

EVENING SITTING

COMMITTEE OF FINANCE

General Revenue Fund
Education
Vote 5

Item 1

Mr. Krawetz: — Thank you, Mr. Deputy Speaker. When we broke, Madam Minister, I think one of the areas I had touched on was the stakeholders as far as the key stakeholders that are involved in education.

And I understand from your comments, of course, that you see many different groups wanting to become . . . I won't say special interest groups but playing a role. I wonder, I guess, when I look at the High School Review Committee of which I was a member of . . . and I understand the valuable contributions of the many different people that we had on that committee from the aboriginal sector and from the business sector.

Because of the changes in the enrolments that we will have for the future, in terms of the number of students of aboriginal ancestry, how do you see the department looking at the entire picture of an increased aboriginal population not only on, you know, the key cities of Regina but across the whole province.

Hon. Ms. Atkinson: — I've had an opportunity to meet with Chief Blaine Favel about the aspirations that first nations have for their children and their children's education. I can tell you that we have an Indian and Metis curriculum advisory committee. I can tell you that we have a committee that deals with Indian and Metis issues. I can say that Indian and Metis people are involved in looking at the curriculum from their perspective to ensure that it meets their concerns in terms of portraying Indian and Metis spirituality and culture in an appropriate way.

We are working on an accreditation process for first nations tribal councils or bands to ensure that teachers working on first nations reserves, or for first nations tribal councils, will be accredited, if they desire, in order that their students do not have to write departmental exams. And because of the way northern economic development occurs, we are in the process of ensuring that departmental exams can be written at the end of May to ensure that kids that need to go out on the trap line can do that without losing their entire school year.

I should also tell you that we are looking at a protocol arrangement between first nations people and the Department of Education to ensure that we can begin to break down some of those systemic barriers and obstructions that first nations people have had when it comes to dealing with our historic partners in education.

Mr. Krawetz: — When we look at specifics in the last little while, Madam Minister, I think we agree that the province is small enough that all stakeholders have to be working together to solve the concerns around education. I think it doesn't matter

which stakeholder you talk to, I think that's key.

What role does the department or will the department play in trying to bring together or resolve . . . that seems to be the public perception that there is a split right now between the department, the teachers' federation, and the school trustees association. How do you see this resolving itself in terms of bringing everybody back together on an equal playing-field?

Hon. Ms. Atkinson: — I should tell you, member, that there is no public perception that there is a split. Yes. There is no public perception.

If you were to ask the public, how do the trustees and the teachers get along, I think that the public would believe that they get along and they work in collaboration and partnership with each other. So there is not a . . . the public does not have an understanding that there are differences between the Saskatchewan teachers and the Saskatchewan school trustees.

Now if you're involved in all of the intricacies of the stakeholders and so on and so forth, you know that there are different issues that from time to time will arise and there will be differences of opinion. So how does the department propose to have the two groups cooperate?

I should tell you the two groups I'm talking about, the teachers and the trustees, I can share with you that the department has taken a leadership role in terms of trying to get the various partners in education together so that we can begin to address issues that are not only of concern to teachers and trustees, but also to directors of education, to parents, the home and school federation, as well as the colleges of education, and as well as the department.

Mr. Krawetz: — Thank you, Madam Minister. Whether or not . . . I agree with you in that the teachers' federation and the boards of education must work together, and that public perception maybe is not there.

I was referring more to the department than the trustees association and the protocol agreement that seems to have worked and not worked; the tentative agreement that has been reached and the possibility that in fact, as we hear it, that the trustees association may not even be involved in signing the agreement. To me that is a bit of a breakdown. I was wondering if you could clarify whether those perceptions are accurate.

Hon. Ms. Atkinson: — You will remember, because I think you may have been the president of the school trustees association, that the trustees did not sign the last agreement, and that this will not be the first time that the trustees may not be there to sign the collective agreement, if the teachers agree to the new collective agreement.

If you are wanting me to get into the details of where I think the protocol agreement should go or shouldn't go, I can share with you that I want to meet with the trustees, and we are meeting next week, and I think any discussions about this should occur there before we take those discussions into the legislature.

Mr. Krawetz: — Thank you for that comment. I appreciate that.

Could I just for a moment go back to the native schools that are operating on reserve. Clarify, what amount of funding does the province actually put into native schools? Is it zero?

Hon. Ms. Atkinson: — The provincial government does not put any funding into first nation schools located on reserve. First nation schools on reserve come under the jurisdiction of the federal government.

Mr. Krawetz: — When we have funding — and I understand your concerns around ensuring that the schools are following a provincial curriculum and that we're now talking about accreditation of teachers regarding grade 12 — the payment of employees of native schools, are they paid directly by the band council and that is then money that is transferred from the federal government?

