

[Mr. MacDonald in the chair]

THE CHAIR: Good morning, everyone. Could I ask you now to please take your seats. Thank you. I would like to welcome you to Public Accounts this morning, and I would like now to call this meeting to order.

The agenda was circulated earlier. Any questions? May I have approval of the agenda, please? Thank you very much.

On behalf of the committee I would like to welcome the Hon. Dr. Lyle Oberg, Minister of Learning, this morning. Tradition now has it that we start with Ms Blakeman and introduce ourselves quickly, please, for the benefit of the minister's staff.

[Ms Blakeman, Mr. Cao, Mrs. Dacyshyn, Ms David-Evans, Ms Dawson, Ms DeLong, Mr. Hug, Mr. Hutton, Mrs. Jablonski, Ms Ludwig, Mr. Lukaszuk, Mr. H. MacDonald, Mr. S. MacDonald, Mr. Marz, Mr. Mason, Dr. Oberg, Mr. Olson, Mr. Shandro, and Dr. Taft introduced themselves]

THE CHAIR: Thank you. Dr. Oberg, if there are other members of your staff who would like to assist in questioning or anything, they're welcome to join us at the table if they wish, or they can answer, if they've got anything, at the microphone at the back.

DR. OBERG: We're fine. Thanks.

THE CHAIR: Okay.

UNIDENTIFIED SPEAKER: We're letting Joel come up.

DR. OBERG: Joel Palmer is my EA. He can't answer questions though.

THE CHAIR: Dr. Oberg, would you like to give a brief overview, please, of your department?

DR. OBERG: Certainly. Good morning, ladies and gentlemen. In presenting the Ministry of Learning's annual report, I'm joined by Maria David-Evans on my left, who is the Deputy Minister of Learning; Jeff Olson on my right, who is the executive director for corporate services; and Steve MacDonald, who is the executive director for adult learning; also Joel Palmer, who is my executive assistant.

This annual report is a record of how we are progressing with our mandate to foster lifelong learning. Our assessment of the ministry's performance is based on two considerations: one, how we performed in relation to our measures and, two, what we actually did in terms of initiatives to achieve our mandate. During the year 2000-2001 the ministry invested approximately \$4.5 billion in the education system. This is an increase from the \$4.3 billion invested in the previous year. The postsecondary system served approximately 124,000 students in 2000-2001, an increase of more than 4,400 students over the previous year. In the basic education system we served more than 580,000 students in the 2000-2001 school year. Alberta Learning continues to pursue its goal of providing high-quality learning opportunities, excellence in learning achievement, well-prepared learners for lifelong learning, effective working relationships with partners, and a highly responsive and responsible ministry. Through the accomplishment of these goals and our continued collaboration with our stakeholders, Alberta continues to have a high-quality learning system. I would like to share with you some of the accomplishments of Alberta Learning in 2000-2001.

Goal 1, "High quality learning opportunities." Some of the initiatives undertaken to promote high-quality learning opportunities included, one, the introduction of growth and density grants and increased funding for jurisdictions to address costs resulting from unexpected enrollment growth in schools; two, the development of a draft kindergarten to grade 12 social studies curriculum that recognizes the unique cultural perspectives and contributions of aboriginal and Francophone cultures; three, the introduction of a staged increase in funding to expand services for 7,000 special-needs students with severe emotional or behavioural disabilities; four, the establishment and support of an MLA funding review committee to improve the flexibility and responsiveness of the postsecondary learning system; five, we led a provincial symposium to further develop the Campus Alberta concept of a single, streamlined learning system.

These and other initiatives provided high-quality learning opportunities and are translating into greater satisfaction. An impressive 94 percent of high school students and 88 percent of parents continue to be satisfied with the quality of basic education. An equally impressive number of adult learners expressed satisfaction with the quality of their education and training; 92 percent of adult learners said that they were satisfied, exceeding our target of 90 percent. Ninety-five percent of apprentices indicated that they were satisfied with their training, and 92 percent of apprentices were satisfied with their work experience. In addition, 81 percent of adult learners continue to tell us that their training has prepared them for the workforce. Public satisfaction is also high in this area, with 77 percent stating that adult learners are being well prepared for the workforce. Adult Albertans recognize the importance of lifelong learning, with 30 percent participating in credit and noncredit courses.

A high-quality education system does not come without an investment. In postsecondary education there is a fine balance between the costs borne by the government, parents, and students and those coming from other sources. Tuition represents only 24 percent of the overall net operating expenditures for postsecondary credit programs. We have heard the concerns expressed about the costs and accessibility of postsecondary education and have responded by increasing the assistance to students to an average of \$7,446 from \$7,082 in '99-2000. In addition, in 2001-2002 we implemented a new student loan relief program, which will provide more than \$70 million in debt reduction and respond to student concerns about rising debt levels.

Goal 2, "Excellence in learner achievement." Alberta learners continue to achieve excellent results. On achievement tests for students in grades 3, 6, and 9 students met or exceeded provincial expectations at the acceptable standard in six of 10 tests and met or exceeded the standard of excellence in eight of 10 tests. In grade 12 diploma examinations the target for the acceptable standard was met in three of nine tests, and results improved over the previous year on three other tests. The target for standard of excellence was met or exceeded in six of nine diploma exams.

In a recent international assessment by the Organization for Economic Co-operation and Development Alberta students ranked number 1 in reading and third in math and science out of the 31 participating countries and all 10 Canadian provinces. Also, recently the Council of Ministers of Education of Canada released the results of the 2001 school achievement indicators program. These results showed that Alberta's 13- and 16-year-old students are leading the country in mathematics. These are Alberta's best ever provincial results.

To further improve our results, Learning continues to implement the Alberta initiative for school improvement program, which

provides funding for projects designed to improve student learning. Since 1995-96 the number of students who have completed high school within four years has steadily increased from 59 percent to 66 percent. The completion rate within a six-year period rose to 71 percent. This number jumps to 90 percent completion for Albertans between the ages of 25 to 34, demonstrating that adult Albertans recognize the importance of completing high school. Alberta Learning is working with school jurisdictions to focus on improvement of the high school completion rates. We are also working with education partners to review the success of various programs and initiatives under way that encourage students to complete high school. For example, there's the Alberta children and youth initiative, the early literacy initiative, and the Alberta initiative for school improvement.

In Learning we know that high scholastic standing should be rewarded. One of the ways we recognize students who excel is through scholarship programs. Since 1997-98, 42 percent more scholarships are available, and the value of these scholarships has increased by 85 percent.

