

9:05 a.m.

Tuesday, August 20, 1996

[Chairman: Mr. Renner]

THE CHAIRMAN: Good morning, everyone. I'd like to call this meeting to order. This is a meeting of the Standing Committee on Private Bills. Committee members, you have before you an agenda, and I'll just point out that there's a misprint in the agenda we're dealing with. April 16 is incorrect. Obviously today is August 20. Apart from that the agenda, as far as I know, is correct. If I could have a motion to accept the agenda.

MR. BRACKO: So moved, Mr. Chairman.

THE CHAIRMAN: Mr. Bracko. Any further discussion? All in favour? Opposed? Carried.

We also have a set of minutes from our last meeting on Tuesday, April 23. I would entertain a motion to approve those minutes.

MR. HERARD: So moved.

THE CHAIRMAN: Mr. Herard.

The discussion at the Table is regarding another small misprint. If you'll notice, in the minutes on the first page Mr. Rob Renner is listed as Parliamentary Counsel. Unfortunately, I haven't quite achieved that much wisdom yet, so that should be Mr. Rob Reynolds.

With that change, then, are we in favour of the motion? Opposed? It's carried.

Today we have one petitioner to present, that being the Covenant Bible College Tax Exemption Act. Committee members will recall that there were some concerns with respect to this Act, and there are some substantial amendments to be discussed by the petitioner today. At this point, I think it would be appropriate that we ask the petitioner to join us.

[Mr. Josephson was sworn in]

THE CHAIRMAN: Thank you and welcome, Mr. Josephson. As I mentioned to you earlier, we try to keep our proceedings as relatively informal as possible, and it's not necessary that you stand to address the committee.

This is an all-party committee of the Legislature. Our role is to deal with applications for private Bills, to discuss those applications with the petitioner, and then to make a recommendation to the Legislature as to whether or not the Bill should proceed through second reading and ultimately be passed into law.

I think it would be appropriate if the committee members present would introduce themselves, and I'll ask you to introduce yourself to the committee as well once they have had an opportunity. I'll start with Mr. Jacques.

MR. JACQUES: Good morning. Wayne Jacques from Grande Prairie.

MR. HERARD: Good morning. Denis Herard, Calgary-Egmont.

MR. VASSEUR: Léo Vasseur, Bonnyville.

MRS. SOETAERT: Colleen Soetaert, Spruce Grove-Sturgeon-St. Albert.

MR. BRACKO: Len Bracko, St. Albert. Welcome.

MR. YANKOWSKY: Good morning. Julius Yankowsky, Edmonton-Beverly-Belmont.

THE CHAIRMAN: And I'm Rob Renner. I'm the MLA for Medicine Hat.

You've probably had an opportunity to meet the rest of the people at the Table, if not in person over the phone, in the last little while. Mr. Rob Reynolds is our Parliamentary Counsel, our new Parliamentary Counsel is Shannon Dean, and Florence Marston is executive assistant to the committee.

If you would introduce yourself for the record as well.

MR. JOSEPHSON: I'm Neil Josephson, living in Strathmore, Alberta, president of Covenant Bible College.

THE CHAIRMAN: Fine. If you want to proceed with your presentation then, go ahead.

MR. JOSEPHSON: Right. Thank you, Mr. Chairman, and thanks to you all for making time to hear our petition.

Covenant Bible College is an educational ministry of the Evangelical Covenant Church of Canada. That church denomination started in 1904. It's incorporated in Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia. In 1941 that church desired to create a place where its young men and women could be trained in the Christian faith, equipped for service in the church and in society. They founded the college in 1941. It was in Saskatchewan until 1995. In 1995 we relocated to Strathmore, Alberta, because we had outgrown our facility in Saskatchewan. We've grown from 32 students in 1990 to 88 this year, which is our capacity. We have another 10 on the waiting list. It's been a rather rapid change. So we relocated last summer to Strathmore and are hereby with this Bill trying to position ourselves appropriately with regard to the Legislature and the educational bodies in the province and with regard to the taxation authorities in the province. That's what's behind our Bill.

We initially tabled a different Bill based on a course that was recommended. It seemed wiser to defer that and amend it, and that's what's before you today.

THE CHAIRMAN: Thank you. Did you want to discuss the further amendments that you had?

MR. JOSEPHSON: Yes. The Bill as amended has one or two small items that we'd like to further change. I have those in print here. I would like to introduce you to those.

