

Standing Committee on Public Accounts

Wednesday, November 25, 1981

*Chairman: Mr. Mandeville*

10:30 a.m.

MR CHAIRMAN: Good morning, all. We'll now bring our meeting to order. We apologize for being half an hour late with our meeting this morning, but our Minister of Education couldn't be here at 10 o'clock so we set our time at 10:30.

You have the minutes for November 4 before you. Are there any errors or omissions in the minutes? If there are no errors or omissions, could we have a motion to file the minutes? Mr. Kushner.

*Motion carried*

Just before we commence with the Minister of Education, possibly I could have the Law Clerk swear in the two witnesses the minister has with him this morning.

*Mr. Turch and Mr. Koziol were sworn in.*

MR CHAIRMAN: I would like to introduce to you now some of the resource people the minister has with him this morning. On the minister's right is Mr. Koziol, the chief accountant and financial analyst for the Department of Education, and on his left, Mr. Turch, the associate director of financial operations for the Department of Education.

MR BATIUK: Mr. Chairman, if I may, I think you've got the gentlemen [inaudible]

MR CHAIRMAN: On the right is Mr. Koziol, and on the left, Mr. Turch.

Mr. Minister, do you have a few opening remarks before we start questioning your department?

MR KING: Thank you very much, Mr. Chairman. I think that perhaps as Mr. Batiuk began, he wanted to make the point that the gentleman on my left was Mr. Koziol, and not Mr. Kazoli.

MR BATIUK: Right. [inaudible]

MR KING: Mr. Mandeville is simply under the impression that because I married an Italian, everybody around me is Italian.

I appreciate the invitation to be with the committee this morning. It is always worth while to cast your mind back to the activities and accomplishments that are not immediate and current in your mind. The 1979-80 fiscal year was significant for Alberta Education and for education in the province on a number of counts. I would just like to mention some of the accomplishments of that year very briefly, in order that we might then get

into discussion about those accomplishments and the activities of the department in that year.

In '79-80 we introduced special grants and increased service to meet the needs of the dependent handicapped, the multi-handicapped, and other handicapped children. It was also the year in which we received the report of the minister's advisory committee on student achievement which led subsequently to new policy initiatives by the government with respect to student evaluation. It was the year in which we implemented a new school construction and funding policy and, at the same time, the year in which we reorganized the school buildings branch.

We began student achievement testing in grades 3, 6, and 8 for Category 4 private schools. That is the category of private school established as the result of the so-called Holdeman Mennonites case. These are private schools using a curriculum approved by the province but not the regular curriculum of the province. They do not use certificated teachers, and they do not receive financial assistance from the provincial government. Nevertheless, in that year we did evaluate the achievement of their students.

We also formed the advisory board for the Alberta School for the Deaf and introduced grants to school boards in order that they might provide English as a second language instruction for Indo-Chinese refugee children. In addition to those particular accomplishments, of course, the department was engaged on an ongoing basis with all the various kinds of support, consultation, and direction provided to school boards throughout the province, to the private schools of the province, and to individual parents.

Mr. Chairman, with those remarks, I'd welcome the response of the committee.

MRS EMBURY: Mr. Chairman, my question is to the minister, the Hon. David King. I'm just trying to figure out if you received payment from the federal government during this year for the bilingual school program?

MR KING: Yes, we did.

MRS EMBURY: I'm looking on 2.6 in Volume I. It says, Payments from Government of Canada, and I can't see it. If it comes in there, it's not listed. Am I looking in the wrong spot?

MR KING: I'm sorry. You're looking at Volume I, page 2.6: the statement of budgetary revenue for the year ended March 31, 1980.

MRS EMBURY: Yes. Halfway down the page it says, Payments from the Government of Canada.

MR KING: I expect it would be under Other, although perhaps Mr. Rogers would want to comment. Compared with the other payments indicated there under separate subheadings, the amount of money we receive from the federal government is extremely small. So I suspect that it's under "Other", the \$53.5 million.

MRS EMBURY: May I have a supplementary, please, Mr. Chairman?

MR ROGERS: [Inaudible] If I may, Mr. Chairman. Volume II, 8.6 is headed Education, revenue for the year ended March 31, 1980. The second main item is Government of Canada: Bilingualism, and the amount is \$226,762.

MRS EMBURY: I wonder if the minister could answer if that amount of money for the bilingual programs includes transportation grants in the bilingual schools in an urban setting. I don't know if it applies rurally, too, but does that money apply to the busing or not?

MR KING: No, Mrs. Embury. We receive no money from the federal government for any transportation program related to the bilingualism agreement. The transportation support provided is from the resources of the province.

MRS EMBURY: One last supplementary, please, Mr. Chairman. Does that money for busing children who go to bilingual schools come out of the same fund as your transportation fund?

MR KING: Yes. It is a subprogram, if you will, of the transportation support program.

MRS EMBURY: Thank you very much.

MR CHAIRMAN: Further questions to the minister? Mr. Kowalski.

MR KOWALSKI: Thank you very much, Mr. Chairman. I have a very general question to the minister. Looking at the total financing of education in the province in 1979-80, can the minister help me by clarifying what the overall general financial position of the various school boards was in that year? We hear from time to time that a number of school jurisdictions in fact operated through 1979-80 with a surplus, while others operated with a rather significant deficit. Can he provide me with an overall generalized statement as to the general health and wealth of the various school jurisdictions in Alberta in that fiscal year?