Hon. Ms. Atkinson: — As far as I know, they are paid by the band council, but once again, this does not come under provincial jurisdiction and we do not involve ourselves in band schools, *per se*, in terms of the administration — how teachers and other support staff are paid. That comes under the jurisdiction of the band.

Mr. Krawetz: — Thank you. In previous discussions we've talked about the number of students that we have in rural Saskatchewan and I think you and I have both noted that the declining enrolment in rural Saskatchewan is not necessarily due to strictly lower numbers of students that are being born; in fact it's a movement of students. And we talk about the creation of the conseils scolaires and we talk about the creation of the native schools right now. That is posing a bit of a dilemma for rural education in terms of the number of students.

We hear and we see articles in the newspaper where rural Saskatchewan enrolment drops by something like 1,700 students from the year before. But if you really take an accurate look at the numbers, you'll note that some of those numbers were transfers to the conseils scolaires with the creation of those school divisions last year. Some were in fact transfers back to Indian reserves where the students were off reserve attending a public school for a while.

How do you see . . . how can you address that? How will the department address that concern for those rural school divisions that will continue to face that transfer of student?

Hon. Ms. Atkinson: — I'm advised by my officials that there are 3,500 first nations students that attend rural schools or schools in the province of Saskatchewan where the band pays tuition.

I'm advised as well that, as more band schools are built, some bands are choosing to have their students attend band-controlled schools. Now that's not the case everywhere because parents will make decisions whether their child will go to a band school or an off-reserve school.

I can also share with you that in this budget we have redirected

some funds, some \$2.35 million, to community schools and the Indian and Metis educational development program so that we can support — begin to support — rural schools that have first nations kids attending those schools in order that appropriate programming can be made available that's in tune with what first nations desire for their children, so that we can perhaps ensure that those 3,500 students that are presently attending off-reserve schools will stay attending those off-reserve schools because we have appropriate programming.

Mr. Krawetz: — Thank you. I'd just like to ask a few questions connected more in general terms to the department and the department staff. You talked about the creation of the department responsible for post-secondary education and I know that moved some people. Could you tell me what the present senior management structure is of the department?

Hon. Ms. Atkinson: — We could send you over a copy of the management structure. But we have Dr. Craig Dotson, who is the deputy minister, and then we have the assistant deputy minister, Ken Horsman. And then there's an executive complement under their management. But we'll send a copy of our structure to you.

Mr. Krawetz: — Thank you. Has there been a significant change — and I guess I'd go back to maybe the first term of your government, '91-92 — has this management structure significantly changed since then or is this more or less the same type of management?

Hon. Ms. Atkinson: — I'm advised . . . I should tell you I wasn't here . . . I wasn't the minister in 1991. The same functions . . . the department has the same functions in terms of management function. There's been some changes to the reporting structure, but basically the department and what it does has not changed since 1991. Some of the people have changed, but in terms of what the function of those management positions, has not changed *per se* but some of the reporting structure has changed.

(1915)

Mr. Krawetz: — Thank you. When we look at the FTE (full-time equivalent) staff component of the department, I note that in your estimates, you indicated that there is almost virtually no change. How does that tie with the creation of the department responsible for post-secondary education. Did any people move and now are totally within the department? This would suggest that it didn't.

Hon. Ms. Atkinson: — I'm not sure I understand the extent of your question. As you know, we have two departments. As I said earlier, we have some shared people. The administration and facilities branch are shared people; human resources, shared people; multi-media, the multi-media part of the department is shared by both post-secondary and K to 12. We did not lose any staff in this budget; we did not gain any staff. It's basically stand pat in terms of full-time equivalents.

Mr. Krawetz: — What I was referring to, Madam Minister, is on page 41 of the *Estimates*, you state that the full-time equivalent staff component is 383.3 and the '95-96 component

was 283.1, so that tells me there's no change. When I look at the *Estimates* for administration salaries, I see in education, K to 12 education, for '95-96 your projected costs are 2.073 million and for '96-97 they are projected to be 2.216 million. That's a significant increase of well in effect of \$140,000.

If I do the same in the post-secondary area, administration salaries, I also see that the salaries are from one million six hundred and eighty-seven to one million seven hundred and sixty-eight, also about a million and something . . . sorry, a hundred-thousand something. So we're looking at well over \$300,000 in salaries for administration for the two departments, an increase.

And I recall when the two departments were created, yes, there was going to be some sharing and there was the talk that, in fact, there may be some reduced costs. I don't see that now happening, especially in the department of kindergarten to grade 12. I see an increase of . . . significant salary increase in administration.