Goal 3, "Well prepared learners for lifelong learning, the world of work and citizenship." In order to prepare learners for lifelong learning, there needs to be a strong foundation for young children. Parents have clearly shown their desire to give their children a good head start. Although attending the early childhood services program is not mandatory, 95 percent of students starting grade 1 have attended these programs. The ministry also recognizes the value of preparing children for entry into the school system. It is for this reason that we have expanded kindergarten funding to increase the number of instructional hours to 475.

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Other initiatives designed to promote lifelong learning include increasing aboriginal participation in apprenticeship: for example, by facilitating training in the carpenter trade on the Siksika, Sarcee, and Garden River reserves; providing alternative technical training delivery opportunities for apprentices as identified by industry; and the creation of approximately 1,800 postsecondary spaces in priority labour market areas.

Employment prospects for postsecondary graduates are very high. Of those who have graduated from universities, public colleges, technical institutions, and private university colleges, 83 percent were employed, 68 percent in work related to their education. Ninety-seven percent of journeymen graduates found employment, 93 percent in jobs related to their training, and more than three-quarters of graduating apprentices have acquired the red seal, which enhances their interprovincial mobility. A large majority of employers have also reported that they are satisfied with the skills our students have acquired.

The increased globalization of the economy has heightened the need for Albertans to be able to communicate in other languages. In 2000-2001 Alberta Learning initiated the enhancing second language project. The goal of this project is to increase participation in second language programs and enhance Albertans' ability to participate in this new economy. This project is timely given that only 22 percent of high school students participate in second language courses.

We also want to help learners be prepared for citizenship by ensuring that students have the knowledge, the skills, and the attitudes to become contributing members of society. Public satisfaction with adult learners' and high school students' preparation for citizenship is increasing. Alberta's curriculum is also addressing citizenship. For example, a new social studies resource has been released to help grade 6 students gain a better

understanding of school boards and their function. This new social studies resource highlights the importance of education in Alberta and the role of school boards within the education system.

Goal 4, "Effective working relationships with partners." Alberta Learning recognizes the value of partnerships in achieving not only our initiatives but also in helping other ministries achieve their goals. We participate in many joint initiatives to enhance learning and to contribute to achieving the province's social and economic goals. We have partnered with the Alberta Online Consortium to present an on-line learning symposium for 550 kindergarten to grade 12 and postsecondary educators from across Alberta and Canada. As a participant in the economic development strategy, we partnered with Human Resources and Employment to update and distribute the youth employment strategy to schools, postsecondary institutions, and other learning organizations throughout the province. This partnership is designed to promote labour force participation.

As part of the aboriginal policy initiative, we partnered with Edmonton public schools to pilot a new aboriginal high school aimed at better meeting the needs of urban aboriginal students. The Rainbow Spirit project is a joint project between Edmonton Catholic schools through their aboriginal learning centre and Alberta Learning. The purpose of this project is to provide a learning environment that is more responsive to the needs of aboriginal students. In collaboration with key partners and stakeholders Learning conducted a review of the delivery of special education programs. The final report, called Shaping the Future for Students with Special Needs: A Review of Special Education in Alberta, identified 66 recommendations, over half of which have now been implemented.

We have been involved in cross-government initiatives that I have not yet mentioned. For example, the introduction of the Alberta Corporate Service Centre, the corporate human resource development strategy, the children and youth initiative, and the corporate information management information technology strategy. Alberta Learning's working relationship with our partners and stakeholders is positive. Both partners and stakeholders agree that Alberta Learning staff are flexible, at 70 percent; responsive, at 82 percent; and collaborative, at 77 percent.

Apprentice graduates and employers in the apprenticeship and industry training system are also very satisfied with the quality of services received from the ministry's apprenticeship staff. The most recent satisfaction level for both groups was 92 percent.

Goal 5, a highly "Responsive and responsible ministry." Alberta Learning's financial investment goes toward programs and initiatives to improve learning opportunities for students. The proportion of revenues school jurisdictions spend on instruction increased from 72.1 percent five years ago to 74.5 percent. The proportion spent on administration decreased from 3.8 percent to 3.5 percent. Postsecondary spending on administration as a percentage of total postsecondary institutional spending also decreased from 6.3 percent five years ago to 6 percent. Alberta Learning has successfully met its financial targets while addressing unanticipated increases in energy costs for postsecondary institutions and school boards. We are proud of the fact that spending on department administrative functions was only 1.8 percent of the total spending on learning systems.

In conclusion, Alberta Learning has many successes to report. We have a strong performance record. Out of more than 40 performance measures we maintained or progressed on all but three. I would like to comment on those specific three. The slight decrease in the number of adults participating in courses can be attributed to increased employment opportunities in Alberta. We have initiated the enhancing second language project to reverse the decline in the

number of high school students participating in second language courses. There has also been a slight decrease in the percentage of employers satisfied with the skills acquired by students graduating from degree and diploma programs. Even so, employer satisfaction remains very high, at 84 percent satisfied with the skills of students graduating from degree programs and 89 percent satisfied with the skills of students graduating from diploma programs.

Alberta continues to be recognized nationally and internationally as a leader in education. Together with our education partners we will ensure that our learning system continues to meet the needs of all Albertans.

Thank you. I would be pleased to answer any comments or questions.

THE CHAIR: Thank you very much, Dr. Oberg.

We will start the questioning again with Ms Blakeman from Edmonton-Centre, followed by Mr. Marz.

DR. OBERG: Could I just ask that when you ask a question, you also give me the page number and reference, please?

THE CHAIR: Certainly.

MS BLAKEMAN: Good morning and welcome. No fun seekers today? Oh, one fun seeker. Great.

I'm going off information on page 117 of the Alberta Learning annual report for 2000-2001, and in it it notes that the internal government transfers as revenue from the lottery fund have gone from \$24.6 million to \$89.3 million, more than three times as much, between 2000 and 2001. My question to the minister: is he able to detail for us what that money was used for? He may not have that off the top of his head.

DR. OBERG: But then again I might.

MS BLAKEMAN: But then again he might. So if he does choose to give this as a written response, we always ask that that's directed through the clerk.

DR. OBERG: Thank you. The roughly \$60 million difference was the onetime payment of the technology fund. We prorated \$20 million per year over three years, which resulted in a \$60 million payment on technology to the school boards in that year.

MS BLAKEMAN: Okay. My supplementary question to that then. Can the minister – I'm looking for the right word here – comment on whether in fact the entire amount – and you've talked about \$60 million of it; there's still a remaining \$29 million – was used for educational purposes that would not be considered core programming?

DR. OBERG: I guess, if I may, that's a very difficult question in that it all comes down to: what is your definition of core programming?