MR KING: I can't be specific as to numbers, Mr. Kowalski, but I can say that the majority of boards in the '79-80 year reported a surplus to Alberta Education. If you'd like more detail than that as to the number of boards which actually reported a surplus, we can provide that. Alberta Education encourages every board in the province to try to accumulate and maintain a very small accumulated surplus. We think, Mr. Turch, that anything in the order of 3 to 7 per cent is an appropriate accumulated surplus for boards to be carrying against unforeseen contingencies, exactly the same as in private business. In that year, of 148 boards, I can say that probably substantially more than half reported an accumulated surplus.

MR KOWALSKI: A supplementary, then, Mr. Chairman. I'd appreciate receiving that information, and I'd also appreciate it if it could be broken down according to a rural/urban split, if that was possible. Could you also include in that information the history of this debt through the decade of the 1970s. It's my perception that school boards are considerably better off as they closed the decade of the 1970s than when they entered the decade of the 1970s -- any information that could show what the debt is in terms of the long-term debentures that many of these school jurisdictions would hold, and what their status is.

MR KING: We can provide that information to you, Mr. Kowalski. I know that we have it set up at the present time to distinguish between divisions,

districts, counties, rural divisions, and rural districts. We can give you that breakdown.

MR ISLEY: Mr. Minister, I'm looking at 8.4, vote reference number 2.1.17, Enrolment loss to private schools, with an amount of \$325,000. I'm assuming this is a grant we pay to public or separate school jurisdictions in lieu of students that went into private schools. If that assumption is correct, how much are we paying per child, and how long do we continue to pay?

MR KING: Where the establishment of a private school results in a jurisdiction losing more than approximately 6 per cent of its enrolment, we pay what is called the private school establishment grant for two years. It is based on the number of students a jurisdiction has lost to the newly established private school. It's meant to be a transitional payment. Just one moment, please.

We'll have to provide you with the information as to the calculation per pupil.

MR ISLEY: Thank you. A second question, Mr. Chairman. Vote reference number 2.1.10, Incremental grants to school boards, \$2.87 million. What are incremental grants, and how are they determined?

MR KING: They are, in a sense, discretionary grants that are made by the Department of Education upon a detailed review of the financial and operating statements of a local school board. They're made to a very small number of jurisdictions and in that year, in fact, to only two jurisdictions. One was the Northland School Division, the other was Fort Vermilion.

Having said that they are discretionary, and are based upon an evaluation of a financial statement made by the finance statistics and legislation branch, the decision ultimately reflects a judgment as to the weak local base relative to the significant expenses because of unusual geography or unusual operating circumstances.

MR BRADLEY: Mr. Chairman, to the minister. On page 8.5 under Vote 2.1.26, Handicapped -- out of province, there's nothing in the estimates under that, but there appears to be an expenditure of \$135,516. Can the minister explain the nature of that particular vote, what the funds were expended for, and the reason there was nothing in the estimates, yet funds were expended?

MR KING: I'll have to enquire as to the reason there was nothing in the estimates, but there is a very limited number of children for whom an appropriate educational service is not available in Alberta. We send a small number of students to the Denver Academy in Colorado. We send a small number of blind students to the Ontario school for the blind operated by the government of Ontario in Brantford, Ontario, which I think now operates under a different name. We have sent fewer than half a dozen autistic children to American institutions. It would be that kind of service.

It arises when the local school board and Alberta Education agree that an appropriate education for a particular child is not available within the province, and it was partly because of that kind of concern that my predecessor, in January 1979, directed a study into the provision of educational services for children who are described as sensory multi-handicapped. We received that report during the '79-80 year. It recommended the establishment of educational programs for the sensory multi-handicapped

within the boundaries of this province. That has subsequently been done, so that expenditure under 2.1.26 should be dramatically reduced in the next two or three years, although we have made a commitment to the parents of the children presently receiving an education outside Alberta that if they believe it would be best for the child to finish his or her education at the institution they are currently attending, we will support that -- a kind of grandfather clause. I'll ask Mr. Turch if he could comment on why there was no estimate for that.

MR TURCH: It was actually a grant paid to the Ross MacDonald school in Ontario, which is the school for the blind in that province. We send approximately 12 students there on an annual basis. Originally it was suggested that the school board itself make the arrangement and we would reimburse the school board from the regular school grants. However, that wasn't accomplished, and the Department of Education picked up the bill.

MR BATIUK: Mr. Chairman, a supplementary. I wonder if the minister could advise whether there is any funding under this program to assist the county of Lamont with the Chipman situation. I think you know very well, and it's been brought to my attention so many times, and it appears that the county has been put with a real cost just for one person. I was just wondering whether this vote would provide for special assistance in such cases.

MR KING: This particular vote and reference number would not. As Mr. Turch has said, this \$135,000 was apparently budgeted to appear in another vote and reference number. Because of difficulty in making the necessary agreement, it became necessary to pay the money directly to the Ross MacDonald school rather than indirectly via local school boards, which was apparently the original intention of the department. That explains why it's not estimated here. It must have been estimated in another vote and reference number. So this one doesn't have application to Shelley Carriere's case.