Hon. Ms. Atkinson: — Okay. I'm advised that the increase is due to the SGEU (Saskatchewan Government Employees' Union) agreement with our in-scope employees. As well we have moved contract dollars to salary so we're not contracting out as much work as we have in the past and it's being done inside the department.

Mr. Krawetz: — Are you referring to subvote 1, the administration side? The 2 million?

Hon. Ms. Atkinson: — Yes.

Mr. Krawetz: — With the suggestion that you're doing some of the work in house and when I look at the number of people that you've indicated — 283 — and I see \$2.2 million, what is the average salary of someone in the department then?

Hon. Ms. Atkinson: — We'd have to get that for you; we don't have that with us.

Mr. Krawetz: — Could you also . . . when you are providing some of the information, I would appreciate a breakdown of the number of people in — especially in the first three sections — the administration section, the accommodation and central services, and the teacher pensions and benefits, in terms of how many employees there are in those particular categories, and the salaries. Okay.

For a moment, I'd just like to revert back to the questions around native schools — actually a reversal. We know now that in many instances native bands are buying a school that might even be off reserve, or they're creating a reserve now that includes a school.

And in many instances, there will be students that are in the present public system, that are non-native, who may choose to attend the native school. What will be the monies that will be transferable, or will you be working out a tuition agreement with the native schools? How will we see the money going the other way?

Hon. Ms. Atkinson: — School divisions make those kinds of arrangements. At present, bands enter into tuition agreements with school divisions and if a student off reserve wanted to go to a reserve school, the school division would enter into a tuition fee arrangement with the band council.

Mr. Krawetz: — In terms of transportation now — let's use that same scenario — in terms of transportation, there must be an agreement, you're saying. Will there be an agreement then for the band school or the native band itself to actually have a transportation agreement with a school division to transport these non-native students to the school? Will that be within the divisions?

Hon. Ms. Atkinson: — It will be up to the community and what they would be able to negotiate between the band and the school division.

Mr. Krawetz: — If I could, I'd like to just turn to the current status of the schools in the province, Madam Minister. We've talked a little bit about the number of students in rural Saskatchewan. That figure has declined rapidly over the last number of years. And you've stated those numbers before; I believe we're at around 79,000 students right now if I look at the 61 rural school divisions. That number has come down significantly.

I guess my question would be in the area of what is the plan of the department of your government regarding education in rural Saskatchewan. Where will the schools be located? What kind of a plan do you see as a vision for the future of where schools might be located in rural Saskatchewan?

Hon. Ms. Atkinson: — I have for some time been worried about the future of education in certain parts of rural Saskatchewan, given the demographic trends, given the enrolment decline. At my encouragement, we had the first national rural education congress in this country just a month ago where we brought people interested in rural education from across the country together to discuss the future of education, not only in this province but in other provinces and territories.

I should tell you that we have changed our funding formula in this budget cycle where we now treat all school divisions outside of Saskatoon and Regina as rural school divisions. So for instance the city of Moose Jaw, the city of Prince Albert, they now receive funding that is similar to rural schools. And as you know, a student in rural Saskatchewan receives more money from the province than a student in urban Saskatchewan because it costs more to deliver an education in rural Saskatchewan.

Given the enrolment declines — and it doesn't appear as though those demographics are going to change — given what has happened in this country because of the federal Liberal changes to the Crow benefit . . . and we will see branch line abandonment, and we will see the consolidation of our grain handling system in this province and in the West. Given that we will see the changes to the wooden elevator moving to inland terminals, I think it's fair to say that the grain handling system in this country and in this province is planning — and they're

planning — to determine where communities are going to be located in this province. It seems absolutely crucial to me that those of us interested in rural Saskatchewan, those of us interested in ensuring that we have a quality education system in rural Saskatchewan, begin to plan to ensure that students in rural Saskatchewan are not put at a disadvantage over their urban counterparts.

So what have we done? We had, for the first time in this country, a rural education congress. We have a paper that is going to the public to look at some options for restructuring education, particularly education in rural Saskatchewan. That paper will be out in April, and people in rural Saskatchewan will have a chance to sit down and think about how they want to govern themselves when it comes to the delivery of education and how they want to structure themselves.

I think, given what we have done in this budget to create a rural technology fund, given some of the changes we've made, I think that we're on our way to ensuring that education in rural Saskatchewan is sustained and that kids growing up in rural Saskatchewan are not penalized because of their location.

It troubles me very much when I hear a doctor from Eastend, Saskatchewan saying there are very few rural students going into medicine, and if rural students go into medicine we have a better chance of having doctors in rural Saskatchewan.

My question is, why aren't rural kids going into medicine? And I think that that's something that we as leaders in this province have to think about and have to do something about if we are to ensure that people in Saskatchewan, regardless of where they live, have access to a modicum of services.