MS BLAKEMAN: It would be the definition that the Minister of Gaming is constantly using to tell me that lottery funds are not being used for core programming.

DR. OBERG: Well, the \$60 million was used for technology. The other \$29 million has been used for specific capital purchases in the education system. Whether or not you define that as being core or not being core is very difficult to say.

MS BLAKEMAN: Great. If I could just maybe get a list of that in writing.

DR. OBERG: Certainly.

MS BLAKEMAN: Thanks.

THE CHAIR: Thank you.

Mr. Marz, followed by Dr. Taft.

8:52

MR. MARZ: Thank you, Mr. Chair. Mr. Minister, on page 26, dealing with services for children with special needs, your survey results point to parental satisfaction, but what do the survey results actually tell us about whether the learning system is meeting the needs of students with disabilities? Excuse my raspy voice this morning.

DR. OBERG: What were you doing last night?

MR. MARZ: The last three weeks I don't know what I've been doing, but not the right things.

DR. OBERG: Sorry. Could you just repeat the question again, please?

MR. MARZ: Okay. The survey results on page 26 deal with parental satisfaction, but what do the results tell us about whether the learning system is actually meeting the needs of students with special needs?

DR. OBERG: I believe that one of the most important indicators on students with special needs is parental satisfaction. One of the things that we certainly see in students with special needs is that their best advocate by far tends to be their parents, and as a defining moment I believe that parental satisfaction is extremely important. Although I am not a huge fan of surveys that talk about satisfaction, in this particular case I do believe that it is very significant, as the special-needs parents play an extremely large role in the student's life.

MR. MARZ: Supplemental to that: what support does your department provide to special-needs students?

DR. OBERG: In the year 2000-2001 we were at a little over \$12,000 for severe special needs. For the mild to moderate I believe we were at around – I don't have the exact dollars.

MR. OLSON: It's over \$2,000.

DR. OBERG: Around \$2,000. So we do provide significant supports to students with special needs. Probably a question that I get asked more than any dealing with the education system is around the supports for special needs. One of the huge steps that I feel we took – although it wasn't in 2000-2001; it was in 2001-2002 – was the acceptance of the 66 recommendations that were brought forward in the special-needs review. Included in that were different ways to fund nonlabeling of students, assessments of students only to help them in the educational program as opposed to just providing a label with them. I believe that this will go a long way in increasingly meeting the needs of parents and the special-needs kids.

MR. MARZ: Thanks.

THE CHAIR: Thank you.

Dr. Taft, followed by Mr. Lukaszuk.

DR. TAFT: Thanks, Mr. Chairman. I refer the minister and his staff to page 184 of the annual report and the particular line on school-generated funds, \$45,279,000. Can you give us some details on how those funds were raised, what those funds represent? Can you give us a breakdown on that \$45 million?

DR. OBERG: Certainly, and I can give you a more extensive breakdown in writing if I may, Kevin.

DR. TAFT: Sure. Good.

DR. OBERG: Roughly 29 percent was used for things such as yearbook, trips, things like that. I believe that 8.1 percent was used for other fund-raising activities, and what I mean by that is, for example, a school raising funds for the heart association or the lung association, things like that. I believe that was roughly 8.1 percent. [interjection] Oh, actually I was wrong; 12.7 percent. Forty-one percent was the general school activities, which I had talked about before. Ten and a half percent was the noncore resources, materials, and software such as band, choral, supplies and printing, fine arts, and 14.7 percent was capital equipment and furniture such as playgrounds, computers, vans, field trips, and buses. The cafeteria and lunch program was 6.9 percent, and athletics and field trips were 14 percent. I'd be more than happy to give this to you in writing as well.

DR. TAFT: Sure. Okay. Now my supplemental, if I may, Mr. Chairman. Either or both the minister and the Auditor General may want to comment on this. Having kids in schools and participating in bottle drives and fun auctions and all of that raises questions for me about: how accurate is that figure? How do you in your annual report come to a fairly precise number in terms of fund-raising activities? What's the audit procedure? How do you possibly keep track of all those bottle drives?

DR. OBERG: Well, first of all, I will say – and the Auditor General can certainly comment on this as well – that it was better this year than it was last year, and it continues to get better. But that certainly has been a problem to us as we have gone through and attempted to find, you know, the \$5 or \$10 raffle items, things like that, and accounting for those dollars has been an extremely difficult task. I do believe, however, that it is an extremely important task, and it's something that we continue to strive towards improving. I think it's essential. Perhaps, Nick, you can comment on it as well.

MR. HUG: Well, perhaps I could comment on that. For auditors of school jurisdictions it's a difficult item to audit. I would just note that on page 199 of our annual report we summarized the results of school jurisdiction audits. At the bottom of that page we indicate that "for 36 school jurisdictions, there is a need to improve controls over the processes used to collect, record and report school-generated funds."

MR. SHANDRO: The process has been improving; it's getting a lot better. There's always a challenge when funds are raised in such a decentralized manner. It depends on the control processes that the schools themselves employ over that, and that has been getting better. The accountability is growing, so we're seeing fewer auditors' qualifications on the school-generated funds than has been the case in the past. The accuracy of it, I think, is moving to greater

precision.

DR. OBERG: If I can just add to that, if I may, Kevin, one of the things that we're striving to do is ensure that we know how the money is being spent as well. So it isn't just the collection of the dollars. It's actually how the moneys are being spent, and that's the challenge for our auditors. As Nick was saying, it is something that is improving. We're not where we want to be yet though.

DR. TAFT: If you had any details on that in writing, that would be great.

DR. OBERG: Certainly.

DR. TAFT: Thank you.

THE CHAIR: Thank you.

If I could remind Dr. Oberg and his staff, please, questions in writing can be sent to the clerk.

DR. OBERG: This is down in *Hansard* as well.

THE CHAIR: Mr. Lukaszuk, followed by Mr. Mason.

MR. LUKASZUK: Thank you, Chair. On page 194 the Auditor General's recommendation no. 31 states that "the Department of Learning improve its systems to ensure that long-term capital planning for school facilities is consistent with plans for the delivery of education." Minister, can you advise us how the department has responded to that recommendation?

DR. OBERG: Certainly. First of all, to provide a little bit more background on that, the education plan and the capital plan are intended to capture parallel information, not the same information. The capital plan represents a jurisdiction's best possible scenario for new and existing infrastructure, while the education plan is more of a description of the learning and teaching program. I would say that the most significant thing that has been done on the long-term capital planning has been the introduction of the education or learning component of proving capital expenditures, proving new capital buildings. As you know, I'm sure, with Bill 16, done last year, in the year 2000-2001, there are opportunities for learning opportunities to be included in capital planning. If I may use an example, I believe that the best example that we have is the Amiskwacy Academy. This was a school that was planned for capitally purely because we had a need for learning opportunities for the aboriginal students. It was not on the priority list. It was not because there were more students in one particular area or the other. This is purely an example of learning opportunities as to why that school was built and why the capital dollars were put into it. That's probably the best example I can give you. Infrastructure and Learning continue to work extremely well at planning for the future when it comes to capital expenditures, and I believe we took a huge step with Bill 16.

