chairman, I would also like to add, not necessarily to the motion but on the record, that I think it's important that this contingency fund be identified as being specific to the motion. I note that on the blue sheet you circulated, it's identified on the financial statement as potential fiscal pressure contingency. As long as it is understood by yourself and by your officials that the purpose of this contingency fund is very specific, to deal with the wage issue, and that it is not open to any other areas. I would like that noted and followed accordingly.

THE CHAIRMAN: I want to make it very clear, Mr. Renner, that that's exactly what I said, that this would be potential fiscal pressure. Should the settlements come, I would invite the committee to have

another meeting and show you where it would be broken down and ask you to vote on an order for each of the allocations for that \$165,000. So it could not be done without that.

MR. RENNER: Perfect.

THE CHAIRMAN: Okay.

Mr. Herard.

MR. HERARD: Thank you, Mr. Chairman. As I see it, there are really two choices here – we do have a motion on the floor – and one is to vote it down, and one is to vote for it. I would like to have some information with respect to what has taken place since the time that the public service was asked to contribute 5 percent to the job of tackling the fiscal situation that we were in back in 1993. I'd like to have an understanding of this, because it speaks to need. In other words, as you are probably aware, some government departments perhaps have over that same time frame restored fully the 5 percent and some haven't. I'd like to know where the Leg. Assembly sits with respect to that, because that will certainly help me understand the need with respect to this amount.

THE CHAIRMAN: I'll give you the assurance that we'll do that as we go through the whole process. For next year I'll load you down with so much paper on specifics that you will beg.

MS BARRETT: You're going to drown us in paper. You tree-killer, Mr. Chairman.

THE CHAIRMAN: No. I'll give you the information.

MS BARRETT: I'd like to speak in favour of this motion. I'm aware that some elements of the public service employees have already been settled, some at a rate of 7.2 percent over the next three years. So I think the writing is on the wall that some increase will be going to virtually all public-sector employees. It's pretty clear, then, that we need this contingency fund so that we can apply the same to our staff.

Thank you, Mr. Chairman.

THE CHAIRMAN: Additional comment? All those in favour of the motion? Opposed? Carried unanimously.

Before going to item 4, I just wanted to bring you up to date with one other item as well. This information that we've just approved today will now go to Treasury for the preparation of the Legislative Assembly estimates book, which will come down whenever that date will be. This sheet of paper will show what's happened with other committees, because within the Legislative Assembly estimates there will be an overview page that will include support to the Legislative Assembly, the item that this committee has agreed to, and then the office of the Auditor General, the Ombudsman, the Chief Electoral Officer, the Ethics Commissioner, and the office of the Information and Privacy Commissioner, just to bring to your attention the information that we have to this point in time, to show you what has happened. That's simply for information.

There being no other business or matters that hon. members would like to raise, the date of the next meeting perhaps we'll leave on the basis that it will be called at need, the need in this case being described by the chairman or members of the committee who feel that there's an issue they want raised. Most normally, unless something dramatic develops – if we have a response back on the settlements, we'll call the meeting back to go through the orders that we'd be required to do – in all likelihood the next meeting would not be until the conclusion of this session of the Legislature, unless it's required. Would that be fine?

An adjournment motion?

MS BARRETT: Motion to adjourn, Mr. Chairman.

THE CHAIRMAN: Agreed? Thank you very much.

[The committee adjourned at 9:48 a.m.]