(1930)

Mr. Krawetz: — Thank you, Madam Minister. Yes, I would fully agree that we have to have a plan. And I'm not sure that if you consider railway abandonment as the issue as to whether or not a school exists, that isn't going to matter because we already know that there are schools in this province, due to declining enrolment, are operating with 20 or 30 or 40 students. And whether or not the railway continues to operate through that community or whether the elevator is going to be there isn't going to matter a whole lot about whether or not that enrolment is going to go down a lot, or indeed whether or not that enrolment is going to stay stagnant.

We have seen communities in this province that not too many years ago had hundreds of students attending the school in that community. And whether or not it's due to the societal change and the fact that families are smaller today; whether it's due to the fact that our farms have increased in size, whether it's due to the fact that we are a more mobile society — those things have all helped to contribute to the fact that we have many small schools that are operating and many small schools that have closed.

My question is — and I agree with you that there has to be a plan — my question is, when we start to look at transportation of students we have in many instances reached the point where students are riding a bus, right now, one way in the morning, an hour and a half, an hour and thirty-five, an hour and forty-five

in some instances. If the school closes, for whatever reason, the next nearest school in some instances, if I look at the south-east corner or the south-west corner of the province, we're now talking that the nearest school might be another 35 or 40 miles. A two and a half hour bus ride? I mean you can talk to any parent — that is known. I see you shaking your head negatively, and I appreciate that reaction because that is an impossibility.

So my question — and I care very much about rural Saskatchewan — I want to know whether or not we're working with our partners, whether you are working with your partners, to develop a plan now. Not a year from now, not two years from now, when already we've had to have students move to Saskatoon because they fear riding a bus for two and a half hours. I want to know if you are putting in place a plan that's going to look at distance education or whether you're going to look at saying the mandatory maximum time on a bus is X number of minutes, etc. Like what are you doing to address the concerns in rural Saskatchewan?

Hon. Ms. Atkinson: — Let me say this. This is where you and I are going to disagree. As soon as you take a railroad out of a town, and as soon as you take an elevator out of a town, things change. And I think you will acknowledge that much. You take a post office out of a town, a railroad out of a town, an elevator out of a town, the bank leaves a town, things change.

And so what I'm saying to you is that you change the infrastructure, you change the infrastructure in rural Saskatchewan by one policy change — that has a dramatic impact. And surely, Mr. Member, you should understand that. Even if it is your Liberal cousins in Ottawa, there are lots of Liberals in this province that understand what the Crow benefit means to this province.

Now I know the Tories. I know they don't understand because they've been trying to get rid of the Crow for years. They just didn't expect — I didn't expect — the Liberals to do it, but you did. And so, given that you've done it — it's a done deal — you've got to start thinking about what does the infrastructure of this province look like. Municipalities are planning road construction, how the transportation system is going to be in this province, and we're going to do some planning about what do our rural . . . what does our rural education system look like.

Now you asked me what have I done. We have a over \$1 million enhancement fund that has gone into wiring and cabling schools for distance education. We have a \$3 million rural education technology fund to deal with the people that you're talking about. I don't expect a kid down in the south-west part of Saskatchewan to get on a bus and drive for two hours one way and two hours the other way in order to get their high school education. We do have the technology in this province to deliver, through distance education, the appropriate subjects that will get that young person off to post-secondary education. Is it going to be a year from now when we have our plan in place. We'll see what the public has to say. We will make the appropriate legislative amendments a year from now if the public wants us to go in a particular direction. And I would say that if there is to be restructuring, it'll be in place by the fall of 1997.

The Chair: — Why is the member on her feet?

Ms. Hamilton: — With leave, to introduce guests, Mr. Chair.

Leave granted.

INTRODUCTION OF GUESTS

Ms. Hamilton: — Thank you, Mr. Chairman, and I thank the member opposite for allowing me to interrupt the line of questioning, and the minister as well. I'm sure the young people here today are finding the questioning of the Education minister and the responses to the budget allocation for education very interesting.

And with that, I'd like to introduce to you and through you to all my colleagues in the Assembly, 12 fine young people from the White City, Balgonie area in the constituency of Regina Wascana Plains. They're all members of the High Prairie Scouts movement, and they're accompanied by their Scouter, Laurie Buck, and Scouter, Greg Herr. They also have with them a parent, Donna Trafiak.

They've had a tour. They're listening now in to some of the debate in the Assembly. I'll meet with them shortly for a photo and a time to visit and share some refreshment with them. I look forward to meeting with the Scouts from the High Prairie Scout group. I'd ask all members to join me in welcoming them here this evening.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

General Revenue Fund Education Vote 5

Item 1

Ms. Draude: — Madam Minister, I was interested to hear you talk about the effect of railway closures and elevator closures had on the education system. Last night I attended a meeting in Annaheim, Saskatchewan, where they've never had an elevator or a railroad. They have a very viable community, but they have a problem with their school closing.