9:02

MR. LUKASZUK: Thank you, Minister.

THE CHAIR: Do you have an additional question?

MR. LUKASZUK: No supplemental. Thank you.

THE CHAIR: Okay. Thank you.

Mr. Mason, please, followed by Mrs. Ady.

MR. MASON: Thank you, Mr. Chairman. Minister Oberg, I'm looking at the Auditor General's report, page 189, the section entitled Reporting Entity. The Auditor's opinion is that generally accepted accounting principles applicable to the Ministry require school jurisdictions and the public post-secondary institutions to be consolidated in the Ministry financial statements. Accordingly, I am of the opinion that the Ministry financial statements are not fairly presented.

It goes on to talk about the concerns that the Auditor has. In terms of Auditor's speak, if I may, this is a fairly serious concern. I think it's a very serious concern and would like to know what the ministry's position on this recommendation is and whether or not it's going to be changed.

DR. OBERG: There are a couple of issues here, and one of the issues quite frankly is that on the postsecondary side of things the postsecondaries continue to have a lot of their own money. They raise a lot of their own money. They raise in some cases around 50 percent or 55 percent of their own dollars. The question exists as to whether or not that 50 or 55 percent should be included in the ministry's statements. We do not have control over how that money is raised, whether it be by investments, whether it be by donations, whether it be by outside business ventures. For example, the University of Alberta has significant outside business ventures. So the question comes down to whether or not these types of procedures should be put into our financial statements.

I fully understand the Auditor's point of view on this. I will say, though, that we do have a difference of opinion. I have a difficult time putting in my business plan and in my financial statements something that I do not have the control over. I do not have the control over how the postsecondary institutions fund it. I do not have control over how the postsecondary institutions raise their dollars. I fully recognize the accounting procedures, and it is something that we are working with the Auditor General on in order to come to a successful conclusion to that. There are some issues though.

MR. MASON: Thank you. For my supplemental, Mr. Chairman, I'd like to ask the Auditor General's department about this recommendation. I note that the recommendation includes school jurisdictions as well as public postsecondary institutions. Are you satisfied with the progress that's being made on this recommendation? Are there things that you think the ministry could be doing to overcome the difficulties identified by the minister?

MR. HUG: Well, this is a problem, as you are aware, which goes beyond just this ministry when you talk in terms of the reporting entity. In our report we also refer to regional health authorities, as an example. The pace, admittedly, on this is slow, but I do want to acknowledge that there is a group, the Public Sector Accounting Board, that has a project under way right now which will be looking at trying to clarify the criteria which one uses to judge whether an entity such as a school board or a college or a university should or should not be consolidated. Right now the criteria are open to interpretation, and therefore we get into these types of debates on whether or not these entities should be consolidated. Hopefully within the year we'll have some further clarification, at least in the sense of an exposure draft that we can start discussing and debating and hopefully help to move this along somewhat.

MR. SHANDRO: I also want to make the comment that this ministry has been working positively with us in trying to put together such a statement to see what it might look like and so on, so they haven't been putting their head in the sand. I really enjoy that attitude that

they've put in there. The government's position, of course, is that they don't want the consolidation issue.

Just a little further word on these so-called revenues that are outside of government funds. I mean, there is some impact there. There are controls by government on the amount of tuition fees that can be charged. There are controls on the amount of debt that can be issued. There's a lot of policy and direction setting for these institutions, and so should it be, but these are the kinds of things where you have to look forward, beyond just how many board members you have on a board in terms of controlling the institution. As you remember from the recent press, the number of directors on a board doesn't necessarily give you transparency about the risks in what we call a special purpose vehicle, such as a school board, which is designed to deliver an educational program. Those sorts of risks have to be addressed properly, and when there are sufficient elements of control required and so on, under our current interpretation of generally accepted accounting principles they should be consolidated.

MR. MASON: Thank you.

THE CHAIR: Thank you.

Member for Calgary-Bow, Alana DeLong, I apologize. Please proceed.

MS DeLONG: No problem. It happens.

As you probably recall, on many occasions I've commented on how valuable our auditing system is to the government and how much of an integral and valuable part it is, so I'm going to be a little bit critical here. On page 188 of your report you're talking about the Southern Alberta Institute of Technology and the recent project that they had with their new building. I'm a little bit familiar with this. This is an extremely successful project. If anybody has been up to that building – it is, I'm sure, way better than what they actually even planned on doing in the first place. The finishing is incredible. The whole building itself is absolutely first-class. This is a project that came in on time and under budget. You've got three points here that are a little bit critical of it, and I'm wondering if maybe this building, the way they did it, should be looked at as the way that maybe more people should be doing it. I'm just sort of wondering. In terms of the risk analysis, if we had, you know, spent hundreds of thousands of dollars or millions of dollars on risk analysis, would this project have gone ahead? In the second place, "strengthening project management controls." It seems to me that if you've got a project that comes in under budget, then that project management must have been first-class. In terms of the annual disclosure of conflict of interest, yeah, maybe there were some holes in the system, but obviously it worked. So I'd just like your comments on that.

9:12

MR. HUG: Well, you raise a couple of interesting questions, and I'll have to ask Nick to supplement. We believe that there are some fundamental controls that should be in place when projects are being managed, and putting together a proper business case, which would include risk analysis, is something that should be done for every significant project.

Now, you know, one of the thoughts I had was that if that type of thing was done, even though you were under budget, is it possible that you could have been further under budget? In other words, even though you did realize what would appear to be savings, could the project have been managed even better? I don't know. I don't have an answer to that. Those are just questions that come to mind when

you don't have these types of controls in place. I mean, our role is to comment on systems and processes that an organization has in place to manage its affairs, and when we see these types of things that are lacking, it's our responsibility to point them out even though at the end of the day the system and the process may have produced a reasonable product.

Nick, did you want to add to that?