If I may say so, first, because it is under consideration at the present time; secondly, because the current problem didn't exist during the year the Public Accounts committee has under consideration, I would prefer not to comment further on the Carriere case at this time.

MR KUSHNER: Mr. Chairman, in view of the fact that there's a serious classroom problem in Calgary, and there still is, I just wonder, Mr. Minister, whether or not the Calgary Board of Education, in view of the fact that we're reviewing the '79-80 accounts, are utilizing their surplus classrooms to the fullest advantage -- this is in their inner core communities -- basically in terms to obtain the maximum grants available for new school construction in the outer communities?

MR KING: I would have to say that during the '79-80 fiscal year, it was the conviction of the government and the department that the Calgary Board of Education was not making maximum advantage of the opportunities available to it for the alternate use of school space. To a certain extent, that has continued to be the case since the '79-80 year, although recent developments suggest that the board is now very aware of the problem and the magnitude of the problem, and is starting to take some steps that we believe will have a significant positive effect on the problem. But in '79-80, we were convinced that they had not attended to the problem.

MR KUSHNER: Thank you. A supplementary, Mr. Chairman, just for clarification. Mr. Minister, you're saying right now that it appears the Calgary Board of Education is starting to take positive steps toward this and, hopefully in future, they will qualify for the maximum grants available on construction?

MR KING: Yes.

MR KUSHNER: Thank you.

MR KING: Perhaps we shouldn't use the word "maximum", but they will certainly qualify, we expect, for more financial support than they are receiving or are eligible to receive at the present time.

MR STEVENS: Might I ask, Mr. Minister, whether or not the department has given consideration to evaluating the various opportunities to our students in the various boards, based on the quality of education the students evidence having received by means of going on to secondary levels, by failing or repeating, and so on, and teacher turnover and costs to the province? Is that possible? Could we do that in a positive way so that we were not being critical of a board because of its remote location?

I'm asking this question from a point of view of a rural member. Many parents have chosen to send their children to other locations for perceptions they may have about the quality of education. I wonder if you have examined that and if we can come to any conclusion that, by additional support or encouragement, we can ensure that the advantages are available to the rural student that are available to the urban student. I wonder if you have made any studies in that area as of March 31, 1980.

MR KING: The question of evaluation is one that became important generally in the field of education during the mid-70s. One of the culminations of that concern was precisely the report of the Minister's Advisory Committee on Student Achievement received in the spring of 1979 during this fiscal year. Then the hon. member will recall that we commissioned Dr. Mowatt to do some follow-up, particularly with the public, as to their perception about student achievement and the value of student evaluation, if you will. Dr. Mowatt also submitted his report to us during the fiscal year under consideration. So with respect to both of those and subsequent developments, I think I can say that we have displayed real concern for the evaluation of what happens in the school system.

We believe that has four components. You should be evaluating students, the systems, the local jurisdiction, the programs which are authorized or prescribed by Alberta Education, and teachers. As the result of having received the MACOSA report in 1979, we said that we would take a first step in the area of student evaluation, and that's now under way, but that subsequently we would attend to system evaluation, program evaluation, and teacher evaluation. As it happens, the second step is just beginning now, in that we are doing a system evaluation of the junior high program of the Calgary Board of Education and the Edmonton Public School Board.

So we acknowledge the importance of evaluation. We acknowledge that evaluation should be of every system in the province, rural and urban. And I agree with your introductory comments. Evaluation should be treated as a very constructive thing. Unfortunately, there's a widespread idea that evaluation is meant for some punitive purpose. We want to find out what's going wrong in order that we can blame someone for what's going wrong. That is not our

intention. We want to find out what's going well so it can be emulated by other boards. We also want to find out what needs improvement. But we do that not for the purpose of casting blame but in order that all of us -- teachers, trustees, administrators, and the department -- can get together on the job of remedying a difficulty.

So for Alberta Education, we view evaluation as being a very positive, constructive kind of activity that is meant to be developmental; it is meant to improve the quality of education we are providing. And in part, that's going to be done on the basis of providing information to one jurisdiction about how things are being done well in another jurisdiction.

I hope that's answered your question.

MRS CRIPPS: Mr. Chairman, my question is on the supplementary requisition. Last year, the school boards indicated that their supplementary requisitions are outstripping the previous supplementary requisitions, and they're really having a problem with that. Is that in fact true, and what are we doing to eliminate that problem?

MR KING: Whether or not it's true depends on whether or not we both agree what you mean by "outstripping". The supplementary requisition is going up on a dollar basis and as a percentage of any school board's total revenue. There's no argument about either of those facts. In this fiscal year under consideration, we acknowledged that and other difficulties with our existing educational finance plan, and we began a three-stage process to review the nature and operation of the finance plan. In '79-80, we began gathering what is referred to as base line data, just getting the information together, upon which a study could be conducted. That was authorized in '79-80 and conducted in '80-81.

At the time we authorized it, we said that stage one would be followed by stage two, and that's the stage we are at now. We are doing a major review of the educational finance plan in the province. One thing under consideration is the so-called split between provincial and local support for education, the proportion of a school board's budget that comes from the supplementary requisition as opposed to the global array of grants provided by the provincial government. When stage two is completed, we expect in November or December of next year, then the government will be responsible in stage three for making policy decisions, probably following an extended public discussion about what it is we want in the way of an educational finance program.