This seems to be a little strange to me because Doepker Industries has managed to keep this town alive by its . . . basically by itself, but because the school is closing, it's going to have a direct effect on that town because they can't get families to move into town if the school isn't going to be there.

I think that these . . . When I hear that your government's main priority is job creation and yet some of the other acts that you're carrying on is affecting the job creation in rural Saskatchewan, we can't blame railway closures, railways closing down, on all the schools' problems, so I'm just asking you to consider that there are other circumstances in this province besides just federal offloading.

Hon. Ms. Atkinson: — Well it's my opinion that the railroads in this country have had a dramatic impact upon where

economic development has occurred. I think any farmer in this province will acknowledge that the railroad and where the grain elevator was located impacted upon his or her business.

I'm saying that if you go to large inland terminals, which it appears as though we're moving towards — large concrete elevators — and you abandon rail branch lines, and it appears as though there is some hurry to speed this process beyond the 10-year period, to speed it up quickly, that that will have a dramatic impact upon the infrastructure in rural Saskatchewan. And I think regardless of whether you're a Tory or a Liberal or a New Democrat, we need to acknowledge that.

That one policy change of the federal Liberal government . . . And I have heard this from people who don't sit in this House, but certainly reflect your views, political views; they have said that this one policy change by Ottawa will dramatically change the way this province is structured, the infrastructure is structured. And I find it interesting that you wouldn't, that Liberals in this House would not, acknowledge that fact.

Now given that that is a fact — we have had a change to the Crow benefit — given that the branch lines will be abandoned and inland terminals will be created, that's a fact, it seems to me that given that there is planning going on in this province, we have to — capitalist planning — government needs to plan as well. And that's what we're going to do.

Ms. Julé: — Thank you, Mr. Chair. I have a comment that I feel I should make. I'm from rural Saskatchewan — we have a farm — and I know very well that school enrolments have declined in Saskatchewan, Madam Minister, long before the Crow benefit was changed. It seems to me that it's been dwindling away at the infrastructure of rural Saskatchewan throughout the years, gradually, that has eroded the population in rural Saskatchewan in more ways than one. And it has not only been attributed to the transportation of our grain.

I noticed that people throughout the province, no matter what their work is or what their occupation, have certainly had to adapt to travel. And our farmers now do have to take some of their grain to inland terminals, but that would not, in itself, be reason for me to move off of my farm and out of rural Saskatchewan.

What really does make a difference to me is in effect, if all of the businesses in my community are suffering, if I don't have access to Crop Insurance offices and all of those things that really, I guess, make my life a little bit easier, those are things that would make me end up thinking about moving. And they would also be things that would make my children second-guess whether they can live in rural Saskatchewan at all. So I would suggest that there is a bigger picture here than just transportation of grain, because we know that rural Saskatchewan has had some difficulty with population and school population long before the Crow benefit was changed.

Mr. Krawetz: — Thank you, Deputy Chair. Madam Minister, we fully agree with a demographic change that we won't be able to prevent. And that's reality — that's fact. You state that elevator companies are going to be moving to large concrete

terminals — that's fact. In fact there are maps out and you can talk to the major grain companies that will tell you where they're going to be or where they hope to be located in a short while.

I also would like to inform you that in many instances communities that I have heard from over the last, well not just the last six months, but over the last number of years, where there have been decisions made about downsizing schools, about closure of schools, that these kinds of changes, Madam Minister, took place in communities where there used to be 30 viable businesses a short 15 years ago. And the population of that particular community used to be 400 or 350, and today, Madam Minister, it's barely 200 and it's an ageing population, and there are about seven businesses left in town of which you've identified a few of them — the co-op store, the post office, a service station, a grocery store, and yes, the elevator.

Now when that elevator leaves because it's the choice of the grain company, it won't matter a hill of beans to that school that's there. Okay. So we have to realize that. And those kinds of changes are taking place. As you said — fact — I would like to know . . . and you're saying that you're going to rely on the feedback that you will hear over the course of the next six months, I take it, because you're looking at next winter. Are you proposing anything else other than the four options that you've put forth?

Are you looking at any criteria or guidelines to communities or to school boards, as far as what you would see the school being or how far it must be before you would see another school, the location of the next school?

Hon. Ms. Atkinson: — I can tell you that we have set up our rural technology factor in our operating grant. We fund rural schools to a greater extent than we fund schools located in urban Saskatchewan. We aren't planning on changing the funding formula other than what we've changed it this year in terms of some of the factors.