MR. SHANDRO: Well, we feel that we're not commenting on the quality of building or the issues that you raised. We're talking about breakdowns in what are normal criteria in a contract process, and I think these are generally accepted by most people who are involved in contracting, like having contracts properly reviewed by people who are competent in doing so and so on. We see numerous adverse consequences – and I don't want to lay them out right now here – in institutions who regularly disregard these processes. There have been what I'd consider to be abuses of the system, including fraudulent acts, in the past in other construction processes and so on. If you're critical of the fact that we're laying out that there is room for improvement here, so be it. I don't think that we were off balance by suggesting those sorts of things that we were suggesting in terms of doing the reviews that were necessary to find out whether or not there were other opportunities in this organization.

Coming in on budget sometimes is no big trick if you have a budget that's larger than what it ought to be in the first place. I've seen a lot of examples of that sort of thing as well. Other people have come up with a very skimpy budget and maybe delivered more and also overran the budget. Is that a bad thing? Well, of course, we can talk about that. It's important to manage and mitigate your risks. We pointed out those risks, and management has agreed with us on our observations.

THE CHAIR: Dr. Oberg.

DR. OBERG: Thanks. If I can just comment on that as well. I was just going to add to what Nick has said. SAIT has agreed with these recommendations and will abide by them. The one comment that I will make is that a lot of the project management was done on a volunteer basis by professional project managers but people who had donated their time, and I do believe that this is what caused a little bit of this as well.

I'll also comment on the Auditor General in general, and the comment that I have is that the work they have done has exposed some very unsavory circumstances and has led to people being let go and has led to a lot of things, so I do commend the Auditor General's department on this. There have been some issues in our department, and through the Auditor General we have continued to track them down at the institutional level and have taken the appropriate steps. So I do thank them for that. This may sound like it is being particularly mean-spirited, but in actual fact it saves us in the long run.

MS DeLONG: Thank you.

THE CHAIR: Do you have a follow-up question?

MS DeLONG: No. That's fine. Thank you very much.

THE CHAIR: Ms Blakeman, followed by Mary Anne Jablonski.

MS BLAKEMAN: Thanks very much. I'll refer the minister to page – well, a couple of pages, actually – 81 of his annual report, I guess followed by the information that's provided on pages 82 and 83. I'm

looking at his special-needs funding and how it breaks down. My other reference to this is your goal 1, which is accessibility, "Albertans with special needs can participate in learning," and I'm thinking of schools that I have here in Edmonton-Centre. What I'm interested in is: was the funding for special needs allocated to school districts sort of prorated so that the total number of students in a district get X amount of money, or does it go on the number of special-needs kids that have been identified in a given group?

DR. OBERG: There are two ways, if I can answer that, Laurie, and the reason I'm answering it two ways is that it was changed in September from recommendations that were made in the year 2000-2001. There were also things that were done the year prior to that. When I became minister, the first thing that I did was lift the caps on special-needs students. What this meant is that each individual student that had these severe special needs was funded. Prior to me becoming minister, there was a cap, so if there were, say, a hundred students that you were funded for and if there were 125, you would receive funding for a hundred. When I came in, I lifted that cap and went to: if there were 125 students, you received funding for 125 students.

In the recommendations from the special-needs report they recommended that this be changed, and indeed in September of this year it was changed. What we now do is we take the growth in special-needs kids over the past five years, extrapolate that up, and provide a number to the school boards on the amount of dollars that goes to them. It's called their jurisdictional profile.

The interesting thing on this is that the first year it was done was in September of this year, and with roughly 65 school boards I was anticipating that there would be quite a large outcry in that we would have gotten it wrong. In actual fact we only had three jurisdictions, three school boards, two of which were in my constituency, that complained about the actual number. So we did get it pretty well right on with our extrapolation.

So that's how it is done now. The dollars are given to the school board, and the school board then distributes the dollars out.

MS BLAKEMAN: Okay. I'm wondering then – and I remember the cap being taken off, actually. Is part of the money that's assigned including the money that's available for things like teacher aides to help special-needs kids? Part of what I'm trying to get at here is: was there additional compensation for the aides for special-needs kids if they were handling more students, for example? So if in one of my schools one aide was looking after eight kids and another aide was looking after four kids in a class, was there a difference in their compensation rate?

DR. OBERG: No. What would be happening for the eight kids is that each child would receive roughly 12 and a half thousand dollars, so it would be in excess of a hundred thousand dollars. How the school board divies out those funds, as I say, is up to the school board. We give the funds to the school board. We use the classification in order to distribute the dollars out, but how the school boards actually distribute it down to the schools is up to the individual school boards. In some cases, for example, we may see \$40,000 to \$50,000 being spent on a particular high-needs kid. In other cases, as you say, where there are eight high-needs kids that are with one aide, they've actually gained dollars on that. So those are the individual decisions that the school boards have to take accountability for and be responsible for. The other thing that I will add is that the school boards certainly want the flexibility to be able to do that as well.

9:22

MS BLAKEMAN: Okay. Thanks.

THE CHAIR: Mrs. Jablonski, followed by Dr. Taft.

MRS. JABLONSKI: Thank you. Dr. Oberg, I'm referring to your ministry annual report, page 10. On the graph on page 10, when comparing 2000 and 2001 actuals to the prior year, the ministry spent an additional \$122 million in support of basic education. What programs or services did these additional funds support?

DR. OBERG: First of all, what we did is there were very few new programs that were added in in this year. We had the Alberta initiative for school improvement, which was continued on. We had the school technology programs, which were continued on. The majority of the increase was actually in existing programs, so it was an increase, for example, in the dollars that went to the school boards and the funding framework. It was also the school technology, things like that. Albeit it was not new programs that were brought in, it was increases to existing programs in all likelihood. Was AISI brought in that year?

UNIDENTIFIED SPEAKER: Yes.

DR. OBERG: Okay. So \$37 million was brought in for AISI as the first part of, for seven months, the \$68 million per year that's spent on it.

MRS. JABLONSKI: Thank you. Can you tell me what the student health initiative funding pays for, please?

DR. OBERG: Sure. The student health initiative was brought in about, oh, three to four years ago, and at that time we recognized that there was a lot of overlap in the school system between Children's Services, the regional health authorities, mental health, and the school jurisdictions. So what the student health initiative set out to do was to bring all of those together so that we would avoid the duplication and overlap of what was occurring before. We had people that would have a speech therapist, for example, employed by the regional health authority that would come into the school system one day a week, and the next day there would be a different speech therapist that was employed by the school jurisdiction that would come in. So what the student health initiative is is an attempt to streamline that, to decrease the duplication of services and make it much more tolerable for the student.

The other important issue – and probably I understate this a little bit – is just the co-ordination of the planning. When I talked about the speech therapist, one speech therapist would have one particular plan, another speech therapist would have a different plan for potentially the same student. So we had to find a way to do it. We subsequently brought in the student health funding.