THE CHAIRMAN: Ms Marston, if you would distribute those.

Committee members, you should have before you a copy of the proposed amendments to the Bill. Also you should have a copy of a memo from Mr. Reynolds to the committee with background information on the Bill, and you will now have copies of further amendments that the petitioner is asking for.

Because of the nature of this Bill, it's not necessary that we amend the amendments, so to speak. What we will take forward to the Legislature are the consolidated amendments, so we don't have to deal with the process of amending the amendments today. We'll be taking forward obviously some substantial amendments to the Legislature which will be consolidated with everything the committee agrees to.

MR. REYNOLDS: If I could just make a point, Mr. Chairman. Just to recap, of course everyone knows that the original Bill was called the Covenant Bible College Tax Exemption Act. Just to

reiterate, the amendments that were circulated under cover of my memo of August 16 would, as everyone has said, substantially amend that Bill. In fact, the Bill would no longer be called the Covenant Bible College Tax Exemption Act; it would simply be called the Covenant Bible College Act. It would basically incorporate the Covenant Bible College like any other private college.

It was viewed that the purpose of sending these Bills to Private Bills Committee before second reading is that if there are substantial amendments, they can be recommended, if you so wish, by the committee at this stage before the Bill goes to second reading as approved in principle. The other thing is that obviously it's more economical than having the petitioners come back next year with another proposal.

There are a few letters I'd like to point out. You should have received a letter from Mrs. Lynne Duncan, the Deputy Minister of Advanced Education and Career Development, dated August 16, which proposes one amendment to the Bill. You will note that the amendment, if you recall, is very similar to the amendment that was proposed with respect to the Evangel and Bethesda bible colleges in the spring of this year. Basically the purpose of the amendment proposed by advanced education – and perhaps Mr. Josephson could comment on it at some point – is that they want to tighten up and make sure that the college can only grant degrees in divinity and only grant certificates in arts, sciences, and other subjects. That is covered in another section of the Bill, but as you'll recall from the Bethesda and Evangel experience, advanced education just wanted some greater certainty.

9:15

You will also find something that's been distributed today: a letter from the Acting Deputy Minister of Municipal Affairs, Mr. John McGowan, dated August 19. In his letter Mr. McGowan raises a few concerns, and perhaps I could deal with them quickly here just to help committee members in their discussion of the Bill with the petitioner.

They refer to section 5(1)(a), which is actually the section that advanced education wants amended, and they raise the point that it could be "interpreted as beyond the scope of the tax exemption under section 362(k)." Well, in discussions with Municipal Affairs, they aren't saying that the college would be outside the exemption.

I should point out that that exemption under 362(k) applies to places of public worship and religious education. They are exempt from taxation under the Municipal Government Act. It's not a special concession. It's something they're entitled to by way of the Act.

In discussions with Municipal Affairs it turned out that they aren't suggesting that this college would be outside the scope. Basically they're saying: well, at some point down the road, if they started offering courses that were not religious in nature, there could be a problem. It was certainly my perception of the discussion – and perhaps Shannon may wish to comment on this – that there would not be a problem with respect to the tax exemption as it exists. Well, depending upon the courses they offer – and perhaps Mr. Josephson would care to comment on that – there would not be a problem with the tax exemption, but in part that's between the assessor and the college. However, that's my understanding of their concern. It's more of a hypothetical one.

With respect to their second concern that section 10 of amendment D says "Notwithstanding anything in the Business Corporations Act," I certainly appreciate their drafting advice, but that's the wording that's been used in other private Bills.

Those are my comments for now, Mr. Chairman. I hope that's assisted the committee in some way.

THE CHAIRMAN: Thank you.

Mr. Josephson, would you like to go through the sheet that you had distributed to the committee?

MR. JOSEPHSON: Okay. I'll speak to that and then perhaps to the letter from the education department.

The sheet that was distributed to you has three suggested changes that we'd like to see. Letter A: it's been the tradition of the college to always refer to those persons that govern it as directors, and our lawyer just slipped into his own history. So we'd just like to keep the terms clear for our constituency and call them directors.

With respect to letter B, the wording there is just somewhat tighter. There's a phrase that's removed from the original and reflects the way our bylaws appoint or elect directors.

With respect to letter C, we wish to delete the whole of paragraph 11 because through our bylaws there's adequate responsibility and accountability to the church. It's unnecessary, in our judgment.