We do not have any criteria in mind. We're going to wait to hear what the public has to say. We're not going to say grade 2 should be on the bus for 20 minutes and grade 10's for 50 minutes, and we're not going to get into that sort of discussion. We want to look at the big picture — how do we want this province to look in terms of how we deliver education in this province?

And we will see what the public has to say and maybe the public will have a different option. They may have a fifth option that we haven't thought about.

Mr. Krawetz: — So I'm hearing that you're totally open to suggestions from the public and that you're going to be looking at them with, I guess, all stakeholders involved in giving you ideas and giving your department officials ideas. I look forward to that.

One concern that I'd like to ask you before some other questions are asked by other members — bussing, transportation. Were there any significant changes made to the bussing program this year?

Hon. Ms. Atkinson: — No.

(1945)

Mr. Krawetz: — When I look at the equalization — not the equalization, the foundation grant formula, and I see the allotment of monies in the area of transportation. We know that the fuel price increases, all those kinds of things, have taken place, yet there was no addressing of that for school boards. And I see that as a burden on school boards and I know you're talking about shifting monies within the budget and trying to work within the dollar figure that you have. How do you see school boards being able to address the increased costs for transportation without any increased money?

Hon. Ms. Atkinson: — I'm advised that we're paying more money for rural transportation than what is actually being spent, so in fact, just so we're clear here, we don't pay the actual cost of transportation; we pay more than the actual cost of transportation in rural Saskatchewan.

Mr. Krawetz: — Do you work into that cost a certain amount for capital in terms of bus replacement?

Hon. Ms. Atkinson: — I'm advised we do.

Mr. Krawetz: — Could I ask what that percentage is of the total budget?

Hon. Ms. Atkinson: — We don't have that here but we can get that for you.

Mr. Heppner: — Madam Minister, among all the institutions that change, I think schools are one of the ones that change very slowly, just by the nature of the kinds of things that they are. And so they need a lot of lead time to get going.

So my question relates to the change in education funding between the last budget and this one. And I know the reason given was the offloading from the federal government. However you were quite aware of what that offloading was going to be before the last election, and the school boards were given a hope that there would be a certain amount of funding coming through, and basically that didn't happen.

And so my question is, why did you promise a funding increase that you knew you couldn't deliver and playing politics with an educational system that has a very hard time adapting in a hurry?

Hon. Ms. Atkinson: — I don't know if you know this, but we made the — you weren't in the House here — but we made the funding announcement for K to 12 before the last federal budget. The Minister of Finance got her budget in February. The federal Minister of Finance did not bring his budget in until March 1995.

And I think it's fair to say that we were not at all clear what the changes were going to be to EPF (established programs financing) and CAP (Canada Assistance Plan) and the impacts

that would have on the province. We thought it would be around \$100 million, but the federal Finance department was not that forthcoming. And we did not know until we got the budget documents from the federal government on their budget day that in fact it was \$114 million for this fiscal year, 1996-97.

Mr. Heppner: — I guess, Madam Minister, that compounds the problem as I see it. If in fact you didn't know what the federal offloading was going to be, then why the various commitments that were made?

Hon. Ms. Atkinson: — Well I don't know if you understood what I said. We made our commitment to the 2 per cent funding increase in February 1995. The federal government did not deliver their budget until some time in March 1995.

In their budget documents, there was no transparency in terms of impacts in 1996-97. There was a reference to changing EPF, established program financing, and CAP, Canada Assistance Plan, into the Canada Health and Social Transfer. But there were no numbers given to the province in terms of '96-97. And as I said, it wasn't until Mr. Martin delivered his '96-97 federal budget that we had transparency for the province in terms of the actual funding reduction. When it came to rolling CAP and EPF into the CHST (Canada Health and Social Transfer), the province was \$114 million short.

Mr. Heppner: — My next question relates more to the recent settlement that was made. Our information leads us to believe that the increased cost of salaries and benefits that are coming down the pipe will be some place between 14 and \$20 million. The \$2 million for the K to 12 system doesn't come anywhere near that.

So the question is, well why the discrepancies? And I guess the real critical question is — there will be a shortfall. There's no doubt about that. The school boards are already working through that and I'm sure you're aware of that — how do you expect the school boards to make up that shortfall?

Hon. Ms. Atkinson: — As you will realize, member, we have a tentative collective agreement. I can't discuss what is in that tentative agreement until the teachers have had an opportunity to vote on this. I believe it's April 24 and 25. I can say this to you, that we disagree as to the cost of this collective agreement. We do not at all agree that it will be 14 to 20 million. We are of the opinion that it will be a \$2 million cost to the school boards across this province when you look at incremental salary increases associated with the collective agreement.