The other very important comment that I will make on student health, if I may, as well, is that inherent to the student health is that no one could decrease funding. For example, the threat was that the school boards would take it over and the regional health authorities and the children's services authorities would just gradually withdraw their funding. So an agreement was made that the funding that was put into the school boards could not be lower than it was for the past year. It has now increased to \$27 million a year and is working extremely well in the majority of situations. As with anything, there are particular areas that are not working as well as others, but in general the student health initiative has been a very large success.

MRS. JABLONSKI: Thank you.

THE CHAIR: Thank you.

Dr. Taft, followed by Mr. Cao, please.

DR. TAFT: Oh, so many questions and so little time. I'll go with one coming out of a couple of different pages of the annual report. Well, let's just go to page 143, which has the summary of the universities' financial positions. You'll have to go beyond the information that's on that to answer the question. It has to do with the use of tuition fees within the postsecondary institutions. Tuition fees have climbed, and it's a real concern for students. I represent the University of Alberta in my constituency, and one of the concerns that I hear not just from students actually but from faculty is that universities in particular are shifting more and more into research institutions. The concern therefore is that the students paying more and more tuition are not necessarily seeing that their contribution, especially at the undergraduate level, is getting returned to them by that tuition money being poured into teaching. Rather, they're contributing for an education, and in fact their increased tuitions are going more and more to research. Are you following my thoughts here?

DR. OBERG: Yeah. Certainly.

DR. TAFT: Have you, either the ministry or perhaps the Auditor General, done any analysis on the correlation between the tuition increases and the amount of money that's going into actual teaching at universities?

DR. OBERG: If I can, Kevin, on that, I'll start off on the very macro level and then work down to the micro level, if I may. On the very macro level – and, as you know, a university's reputation is very much based upon the research that is done. It is very much based on the expertise that is accumulated within a specific university. More and more the research-based universities are depending on their reputation, on a lot of the research components that are done with them. Subsequently they have shifted some of their resources more into the research side in an attempt to build up that reputation, and we've seen a huge success at the University of Alberta, for example, in research.

What that does to the individual student who goes for the undergraduate degree is something that I feel is extremely important and that I feel is going to become more and more important, and that is that the location a degree comes from is something that is going to be taken into consideration. I think we've already seen it, for example, with the Harvards and the Ivy League schools in the States. I also believe that it will become even more important at the universities in Alberta, where we have the University of Alberta and the University of Calgary playing extremely important roles.

On the actual tuition fee, presently an average in Alberta is 24 percent. So 24 percent of the actual costs of a student's education is borne by the student; 76 percent is borne by investments; 76 percent is borne by the government, all of these in total. So the student in essence is only paying for roughly one-quarter of their education. I fully recognize that it is averaged out and that there is a larger component that is being spent on research. I feel that this larger component ultimately will help the students down the road in that as their university becomes more recognized in the global market, having a degree from the University of Alberta as opposed to the university of Podunk Corners is going to be a considerably beneficial type of agreement.

When it comes to tuition, as you know, we have a tuition agreement in policy which states that it can't exceed 30 percent of operating expenses of the universities. The University of Alberta,

for example, I believe is at around 22 and a half to 23 percent of their operating expenses right now, so there is an increase that potentially can occur. That increase is capped on a yearly basis.

So while I think your question is an excellent question, it is a question that has to be dealt with on a much larger scale.

DR. TAFT: Okay, but I'll persist a little bit on this scale too.

My supplemental. The impression of many students – and it is shared by many faculty – is that they are paying more and more tuition fees, yet they are at the same time facing, for example, larger classrooms and more and more classes being taught by sessionals as opposed to tenured faculty. So just to repeat, I guess, and come at it from a slightly different direction, has there been any analysis either by your department or the Auditor General looking at the changing portions of tuition revenue that are being spent on undergraduate teaching services?

9:32

DR. OBERG: We do not in our department – and the Auditor General can certainly comment on this as well – break it down that specifically when it comes to how the dollars are being spent.

One other comment that I will make in supplement to my first answer is that the 30 percent cap and the 24 percent reality is based purely on instructional costs; it is not based on research. So research is not taken into that calculation.

MR. SHANDRO: We haven't done any analysis, but we've heard comments coming from the research side that the researchers in fact have to contribute some of their money toward education. So just to sort of give you both sides of the story here, it's not uncommon: particularly when we did some work with the medical faculty, the medical faculty felt that they were subsidizing education through their practice plan moneys and that sort of thing. Just to give you the observations in a more complete sense.

DR. TAFT: Thanks.

MR. SHANDRO: But I'm not taking a position on that, because I don't know.

THE CHAIR: Thank you.

Mr. Cao, followed by Mr. Mason.

MR. CAO: Thank you, Mr. Chair, and thank you, Minister and the Auditor's office, for providing some good information here.

With all the progress we've achieved so far, I'd draw your attention to the Auditor's report, to page 191. It's regarding the CTS, technology studies.

DR. OBERG: I was waiting for this question.

MR. CAO: The Auditor probably put in quite an effort to point out some weakness and so on. I would like to ask if the minister and the department people could help out to see what improvement we have achieved from there.

DR. OBERG: Sure. Thanks, Wayne. Quite simply, I will say first and foremost that I agree with everything the Auditor has brought forward on the CTS issues. I think there have been some serious issues in CTS, and I want to state from the outset that it is not a serious issue with school boards. It is not school boards that are working outside of their rules. It was the rules that we have put in that allowed that flexibility, that allowed these issues.

As you know, we took the very first step in response to this report in Budget 2002, which went to a per student funding grant for grade 10 students. We have also committed to a funding review especially looking at CEUs, credit enrollment units, and the CTS courses. What we had found, again almost identical to what the Auditor General had found, is that there were courses that were being completed with very questionable outcomes. There was a lot of this happening. Some jurisdictions were more guilty of it than others. To give you an example without naming specific jurisdictions, in grade 10 we had some jurisdictions that had an average throughout their school district of around 39 credits, 38 and 39 credits, and we had others that had averages of 47 credits. So there were huge differences there. We also have in Alberta at this moment 200 students that are taking over 80 credits in one year. Just purely from a time point of view 80 credits, you would think, is almost impossible to do.

It is something that we have to take a very serious look at, and I am committed to following completely through with what the Auditor General has stated on this issue. We will get to the bottom of it. I cannot exactly tell you today how it will be resolved, because we will be getting a group of people, a group of stakeholders together to attempt to find a solution to this problem. I will also say what is probably most important on this issue: I'm in no way impugning motives of any school boards in that the things that they were doing were well within our rules.