Perhaps I should pause to see if there are any questions on those three.

THE CHAIRMAN: Thank you.

Well, before I open the floor to questions from the committee, I want to be sure everyone understands exactly the process we're going through. Bill Pr. 2 as it's presently introduced and on the Order Paper in the Legislature is substantially amended by this Bill. If you look at the Bill itself, item A removes the words "Tax Exemption" from the title of the Bill, so the Bill would now become the Covenant Bible College Act. Then B and further basically replaces the rest of the Bill. We delete everything else that's in the Bill as it stands and replace it with the amendments we'll be discussing today. That essentially puts the Covenant Bible College on a level playing field, gives them the same standing as many of the other Bible colleges we have dealt with before this committee in incorporating Bible colleges. You will recall and Mr. Reynolds referred to two other such Acts that we dealt with this spring. They are simply incorporating the Bible college and recognizing them as an entity under Alberta law. There is no further reference to specific tax exemptions other than exemptions they may be entitled to under the Municipal Government Act as an incorporated private school.

With that, I would open the floor to questions and/or comments from committee members. Mr. Vasseur.

MR. VASSEUR: Yeah. Just a question more than a comment. To refresh our memories, could the counsel, Mr. Reynolds, elaborate on or explain the concerns by the department of advanced education, and have they been satisfied? I know that was debated in the last Private Bills discussions, but I'm not clear as to what the concerns were, and I'd like that explained again.

MR. REYNOLDS: Certainly. I'll attempt to explain the concerns of advanced education. Basically, the Universities Act is the controlling Act for private colleges. That seems strange, but in any event that's what it is. Private colleges are allowed to offer degrees in divinity but no other degrees unless they go to something called the Private Colleges Accreditation Board. Advanced education was concerned that somehow someone may interpret this Bill that they could grant degrees in something other than divinity, which I wouldn't say is far fetched, but you'd have

to stretch it, because section 6 says:

The College may, upon recommendation of its faculty, confer upon graduates of the courses of study provided by the College

- (a) diplomas or certificates;
- (b) degrees in divinity.

In any event, 5(1)(a) – and I'm talking about the proposal for 5(1)(a) that's found under cover of my August 16 memo – presently reads that the college may

establish and conduct a Christian College to afford instruction in the Bible, theology, education, arts and sciences and other such fields as the Board may from time to time determine.

Advanced education would like that to read:

establish and conduct a Christian College to provide instruction in degree programs in divinity and in certificate and diploma programs in education, arts, science, and such other fields as the board may from time to time determine.

That's the extent of their change, and given the fact that it's really so minor, advanced education thought this letter would be sufficient. It's my understanding from Mr. Josephson that he in fact would be amenable to the amendment proposed by advanced education.

Does that clarify the matter, Mr. Vasseur?

THE CHAIRMAN: Mr. Josephson, would you like to comment on that?

MR. JOSEPHSON: Right. I would just to like to affirm what counsel has said. That change is entirely acceptable to us.

MR. VASSEUR: I see. I'm satisfied.

THE CHAIRMAN: Mr. Bracko.

MR. BRACKO: Thank you. Through you, Mr. Chairman, to Mr. Josephson. If you're offering courses in education and arts and sciences, why wouldn't you want these courses accredited?

MR. JOSEPHSON: Thanks for the question. Perhaps I was remiss in not explaining our mission a little bit further. At present all our college offers is an eight-month program in Christian studies. We grant a certificate of Christian studies. All our students are on the same track. Our goal is to create men and women of faith and values and character. For professional training for the job market, they need to go elsewhere. So we do not offer courses in arts and sciences and so forth. Our courses have to do with ethics, Biblical content, service in the community and in the church.

9:25

MR. BRACKO: I'd like to follow up on that, Mr. Josephson. Why wouldn't you want these courses accredited too so that they could be recognized throughout the province or wherever you go? That confuses me, why you'd spend money on courses and not have them accredited and recognized.

MR. JOSEPHSON: Okay. I'll give you two responses. First, with regard to the accreditation, the body that would accredit a school like us is called the American Association of Theological Schools. To enter into their accreditation process, you have to offer at least an associate level which requires two years, like an associate of arts level. Because we only offer one year, we are not admissible into their accreditation track. So that's not even an option unless we were to add a second year.