Mr. Heppner: — As you stated, Madam Minister, we do disagree on that particular fact. However we'll probably have to agree on the fact that there are a lot of other costs that have gone up which are not covered by your funding — inflationary costs, further transportation costs, all manner of various costs that come through there. And if those are not being covered by the provincial government grants, then my question to you, Madam Minister, is how do you propose that these school boards, who are already facing a taxpayer group that is paying very high taxes, is supposed to cover that? Cut-backs or taxes?

Hon. Ms. Atkinson: — Well for your information we do not at

all agree with the trustees that this will cost . . . this collective agreement with the teachers will cost between 14 and \$20 million. We just do not agree. They are including items that have nothing to do with the collective agreement. So we disagree, and I know that you have a partner or a spouse that is involved with the school trustees association, and I know that this is something that they're of the opinion . . . and we do not agree because they are including things like increments for teachers that would have gotten increments anyway. So that is our position.

Now in terms of this budget, I mean if you look in the blue book and you look very carefully, you will note that no other third party — even though there have been wage increases in this province — got any increase. K to 12 did.

You will also know that assessment in this province is going up. There's a \$20 million increase in assessment. The value of property that has been built in this province or added to in this province is a \$20 million increase which means that school boards will have access to more property taxes because of increasing assessment. We have made arrangements through SaskPower and SaskEnergy to decrease utility costs for those particular utilities to school boards. They got a bigger reduction than citizens did because we realize that school boards are important, and we realize that we're living in times where we will not see significant increases in funding to school boards or other third parties.

I'd just like to remind you that this is one of the few provinces in this country that will see an actual increase in grant to the K to 12 system in this fiscal year. Many other provinces . . . I'm just thinking of Ontario; I think they're cutting their school funding 10 per cent — like that. That's not happening in this province. We're beginning to make our way out of some of the fiscal problems that developed in the 1980s under a previous administration. We're starting to make our way out, and we can see the light at the end of the tunnel come the next century. But it's slow, and it's tedious, but we're all in this together. And I think that we've had a very good relationship between the trustees and the government, and I expect to continue to have a good relationship between the trustees and this government.

Mr. Heppner: — Madam Minister, it's an interesting conclusion when we are not allowed to use, for example, as you mention the cost of increments as a cost in education. I'm not exactly sure whether we're supposed to use the same activities we saw at the other side of the House where, you know, trustees are supposed to pull this money out of the air somehow. But I don't think it works that way.

Your Finance minister claims there are no new taxes in this budget. I think this will translate into new taxes. It will do that by an increase in mill rate and alongside of that with some other very serious cuts. With reference to this, I would like to quote from the Catholic education director, Ken McDonough's comments about this budget. And the quote is:

. . . we're still not sure about whether there will be a mill rate increase.

We're still looking at a \$472,000 shortfall in our estimates

. . .

Now that statement, by the way, doesn't include any additional costs of the STF (Saskatchewan Teachers' Federation) settlement. And there are costs aside from the salary part which you maintain you're going to be covering.

Al Klassen from the SSTA (Saskatchewan School Trustees Association) amplifies this comment a little further. And he says:

By law, school boards must balance their budgets.

With local taxpayers absolutely tapped out in many areas of the province, school boards will have no choice but to cut staff, eliminate programs and close schools.

Those are all pretty disastrous sorts of things. Those are the things that happen in rural Saskatchewan first and most and are the most hurtful.

Already the Saskatchewan Teachers' Federation, the ones you were working with for that collective agreement, estimates that the number of full-time equivalent teaching positions lost since your government took office is 821, which is substantial and that relates right back to kids and to classrooms.

A final quote on that subject is:

The government is cutting back on their own responsibilities for education, loading it up on the local property taxpayers, and that's wrong. How about standing up and facing up to your responsibility for the children of tomorrow.

And that's by Mr. Roy Romanow speaking in the House in 1990.

So let me ask you, Madam Minister, in your view, what will be the ultimate impact of this year's Education budget — higher taxes or closure of schools?

The Chair: — Order, order. Order, order. Order. I simply wish to draw to the hon. member from Rosthern's attention, you used a proper name of a current member of the legislature. As the member knows . . . order. Order, order. I know the hon. member is aware of the rule regarding the use of proper names and I just caution the member not to do so.

Hon. Ms. Atkinson: — You should know that when Mr. McDonough made those comments he did not have all of the information. In fact St. Paul's Roman Catholic School Division in the city of Saskatoon will receive an additional \$1.5 million over and above their grant from last year. They are very happy.

Mr. Heppner: — Madam Minister, I would like to move to something that's happened in Alberta. I'm wondering if we need to look at that and if you have? It's the business advisory group that they have established there. And it's in order to cope with your funding cuts the educational system is going to have to become more effective at delivering the real needs of students.