We continue to monitor them, but we need to take a look at it. We need to determine a different way of how we fund in regard to this. We need to continue having these programs. I feel that the programs themselves are very good, but when it comes down to the funding of it, we have to take a very serious look at how it is funded. That's what we intend to do.

MR. CAO: My supplemental question is to draw your attention to the Learning annual report, page 82, a list of funding to the school boards. When I look at the funding, there is just a thought here. If I know the enrollment in each school board, then I can work out the cost per student in a way, so I can have an idea where the average is. I'm trying to ask an opinion from the Auditor General as well as the minister. If we have the enrollment number next to the column of the cost there, would that make it a little easier for us to see where the strengths and the weaknesses are?

MR. SHANDRO: Well, you're asking for some performance information in here, and we haven't looked at that issue in any great detail. Whether that would be a representative number – I mean, if you put a cost per student in, does that necessarily equate to the same thing as the cost per credit? If you're delivering more education or less education and your two cost comparisons are exactly the same, would that suggest that in fact they're both equal when in fact the delivery is different? Also, there may be other issues involved in the delivery which may impact the significance of that number.

I'm not reacting negatively to the suggestion here, because I think those sorts of questions ought to be asked, and I think we ought to come to some conclusion as to what we need to report. As you note, most financial statements report on what we consume – salaries, amortization, and so on – and don't report very much in terms what programs we delivered and what were the costs of those programs and just how far you go on a per student basis and try and tell what in fact really happened in terms of the quality of the delivery. A credit such as we noted under CTS, where there was no instruction offered: what is the cost of that when you didn't spend any money on it but got credits on it? That would be a zero cost credit, for



example. You've got to ask some questions about what the significance of some of those things are.

So I think it's an interesting question. It ought to be explored. I would support exploring that question and then finding a way to report information in such a way that it's relevant, meaningful, and can be used as an accountability tool.

DR. OBERG: If I can just add to that. What the Auditor General has just said is certainly refreshing in that he is talking about the outcome of putting the dollars in, which I think is extremely important.

In direct answer to you, we do run into another issue as well, Wayne. One of those issues is that especially in some of the smaller school jurisdictions, where there would be some high-needs kids, you could get an extremely skewed figure purely because there would be a higher percentage of high-needs kids in one particular area. As Nick was saying, you could have a significantly higher dollar spent on a per student basis in one region than the other, yet the results may be completely different. So ultimately what we're trying to get are the best outcomes for the dollars put in, and that may well be a deceiving figure. Northland school district, which you're well familiar with is, is something that would be a good example of that. So I agree that we need to look at it. I agree that we need to tie it in somehow, but we have to be extremely careful that the information that we provide first of all is accurate and second of all is usable.

9:42

MR. CAO: Thank you.

THE CHAIR: Thank you.

Mr. Mason, followed by Mr. Lukaszuk.

MR. MASON: Thank you, Mr. Chairman. Mr. Minister, I'm referring to page 27 of the Alberta Learning annual report dealing with tuition revenue as a proportion of net operating expenditures. One of the things I notice from the graph on the page is that the tuition fees as a percentage of net operating expenditures are gradually rising to the 30 percent cap limit that the government has set. My question is whether or not the department has done anything to analyze this policy on the basis of its impact on accessibility of students to education as opposed to meeting operational requirements of the institutions.

DR. OBERG: Yeah. Absolutely. A couple of things I can comment on. First of all, in the year 2000-2001 we undertook a study with the university and college groups, CAUS and ACTISEC, to take a look at exactly what were the issues around access to the postsecondary system. One of the most interesting concepts that we saw was that the actual amount of dollars that were thought to be spent on tuition was significantly higher than what was actually spent on tuition, and it became very obvious that there were a lot of myths that were out there. There were a lot of assumptions that were not entirely true. So we have been working on that with our postsecondary system, our student finance department to make sure that the right information is being put out to the students. As an example, they thought in this report, I believe, that the average cost of tuition was somewhere between \$5,000 and \$6,000, when in actual fact at a university it was around \$4,000 and at the colleges and technical schools it was down around \$2,500. So in many cases they were out by a factor of 100 percent. So these are some of the huge issues.

I will comment a little bit on the tuition cap itself. This was brought in, I believe, in 1997, and at that time it was after a large

amount of consultation with these student groups. They felt that 30 percent would be the right cap to aim for and subsequently have moved toward that. A lot of institutions have moved toward that with two institutions in our province already hitting the 30 percent cap. What we have now done is we have realized that this probably isn't the best way to do things, and this year we actually are looking at how we can change the tuition agreement. So how that is going to be done we don't know yet, but we certainly are looking at it.

The last thing I will comment on as well when it comes down to student debt is that student debt in itself is decreasing. Over the two years, this being the second year of the budget, we increased student finance, student loans, student awards by 44 percent. We have felt that by making more moneys available to students, by increasing the number of scholarships that are available to all students, a net effect of that is actually helping, albeit the graph that you see on page 27, which has all of the operating expenses, et cetera, et cetera, does not take into account the student loan program either.

MR. MASON: Thank you. My supplemental has to do with the study that you've referred to.

DR. OBERG: Which study, Brian?

MR. MASON: The one you referred to that you've undertaken with the students to look at this.

DR. OBERG: Oh, that's the accessibility study. Sure.

MR. MASON: It sounds like it's more directed toward student perception than an actual measurement of who can and who can't afford to access our postsecondary institutions and the cost structures faced by the students themselves as opposed to the institutions. I wonder if there's anything that specifically has been done to measure whether or not certain classes of students, based, I think, probably primarily on income, are having difficulty accessing our postsecondary institutions.

DR. OBERG: They're tired of me talking, Brian, so Steve wants to talk.

MR. MASON: I'm used to asking Ms David-Evans questions. She's usually pretty good at answering them.

MR. S. MacDONALD: The department does look at participation rates by socioeconomic tests. In the study that the minister referred to, one of the most important variables was: did they qualify? So if they get the marks in high school, the participation rate really doesn't vary that much by SES. One conclusion may be that financial need is not a barrier. The barrier is getting the marks to qualify to get in, and once you get the marks to get in, there are the safety nets to remove the financial-need barriers, and they seem to be working.

MR. MASON: I wonder if that information could be shared with me in written form.

DR. OBERG: Absolutely. What we can do is get you a copy of that report.

MS DAVID-EVANS: It's on our web site.

DR. OBERG: It's on our web site. Whew. High tech.