So we recognize the problem. We believe we are attending to it as quickly as we can. I might say that in stage two, the work is being done under the supervision of a task force. That task force has representatives from just about every interested group you can imagine -- the ATA, the ASTA -- but the AMDC and the AUMA are both represented on that task force as is Alberta Municipal Affairs, Alberta Treasury, and other groups.

MRS CRIPPS: Supplementary. When are the payments made to the school boards?

MR KING: Perhaps Mr. Turch can answer that.

MR TURCH: We advance them on a monthly basis. The settlement is in June and December of every year.

MRS CRIPPS: What proportion do they get on a monthly basis?

MR TURCH: A twelfth, with the annual grant based on the previous year's enrolment.

MRS CRIPPS: Second supplementary on funding, Mr. Chairman, if I might. The formula for funding of transportation grants in rural areas, especially partially settled rural areas, is very inequitable. Under that same review, is that being assessed?

MR KING: No, not the formula itself. We just completed a review this past spring of the rural transportation formula. The conclusion of that review was that the formula itself was not inequitable, as you have commented, but that the numbers plugged into the formula result in inequities. In other words, there seemed to be agreement that the formula took account of the right criteria and in the right proportion.

The problem was not with the formula as such but with some of the numbers we plug into the formula. So I can only say that we have that under review in the department. We will make representations to the priorities committee of cabinet and, of course, as with every other government department, priorities will be responsible for establishing priorities.

MRS CRIPPS: I didn't say I thought the problem was in the application, but that's what I've heard.

MR BRADLEY: Mr. Chairman, with regard to the supplementary requisition, I just want to ask the minister: on page 8.4 under 2.1.2, supplementary requisition equalization grants, if the minister might explain to the committee how the supplementary requisition equalization grants fit into the supplementary requisition of school boards.

MR KING: Alberta Education is proud of the grant structure we have established in this province to provide financial support to school boards. The global array of grants we provide recognizes a number of different critical features for school boards. Some of our grants are enrolment driven; you get X number of dollars for each child in your system. If enrolment goes up, your grant goes up. Conversely, if your enrolment goes down, your grant goes down. So we have enrolment-driven grants.

Secondly, we have program grants. If you provide a certain kind of program, let us say for deaf children, you'll get a grant. If you don't provide that program -- for example, if you don't have deaf children -- you don't get the grant. Thirdly, we have what you might call compensatory grants. Those recognize unusual situations that are not either typical or perhaps predictable. The private school establishment grant would be an example of that. If something happens which is an aberration from the norm, we provide a grant to compensate for that.

Fourthly, we have a variation on what is called the compensatory grant. It is a grant related to equity. That's what SREG is. We determine the average assessment per pupil across the province in a given year. Then in each jurisdiction, we establish what mill rate must be levied in order to raise that assessment per pupil. If a jurisdiction has to tax at a mill rate that is above the province-wide average in order to receive a dollar income at or below the province-wide average per pupil, we provide them a compensatory grant. We think that one mill in Lac La Biche, which is an expression of effort, should provide, either from the local property tax or by way of compensation from Alberta Education, approximately the same amount of money as

one mill would raise in Calgary. So if mill rates are an expression of effort, if you make the effort and don't raise as much money in your community as a rich district would raise by taxing the same number of mills, then we provide a compensating payment, which is the supplementary requisition equalization grant.

I don't know if you'd like to go into more detail than that. If you do, you have exhausted my knowledge of the subject, and I'll have to turn it over to Mr. Turch.

MR BRADLEY: Just a supplementary question with regard to this. In terms of determining the basis for SREG, or supplementary requisition equalization grant, does the department take into consideration whether the individual school board, division, or district is accumulating a surplus? Do they still pay some of these, like SREG, even though the individual school division may have an expanding surplus but its fiscal capacity on the one hand, on the basis of the provincial average, may be lower than other school divisions, but in the totality of it, they still are accumulating dollars in their bank accounts?

MR KING: At the present time, yes. If you're making a representation that the task force on educational finance should look into that question, we'll certainly do it.

MR BRADLEY: When you said yes, you say you pay the grant regardless of the accumulation of a surplus?

MR KING: They are making the effort; we pay the grant even if they have a little bit of money in the bank.

MR BRADLEY: Even if they have a great deal of money in the bank?

MR KING: By extension, I would have to say yes. We pay the money even if they have a great deal in the bank. We will look at that.

MR BRADLEY: Then I would be making a representation to you.

MR KING: I thought you were.

MR CHAIRMAN: Mr. Isley, do you have a supplementary on this topic?

MR ISLEY: Mr. Chairman, I believe I have two supplementaries, and they both relate to supplementary requisitions. Mr. Minister, in response to a request from Mr. Kowalski, you agreed to provide the committee with a summary of financial status, et cetera, over the past decade. I wonder if it would be possible to include in that information a chart showing the school jurisdictions and, over the past decade, what percentage of each jurisdiction's budget has been made up from foundation program grants; secondly, special grants; thirdly, supplementary requisitions.

MR KING: We can provide that information to you immediately, because we have it. But I don't have it here with me. We can provide it immediately if you're prepared to take it on a global basis. If you want it on a jurisdiction by jurisdiction breakdown, then we will have to assemble that information, but we can do.