The other comment I'll make about accreditation is that our

credits do transfer to many other schools that are accredited by the AATS and recognized by Alberta higher education; for example, Rocky Mountain College in Calgary, Augustana University College in Camrose, North American Baptist here in Edmonton, to name a few. Our credits are acceptable to them. It's a kind of arcane thing, but they have to answer for the percentage of unaccredited school hours they accept and so on. So they recognize our courses. Our students do get some transfer credit benefit.

I guess the second thing is that we don't apologize for saying that the kinds of things we try to instill in our students benefit them as individuals, people who are going to contribute to their families and their churches and their society. We often talk about: you spend many, many years learning to earn a living and spend eight months learning to live. We believe that on top of whatever else is worth knowing, a foundational ethical stance is essential.

MR. BRACKO: Are you planning in the future to add another year or two to your courses? You've moved here; it's growing. Have you looked at that at all?

MR. JOSEPHSON: No, we haven't. As a matter of fact, in '89 and '90 the college was in kind of dire straits. Actually, I was hired at that time to do a reappraisal of the college's mission. The upshot of that was to redraft our mission statement and reaffirm that what our calling is is to do the kind of program we're currently offering. So because that's flourishing, we believe, to use the marketing words, we've found our niche. There are other schools doing a good job on other programs, and we'll continue to do what we do as well as we can.

THE CHAIRMAN: Any other questions?  
Mr. Herard.

MR. HERARD: Thank you, Mr. Chairman. How many students do you generally have from year to year enrolled in your programs?

MR. JOSEPHSON: Thanks for the question. We have grown, as I indicated a little earlier, very rapidly from 32 students six years ago to our maximum right now. Because we're residential, we call ourselves a learning community. We have 88 spaces, and we are full. As a matter of fact, we have a waiting list.

MR. HERARD: Thank you.

THE CHAIRMAN: Any further questions?  
Ms Leibovici.

MS LEIBOVICI: Thank you. I understand section 5(1)(a), then, is going to be amended. How will that occur? What's the process for that occurring prior to our passing this Bill now or moving it forward?

THE CHAIRMAN: Mr. Reynolds, would you like to comment on that?

I just have to say that what I propose to do is: the next time the committee meets we will have an amended version of the amendments the committee will be dealing with. Mr. Reynolds, you may want to comment further.

MR. REYNOLDS: Thank you, Mr. Chairman. All I was going to say is that you mentioned earlier that these are just proposed

amendments to the Bill the petitioner has brought forward, and then he's brought forward changes to the proposed amendments. So before the committee deliberates next week, the changes to the amendments would be incorporated into the proposed amendments. That's what the committee would be considering next week.

MS LEIBOVICI: So the proposed amendments that we'll get next week will have 5(1)(a) changed. We'll have section 11 deleted. Section 10, the notwithstanding, will remain as is because there is not much of an impact on it. Those are the three main changes? Are there any others that I missed?

THE CHAIRMAN: Well, the reflection of changing "governors" to "directors" and then the slight wording change in 8(2).

MS LEIBOVICI: Okay.

MR. REYNOLDS: We'll endeavour to put technology to use and effect those changes.

THE CHAIRMAN: Any other questions?

MS LEIBOVICI: Just to clarify. With all those changes, my understanding, then, is that this Bill will be very much like other Bills related to these kinds of colleges. Right?

THE CHAIRMAN: Yes. Maybe I'll ask either Ms Dean or Mr. Reynolds to comment, because they have done a fair amount of research in comparing this Bill to some of the incorporating Bills for other institutions.

MR. REYNOLDS: Yes, it would be very similar. In fact, the amendments that were attached to the August 16 memo, I think it's safe to say, follow rather closely the Evangel and Bethesda Bible College Bills. There are one or two little differences, but essentially they're mirror forms of other Acts incorporating private colleges.

As I indicated at the outset, certainly there are no special tax exemptions now in the amendments as there were in the Bill. So if the committee accepted the amendments to the Bill, the committee would not be recommending the Bill with any special tax exemptions. Is that clear?

MS LEIBOVICI: Yes. You said there were some minor exemptions that make it different from other Bills.

MR. REYNOLDS: Well, you know, the name of the church would make it different. It's not identical, because the names of the directors are different, et cetera.

THE CHAIRMAN: Mr. Yankowsky.

MR. YANKOWSKY: Thank you, Mr. Chairman. Just a quick question to Mr. Josephson. Is the college taxed at the present time?