The other comment that I will make on that, Brian, is there have

been a couple of areas in the world that have dealt with free tuition – Australia being one of them, and I believe Ireland was the other one – and there were some very interesting results from that. What in essence happened is that the demographics of the students that went to postsecondary did not change. The demographics were identical when there was tuition and when tuition was removed. So the same students went, and this was brought in for a significant period of time. Also, interestingly, Australia went back to tuition because of that, and I believe that Ireland is considering going back to charging tuition as well, because it didn't change what they thought it would.

THE CHAIR: Thank you.

Mr. Lukaszuk, followed by Dr. Taft.

MR. LUKASZUK: Thank you, Mr. Chair. Mr. Minister, if I can turn your attention to page 54 of the Alberta Learning annual report, on that page information is provided on administrative spending on the learning system. Can you tell us: what does Alberta Learning do to keep administrative spending low?

DR. OBERG: Well, in general, what I do is I get out a really big whip, and if the administration spending goes up, then nasty things occur.

MR. LUKASZUK: That's interesting.

DR. OBERG: In reality, what occurs is there is a cap on administration for the basic system. Quite simply, by tracking our administration costs, I believe that it does keep the accountability on us to keep our administration down. Included in our measures, for example, is the 1.8 percent that our department takes in administration. The other thing is that the school board administration is capped at 4 to 6 percent, and something that is extremely positive is that the administration component has decreased. So despite the fact that it is capped at 4 to 6 percent, depending on the school board size, our administration costs are down around 3 and a half percent, which means that more dollars are going into the classroom. This is an extremely important thing that we have to keep down, and I believe that we're doing a good job at it.

MR. LUKASZUK: To follow up further, Mr. Minister, on your provocative thought, it would appear that you have different sizes of whips, because there are different proportions of administrative spendings in different jurisdictions as to the total expenditure. Can you tell us why?

DR. OBERG: Absolutely. What we have found is that in the smaller school jurisdictions the percentage of administrative funding tends to be greater on the percentage of total funding, and the example that I will give you is the Francophone school districts. We presently only have five Francophone school districts, so they cover vast areas of the province. So purely logistically from a travel point of view, from a resource point of view, their costs are going to be higher. They have a higher ability on the cap, but again I will say that it is very reassuring to see that the average cost is down around 3 and a half percent despite the fact that some of these school boards have the ability to go up to 6 percent on their administrative costs. Again I'll say – I don't know if I mentioned this – that our department administrative cost is 1.8 percent.

9:52

MR. LUKASZUK: Thank you, Mr. Minister.

THE CHAIR: Thank you.

Dr. Taft, followed by Mary Anne Jablonski.

DR. TAFT: Thanks, Mr. Chairman. My questions actually, I think, will involve or require a written response. I'll try to keep them brief in light of the time. I was reflecting on an earlier question from the Member for Red Deer-North that referred to page 10 of the annual report and the \$122 million increase in grants to school boards. If my calculations are right, that's about a 4.3 percent year-to-year rise. I might be corrected on that. Given the effects of inflation and a growing population, I'm not sure what the real effect of the rise is there, but it led me to two questions on trends. As I say, you'll probably have to provide a written response, but your reflections would be interesting. One is: do you have or could you provide education spending as a percentage of Alberta GDP over the last 20 years and also inflation adjusted per capita, not per student but per capita, spending for the past 20 years? You may have that. Those shouldn't be difficult to provide.

The other question, my supplemental – I'll just jump in because of the time – similar kinds of trend questions concerning aboriginal students but in this case looking forward. I'm not sure that in this year we're addressing what percentage of students in Alberta's schools are aboriginals, but I would be interested to know what that percentage was in the year under consideration and what you are expecting it to be over the next, say, 15 years. I think that number would be very important. Correlating with that, if you can, what's the percentage of costs going to aboriginal students, what you project it to be, and if you have any measure of their success rates in terms of, say, completing grade 12?

DR. OBERG: Okay. I'll very quickly go through them. The key component on 2000-2001 is that in '99-2000 there was a \$151 million grant that was provided to school boards, so the corresponding increase is higher than it appears. I would love the Auditor General's comments on the validity or importance of the amount of money spent per GDP. I would like your comment on that.

Aboriginal students. One of the issues that we have is that it's very difficult to identify the number of aboriginal students. Because of FOIP and that, we do not ask people whether or not they're of aboriginal backgrounds. The issue, though, I think is a very significant one – it's a very significant one – and the trend is that aboriginal populations are growing, but as to the actual number we don't know how many there are.

MR. SHANDRO: Well, we haven't spent any time trying to come to a conclusion on the significance or relevance of that question. There are a lot of issues surrounding how much money you spend and whether the amount necessary is strictly a percentage of GDP or some other needs base. I think that might vary based on what you're trying to do as public policy and the like. I don't think that we've formulated a view on that right now.

DR. OBERG: If we can, we'll get back to you on the other questions.

DR. TAFT: Yeah. That would be good. Some of these shouldn't be difficult.

DR. OBERG: We'll see if we have the information and get back to you.

THE CHAIR: Thank you.

Mrs. Jablonski, please.

MRS. JABLONSKI: Thank you, Mr. Chairman. Dr. Oberg, I have to admit to you that your technique for keeping administration costs down was one that I also used, and I think it's a best practice in business, so congratulations.

I'm referring again to page 54 in the ministry annual report, referring to the instruction and support numbers. Does this include funding for classrooms in the instruction and support percentage?

DR. OBERG: Yes, it does.

MRS. JABLONSKI: Okay. Can you tell me: what are instruction and support expenditures used for?

DR. OBERG: Sure. In essence, on the instruction and support basically these dollars are used for everything that you see in the schools. The instruction is obviously the key component when it comes to education delivery. It's teachers' salaries, which are by far the largest component of that. Included in that are principals, counselors, speech therapists, everything like that. [interjection] Textbooks. They keep rattling on to me here. In essence, everything that you see in the classroom is what is included in the instruction and support component of this. It is important on a percentage basis that this percentage is rising. What it means is that the other things, which are certainly necessary but I feel are not as important, are going down. I believe that is extremely important, to put as many resources as possible into the classroom, and that's what you are seeing by the increase in the instruction and support component of my department.

MRS. JABLONSKI: Thank you.

THE CHAIR: Thank you. There are no further questions?

MRS. JABLONSKI: No.

THE CHAIR: In light of the hour I would like to express on behalf of the committee a thank you to the hon. minister and his staff and certainly to the Auditor General's staff for coming this morning.

I would like to remind members, please, that the next meeting is next Wednesday, May 1, and the Hon. Dr. Lorne Taylor, Minister of Environment, will be here as well as the Hon. Mike Cardinal, Minister of Sustainable Resource Development.

At this time could I please have a motion to adjourn? Mr. Mason. Thank you.

[The committee adjourned at 10 a.m.]