MR ISLEY: I've seen the information on a global basis. I'd be interested in a jurisdictional basis.

MR KING: We'll provide that.

MR ISLEY: Second supplementary, if I may, Mr. Chairman. I think you're aware, Mr. Minister, a lot of concerns are building up in municipally elected officials as to the impact on their tax collection that supplementary requisitions are having; a feeling that they're becoming the unpopular politician by collecting for another group that they don't control.

I get one other concern expressed by these councils; that is, that when the bill comes over from the school jurisdiction for the supplementary requisition, it's due and payable, and the schools need the money to operate. The timing is such that very often the municipality hasn't collected the taxes, which means that they must go and borrow the funds under operating moneys to transfer that amount of money over to the school jurisdictions. I believe there's some lobby out there that the interest on that money should be somehow recoverable to the municipality. Is that matter being addressed by the task force on educational finance?

MR KING: The last question suggests to me that you and the hon. Member for Drayton Valley must exchange notes on educational issues. I can tell you that as a result of a submission she made to me on precisely the same question, that has been referred to the task force on educational finance. First of all, we have to establish the facts with certainty. Local municipalities are not required to make a payment to the school jurisdiction until August 30 and the following May. And, of course, they have collected money in advance of August 30. So one thing we're going to have to look at is the extent to which this is truly a problem as opposed to a legitimate argument being made for the economic benefit of the local municipal government. But it has been referred to the task force with a request that they consider the problem as you have described it and as Mrs. Cripps described it to me in a memo.

With respect to tax collection, we had informal representations made to us in 1979-80 by a number of municipalities concerned about the situation you describe. The result of those representations was that Alberta Education and Alberta Municipal Affairs studied the question in the course of which they involved the Alberta School Trustees' Association, the AUMA, and the AAMD&C. The result of that review was unanimous agreement, particularly by the two municipal umbrella organizations, who don't necessarily reflect the views of individual members, but there was agreement that the municipal government should continue to be the sole tax collecting authority. What was agreed was that a new notice should be designed that would communicate more clearly how much of the tax bill is for school purposes, how much for municipal purposes, how much for hospital or recreational purposes.

So Alberta Municipal Affairs has designed a new tax notice. It is available to municipalities next year. It will provide a clearer indication of where the money is going, how much taxes have increased on a mill basis, a dollar basis, and a percentage basis, and what proportion of the increase is going to the different purposes; that is, school, hospital, municipal, recreational. We hope that with the new tax notice, the electors will be a lot more aware of where the tax money is going and that that will relieve some of the pressure municipal governments are feeling.

MR ISLEY: I just want to clarify something so the minister isn't under the impression that Mrs. Cripps is the source of the problem. I can assure you I brought this up as a result of representation made from local municipalities, not from Mrs. Cripps.

MR KING: I didn't mean to suggest that either of you were the source of the problem. It may well prove to be that having raised the concern, you could be recognized as the solution to the problem.

MRS CRIPPS: Mr. Chairman, I'd much rather be recognized as a solution than a source of a problem. I can assure you that it may be more universal than either Ernie or I believe.

Prior to your discussion on supplementary requisitions, you were talking about grants. Have you ever in the past made grants specifically for teacher aides in primary education areas?

MR KING: No.

MRS CRIPPS: Is that a possibility?

MR KING: As long as I am minister, almost everything is a possibility.

MRS CRIPPS: I guess I'm like Fred. I'm making representation then. I believe it would be extremely beneficial to the educational system.

MR KING: Historically we have tried to avoid tying financial support to particular input costs as they are described. We don't tie our financial support to the number of teachers you have in your jurisdiction. We provide the school board with money through an array of grants, and we expect them to make decisions about what kinds of resources to buy and in what proportion to get the best value for their dollar. On the other hand, school boards have resisted tied, programmed, or conditional grants. They say -- and I respect them for this -- we are best able to judge at the local level how the money should be spent. To use the example of the School Foundation Program Fund, per pupil per annum grant, they get X number of dollars per child. If they would like to operate a grade 1 classroom with 25 students in it and a part-time teacher aide, instead of 20 students and only a full-time teacher, that's a decision in our judgment that the local school board should make.

We're open to looking at it. I would certainly be open to a submission you might make or any contribution in judging the effectiveness of an alternative. But I think I've described fairly what our historical position has been.

MR KUSHNER: Mr. Chairman, I've heard the minister refer to the AAMD&C on a few occasions this morning. Just for clarification -- I don't want to take too much time -- would you please explain who they are.

MR KING: I'm sorry, Mr. Kushner. That is the Alberta Association of Municipal Districts and Counties. In other words, it's the association of rural municipal governments. The Alberta Urban Municipalities Association is the AUMA, the association of cities, towns, and villages.

MR FJORBOTTEN: Mr. Chairman, mine isn't a supplementary on this particular topic; it's on a different one. I'd defer if anyone has a supplementary and wants to continue on this particular topic.

MR CHAIRMAN: I think we have completed that topic.

MR FJORDBOTTEN: Mr. Chairman, my question rises from page 8.5, vote 21.22. With respect to research, from your estimates to actual expended is about 62 per cent. I wonder if the research you're looking at is general, or does it have a specific focus?