MR. JOSEPHSON: When we were contemplating purchasing a facility in Strathmore and moving there, we met with the town council in Strathmore to try to clarify the taxes and what might be liable there. Just to back up one step, in Saskatchewan we were recognized by the Saskatchewan Legislature through a private Bill and paid no taxes in Saskatchewan. So we met with them to clarify that status, and they voted to exempt the college from

taxation. Subsequently we voted as a church to effect the relocation, which we did last summer, and in November got a letter from the town saying that with regard to the things they have jurisdiction over, their exemption still stood but there was a section of the taxation that they did not have jurisdiction over which I understand to be concerning education. So the town simply said that that was a provincial matter and we would be subject to taxation on that portion. That's our current understanding. Does that answer your question sufficiently?

MR. YANKOWSKY: Yes, I think it does.

MR. JOSEPHSON: Okay.

THE CHAIRMAN: Well, I see no further questions. Mr. Reynolds, do you have any concluding remarks?

MR. REYNOLDS: I have one final note just for completeness. In Mr. McGowan's August 19 letter that I discussed earlier about his March 22 letter, his March 22 letter dealt with the previous Bill. I didn't distribute it because that Bill was no longer before the committee. If anyone wants a copy of that letter, certainly they're more than welcome to it. It just deals with the Bill as it was originally proposed, not the amendments that are before us now.

9:35

THE CHAIRMAN: Well, I think that concludes the discussion I want to thank you, Mr. Josephson.

As I explained to you earlier, the committee will not be making a decision today. We'll be meeting a week from today to discuss our final recommendation to the Legislature, and we will keep you advised what that recommendation is. I wish you all the very best.

MR. JOSEPHSON: Thank you. Thank you once again for your time, Mr. Chairman and all the other members.

THE CHAIRMAN: Thanks.

Committee members, I have no further business, and there is nothing else on the agenda other than the fact that I would like to announce that we will hold another meeting a week from today, 9 o'clock in this room. I urge you and your colleagues – yes, I'll get to you, Mr. Jacques – that we have strong attendance from both caucuses at that meeting as it will be decision time.

Mr. Jacques.

MR. JACQUES: Mr. Chairman, I appreciate that our policy has been to deal with all Bills generally at the end of the period of time we're dealing with the Bills. In this particular case there's only one Bill before us, which is a carryforward. I sense that the changes that have been proposed together with the amendments that have been proposed put it completely one hundred percent onside with two previous Bills that we passed. I'm just wondering, with the indulgence of the chair, if the committee could not deal with the recommendation today rather than having to reconvene a week from today.

THE CHAIRMAN: I don't disagree with you, Mr. Jacques, but we have set a policy, we have set a precedent that we would not deal with the actual recommendations the same day as they're presented. There may be, for one reason or another, something coming up in the next little while that needs to be brought to the attention of the committee. I anticipate that that meeting will not

take very long, but I think that out of respect to the petitioner, the respective caucuses, we should have an opportunity for everyone to mull this one through and not deviate from the standard, normal procedure of the committee. I don't think the meeting is going to take very long.

MR. HERARD: I would support what you're saying and go perhaps one step further. I don't think I would want to see a precedent established by this committee to predetermine or prejudge something we haven't seen in its final form.

THE CHAIRMAN: That's the point Mr. Reynolds was making as well. We do need to take this to the word processor and fit in everything that we have discussed today and see what comes out.

MS LEIBOVICI: Is there a quorum for this committee? I'm just wondering.

THE CHAIRMAN: The quorum is seven.

MS LEIBOVICI: Oh. So we do have a quorum. Okay.

THE CHAIRMAN: Mr. Yankowsky.

MR. YANKOWSKY: Yes, thank you, Mr. Chairman. In view that the meeting will be short, could we possibly move it up to 9:30 or 10 o'clock?

MS LEIBOVICI: No. That's our caucus meeting.

MR. YANKOWSKY: Oh, 10 is caucus.

MS LEIBOVICI: Yeah.

THE CHAIRMAN: I think 9 o'clock is reasonable.  
Are there any other comments?  
Mr. Bracko.

MR. BRACKO: I move that we adjourn.

THE CHAIRMAN: I think that motion would be in order.  
Moved by Mr. Bracko that the committee adjourn. All in favour?  
Opposed? Carried.

[The committee adjourned at 9:41 a.m.]