MR KING: The research budget has two components. Some of that money is spent directly by the Department of Education on research which in our judgment is important, and part of it is reserved for school boards who may make proposals to us for research that they believe is important to them in their local situation. We have always expended the department's portion of that research budget. The underexpenditure in this particular year was because we had few proposals for research from the local school boards. It was the money reserved for research by local school boards that remained unexpended.

So far as the department is concerned, the directors' council -- that is, the group of senior executive officers in the department -- make a decision annually, which they revise periodically, as to what kind of research is important for the purposes of the department. The research branch either does the research itself or contracts with private individuals and corporations to do the research. Generally speaking, that research is directed toward improved administration and organization. That's the kind of research the department generally does: research in the field of administration and organization. The school board research is most often in the area of instruction and curriculum. I couldn't comment to you about how local jurisdictions establish their priorities for research.

MR FJORDBOTTEN: Mr. Chairman, a supplementary. I wonder what happens to research done by the local jurisdictions. Is that shared with other jurisdictions so there isn't a duplication? How is that shared?

MR KING: We certainly attempt to share it. Everything we contract is public information. We advise every school board in the province whenever a report is completed and released so they can have access to it. Some of it, if it's interesting, is picked up by other media and reported. For example, the Alberta Teachers' Association news sometimes carries a story about research paid for by Alberta Education, if they believe it would be of interest to teachers. The Alberta School Trustees' Association in their communication will sometimes report on research we have paid for, because they think it's particularly important that boards throughout the province be aware of it.

So it's all public information. We do attempt to communicate to interested people that it is available. We face the same problem everybody else does that our news about such reports crosses your desk along with hundreds of other pieces of paper, and sometimes we think it just passes by people.

MR FJORDBOTTEN: Thank you. Mr. Chairman, a supplementary. When you have research, who makes a decision basically on whether a local jurisdiction should go ahead with a certain piece of research? You mentioned curriculum; a local jurisdiction would want to do some research in that area. You have an in-house curriculum policies board or something like that. Is that coordinated with the research?

MR KING: When a board makes a proposal to us to do board-sponsored research, the decision is made in the planning and research branch of Alberta Education.

But the planning and research branch makes their decision on the basis of discussions with the local school board, also on the basis of discussion with other branches of Alberta Education. So if a board made a proposal to us to do research in a curriculum area, it's the planning and research branch that is responsible for making the decision about whether or not we will fund that contract. But they discuss the idea of the contract with the curriculum branch before they make a final decision. They may also discuss it with people at the university or with people in other jurisdictions. You sometimes find just as a matter of chance that two or three boards express an interest in doing similar kinds of research at the same time. So planning and research then might suggest that they get together and rethink the proposal.

MR BATIUK: Mr. Chairman, my question was a supplementary. I wanted to ask it, but didn't have the chance to.

MR CHAIRMAN: Mr. Kowalski, did you have a question?

MR KOWALSKI: Yes, I did, Mr. Chairman. Are we still proceeding?

MR CHAIRMAN: I see that our time has elapsed. I don't have many more names wanting to ask questions. Since we were a little late starting, I just wonder if we could extend our time a few minutes, in essence, saving time for the minister if we could complete his department today. If you think that's possible; we just have two or three names. Is it agreeable to the committee to extend our time for a few minutes?

HON MEMBERS: Agreed.

MR KOWALSKI: Thank you, Mr. Chairman. My question is with respect to the rural transportation formula. There's more than one question, there'll be several. Before I ask the question, I would like to make a comment. My predecessor consistently used the phraseology, which I find rather interesting on the basis of questions I want to raise. He'd say, I know it's in there somewhere, but I just can't seem to find it. My question with respect to the rural transportation formula will start off on that vein of thought, Mr. Minister.

I notice under 2.1.1, under provincial contributions to the School Foundation Program Fund, we have an expenditure level of \$5,023,548. Then a little lower down the page, under 2.2.16, under transportation, we have an expenditure level of \$1,000. Now I know Alberta Education provided more than \$1,000 in assistance to the various school jurisdictions in the province in 1979-80 under the rural transportation formula, so I can only ascertain that the funding level would be under 2.1.1. It seemed to me that that expenditure level of \$5.023 million might have been broken down or might be broken down in the future into more reference numbers that would be of more assistance to members who are looking at this public accounts document.

My questions. What was the expenditure level under the rural transportation formula in that fiscal year? I specifically would like to know what the total provincial participation was to the various school jurisdictions in the province of Alberta. Secondly, I would like to know the basis for the formula used in funding under the rural transportation formula. Thirdly, I would like to know how Alberta Education and the minister adjust the support levels because of increased fuel and operating costs that various jurisdictions would

have been affected by because of energy agreements or changing pricing factors with respect to fuel in the country.

I particularly would like to know how Alberta Education deals with these new taxes the federal government brought in to purchase such things as Petrofina and the like. I'm concerned because I seem to receive a number of inputs from constituents and others that they're not always sure exactly what the provincial participation is under the rural transportation formula, and they're further concerned that it causes a considerable operating problem during a fiscal year when some of these new taxes are just thrown in out of the blue.

MR KING: The cost of the program . . . Mr. Turch, can you . . .

MR TURCH: I have nothing with me here.

MR KING: We can't give you the cost of the program for that fiscal year, but we'll get it for you very quickly.

MR KOWALSKI: That's very fine. I'm sure the same would then apply to other questions I've raised as well. Perhaps if I can make a presentation. I think the minister is rather modest and so is his department when they list under one of the reference numbers a total figure of \$523 million and don't really breakdown what the funding participations are under that very massive figure. I think you're rather immodest. I think it would be of considerable benefit to members of this committee and the people of Alberta if they knew more specifically what each of those directions are within that total figure.

MR KING: The point is well taken. It may simply be a question of the format adopted by Treasury for the purposes of Public Accounts generally. But we can break it down, and I will provide that to you. I can also provide you with a description of the transportation formula, so you can see exactly what criteria are taken into account and on what basis.

I can make a general comment about inputs. We have someone in the Department of Education, Mr. Ed Bardock, who is with the Lethbridge regional office of Education. From time to time, he does a review of the figures plugged into the formula. He does that in consultation with the ASTA and on the basis of a review in our department of all the statements of claim filed with the department respecting rural transportation. So he looks at what every jurisdiction in the province claims as expenses associated with the rural transportation program. In addition to that, which is done on a periodic basis, he did the more major review that was completed this spring, where he looked not only at the figures plugged in but at the principles underlying the formula to see whether or not anything was unnecessary or anything was omitted that was essential.

As I said earlier, the conclusion was that the formula itself was pretty good, that the numbers we plug in have to be modified. We have done that on an annual basis generally and have not made changes if there has been the imposition of a new federal tax. Since we appear now to be in a period of erratic budgeting by the federal government, it may be that we're going to have to recognize the erratic nature of the government as a fact of life. This provincial government may have to try to respond to the erratic nature of the federal government. That's a decision, though, the government as a whole will make, not simply the Department of Education.

MR KOWALSKI: A further supplementary, if I might, Mr. Chairman. It's on this last point dealing with these new, unexpected federal taxes. Has the minister made representation to the federal finance minister about the negative impact these taxes are really making on the quality of education not only in the province of Alberta but in other jurisdictions across the country? It simply seems to me that it's rather horrendous that a national government would throw in an additional tax which would cause pretty substantial problems to jurisdictions in all parts of Canada in having to obtain funds. Here we are having a federal government come in with a new tax that simply adds another negative barrier to the improvement of quality of education.

My specific question is: have you made or considered making representation to the federal government pointing out to them that for the improvement of the quality of education -- Canadian-wide, not only within Alberta -- that school jurisdictions should be exempted from paying those unnecessary federal taxes? That's exactly what they are in my view.

MR KING: We have made representations to Mr. Rompkey, the Minister of National Revenue, and to Mr. MacEachen, the Minister of Finance. The representations were made with respect to a different tax, but it was a tax nevertheless and one which had an impact on school operations. We made those representations in concert with similar representations made by the Edmonton Public School Board and at least one Alberta MP. Essentially, the reply we received from both Mr. Rompkey and Mr. MacEachen was that they believed school boards and municipal governments should be taxed as any other citizen in the country is taxed, that remission of a tax was an indirect form of assistance, and that if they were going to provide assistance to education or to municipal government they would do it in a direct fashion that would give them recognition for the nature and size of their contribution. Having received that reply this year with respect to one other of the taxes of the national government, we decided there was no point in making representation with respect to the recent excise taxes.

MR HYLAND: Just a comment on the minister's last comment, then a question on the (bus) loading factor. I'm glad that you're looking at using the excise tax as part of the input cost in transportation. Because I know there are some counties where part of their agreement signed with their operators is a straight flowthrough on the increase in the price of gas -- X number of cents increases the mileage X number of cents. I think in some cases it put a hardship on the county because of these contracts being signed by both parties on the assumption that normally when the price of fuel goes up, it went up for a reason other than straight taxation.

To get on with the bus-loading factor. I've talked about this with the minister and with his predecessor. I'm glad that a major review has been done on transportation. I realize that our questions are supposed to stick to the '79-80 public accounts, but just to make one comment. We're thankful in the county of the experiment dealing with busing and the amount of time on busing. But the loading factor is still another thing in itself. The numbers may be wrong, but I think the loading factor is 80-plus per cent. In a county where buses are owned and operated by contract bus operators, I think it's only good business -- and I was in the business for nine years -- if you have to get a new bus, the normal thing was to get one at least one size bigger than what you actually needed. Because -- and especially in an area such as the irrigation area, where your populations can change quickly -- it would be owned by a county, they could maybe move the buses around throughout the

county. But when you have private-owned routes, the county can't fill that bus to the combination that makes the 80 per cent loading factor without creating a hardship.

Is there any way to change that so that the loading factor can be put on an agreed-upon number, and if the operator wants to have a bus size larger than that, assume the extra cost of operation and purchase, that this could be done so that it could be good business sense to go ahead and purchase the bus?

MR KING: Well, because we are in the Public Accounts Committee considering the estimates of 1979-80, I'll begin by saying that I wish I had thought of this two years ago during that fiscal year, but I didn't. It has recently come to me -- well, representations a number of times during the past 10 months. When I was at the AAMD&C convention last week, a gentleman made a very interesting representation to me, which he's going to make in writing. I hope to receive it very shortly. He may have the solution to the problem. I'm aware of your concern, and this man had a proposal that addresses it directly. So I hope we will be able to deal with it in the near future.

MR WEISS: Mr. Chairman, I'd just like the minister to clarify the revenue portion. If you refer to page 6, under one particular item where it says government of Canada bilingualism, it's \$226,762. I would just like him to clarify if this is on a participation basis, a matching grant, a percentage, or how do we actually determine what we receive? If it is on a fixed basis, how do we then ascertain what is the actual provincial cost in relation to this?

MR KING: The government of Canada in its bilingualism in education agreement has three components applicable to Alberta Education, the balance is administered by Alberta Advanced Education and Manpower and relates principally to postsecondary education. The government of Canada makes a payment of 9 per cent of the average cost per pupil of education in the province. They make that payment for each child enrolled in an immersion or bilingual program. They have estimated as a result of studies that are done that the so-called additional cost of an immersion or bilingual is 9 per cent per pupil, and so they pay that.

Secondly, they pay an additional 5 per cent for each student who is studying French as a course. Because they wanted to encourage the development of French language courses in provinces across Canada, they made the decision that a 5 per cent premium, if you will, was appropriate to encourage the development of such courses. Thirdly, they pay 1.5 per cent for administration. That is the figure represented by the \$226,762, because the other two figures I mentioned are passed on directly to local school boards.

MR HYLAND: My question is related to the special grants to children with learning disabilities. It relates to the amount of time it takes to have the student assessed, the paper work to flow through, and the moneys to get to the county. I just wonder if there's any way this action could be sped up and, once a grant is established for a child and that child moves, if the grant could or does move with them, so the whole operation of assessment doesn't have to be carried out if they go to another jurisdiction?

MR KING: Yes. First of all, we're attempting to improve diagnostic services; secondly, we are attempting to improve the sharing of information about a child. You can appreciate that it is a very sensitive area. It relates

immediately to personal confidentiality and extends almost immediately into the area of practitioner/client confidentiality, as between doctors or psychologists and psychiatrists and the child or the parent of the child. So in practice, it is very difficult to achieve what you want, but we want it too and are working on it. We're also working on a proposal that we hope would speed up the payment to local school boards and have it more directly follow the child. Such a proposal is under consideration at the present time.

MR CHAIRMAN: It appears from the Chair that we have no further questions to the Minister of Education. So that being the case, on behalf of the committee I would like to thank you, Mr. Minister, and the gentlemen you brought with you for appearing before our meeting here this morning. I would like to apologize to the two gentlemen. It's rare that I ever get my right and left mixed up, but I do get my cards mixed up once in a while, because I am one who, whatever the minister, likes to keep them all to the right.

MR KING: Just on procedure, Mr. Chairman, certain information has been asked for. Because it was asked for in committee, we'll provide the information to you as the chairman of the committee, and we'll also provide a copy to the individual member of the committee who asked for it. But unless your practice is different, I wouldn't propose to provide copies of it for every member of the committee.

MR CHAIRMAN: We appreciate that, Mr. Minister, and we'll see that it gets to the proper members who asked the questions. Could we have a motion to adjourn. Mr. Hyland, did you have a question?

MR HYLAND: Just a motion to adjourn.

MR CHAIRMAN: I appreciate that.

MR WEISS: I wasn't aware that you were going to adjourn quite so fast, Mr. Chairman. I notice you have scheduled to appear the Alberta Housing and Public Works Minister, or have requested it. But last year, I believe we've gone through that department. Why couldn't we perhaps consider at this time, if other members would agree, to look at one or two other departments that we haven't had. I'm suggesting perhaps Recreation and Parks or Environment, and get on with something we could perhaps dig into that we haven't had the opportunity to for sometime, whereas we have recently with Housing and Public Works.

MR CHAIRMAN: The Chair and also our secretary would certainly appreciate recommendations of more departments to the committee, because we have been having problems getting the recommended departments at a particular time. So if we could get some recommendations, I'm sure Shelley and I as chairman of the committee would appreciate it.

MR WEISS: Then, Mr. Chairman, I recommend those two departments, Recreation and Parks and Environment.

MR CHAIRMAN: Mr. Hyland, did you have a recommendation?

MR HYLAND: No. I was just going to say in line with what Mr. Weiss said that I thought, as I remember the discussion -- and I believe it was Mr. R.

Speaker's comment about what he wanted to talk about relating to the Department of Housing and Public Works related to the '81-82 year. I assumed after he had said that, that that had been dropped because we had looked at it in the spring and we, to use a phrase, would be plowing old ground.

MR CHAIRMAN: Just to be fair to the committee. We made the recommendations and had them lined up. We started out with the Provincial Treasurer, then the Department of Education and so on. Then we had the Department of Housing and Public Works. I think we should still . . . If the Department of Housing and Public Works is available, I think it's only fair to the committee, because those were the instructions the Chair got. I think we should stick to that. But there's a possibility -- and I don't think we can get the Minister of Housing and Public Works for our next meeting. I have discussed it with officials of his department, and I'm almost certain that he's not able to attend.

If there are no more recommendations, we have Housing, Recreation and Parks, and Environment. If there are no further recommendations, a motion to adjourn will be in order.

*The meeting adjourned at 11:53 p.m..*