One step the Manitoba government took was to establish, as I mentioned, a business advisory group on education. Terms of reference include: advising the minister on matters in priority; promoting leadership and partnerships; developing strategies to strengthen business education links — and I'd like to underline that one if we're going to have to look at all the possible fundings for education that one needs to be looked at; ensuring that business interests are reflected; and advising the minister on priorities in skills training, development, and delivery. I think that last one's critical as well to make sure that education does for our kids what we hope it will.

Your government has used these kinds of bodies in the past for such things as trade and tourism policy development. Have you monitored the Manitoba group's work at all, and if so, what are your assessments?

(2000)

Hon. Ms. Atkinson: — We are not familiar with this report, and if you would like to share it with us quickly, we'd like to see it. Or obviously, we can write the Manitoba and Alberta governments and get it.

As I said earlier, we are trying to develop partners with all kinds of different people, all kinds of different groups in the province. We all have an interest in education and that certainly would not exclude industry in this province.

Mr. Heppner: — Okay, as you mentioned, you're not that familiar with that. I'm sure the Manitoba government and . . . (inaudible) . . . occasion are willing to share that with you.

I think universities in the past have looked at doing work together with business to get some funding. What are your general feelings about business partnerships in education especially as it relates to K to 12?

Hon. Ms. Atkinson: — We have work experience programs all over Saskatchewan where school divisions, through their work education teachers, enter into partnerships with business to ensure that our young people can develop work experience in businesses' workplaces. So we're not at all opposed to having these kinds of partnership arrangements to ensure that our young people have access to learning opportunities, their skill development opportunities that will hold them in good stead once they leave secondary education.

Mr. Heppner: — Madam Minister, switching gears somewhat here, one of the current issues in the past has been the delivery of sex education components and curriculum and I'd like to spend some time on that aspect of it.

Last year, there was considerable controversy over a so-called value-free curricula. And I think you're fairly aware of that. My question — I have two that deal with that. One is, what, if any, elements of that value-free course were implemented and can you tell us of any other changes to that particular curriculum component that has been made over the past year?

Hon. Ms. Atkinson: — I'm sorry, we don't . . . could you be a little more specific in terms of what you're talking about?

We're not familiar with what you're talking about.

Mr. Heppner: — On the value-free thing dealing with the sex education, and it had some videos with them and the information that was involved involved concepts on how students, if they wished to, could perform oral sex effectively and enthusiastically and interestingly . . . I take it from your advisers shaking their heads they have no knowledge of any of this?

Hon. Ms. Atkinson: — This kind of stuff that you're talking about would not be recommended for use in our schools, so I'm sorry, I don't know what you're talking about. I haven't seen the video and none of us have, so it must have be something that we're not familiar with and it's obviously not in our schools.

Mr. Krawetz: — Thank you, Mr. Chair. Madam Minister, my question, the last question that I ended with regarding transportation . . . and I've been looking through some statistics that I've been sent by various boards of education. And I see over the last three documents that I have, which is the last three years, that the allocation of funding, recognized expenditure for transportation, is a daily per pupil allotment and a daily kilometre allotment. And the funding that I look at, and I look at the cost factor or the number of kilometres travelled in these particular school divisions, and I see a factor of about 80 to 85 cents per kilometre travelled over the course of a year.

And when I take a look at the actual expenditure arrived at, I see in the instances here that it was almost equivalent, or in fact the expenditure that the school division actually had was just slightly more than the amount that was in the column on the recognized expenditure.

And those school divisions did not purchase a bus in that particular year. In other words, no capital investment. If we look at school divisions of this size that are running about 15 or 18 routes, the replacement is usually about one or one and a half buses per year on a regular basis to get through a fleet of 15. Bus costs now \$60-plus thousand for one bus. I would like some explanation as to how that daily kilometre rate actually includes capital.

Hon. Ms. Atkinson: — Just for your information, the province of Saskatchewan recognizes about \$54 million in rural transportation. We pay a per pupil and a per kilometre rate to school boards, and built into that is the cost of replacement. And as I said earlier, we pay as much as the actual cost or more than the actual cost. And I think you will know, because school boards often tell me, do you realize that you're paying us more than the actual cost of transportation; we make money on bussing? And we know that, but we're not going to change it because we think that the way we presently fund transportation is appropriate, and we have built in replacement costs of buses.

Mr. Krawetz: — Thank you, Madam Minister. I have heard from school divisions over my time involved with the trustees association that there are some inefficiencies in terms of how students are bussed. And I think we've encouraged the department to take a look at that in terms of trying to be as efficient as possible, and I know school divisions are trying to

do that. And I guess I will just say that that's where you and I disagree in terms of whether or not they're funded to the full amount.

I would like to have the information provided. And I know I would understand that your officials wouldn't have that. When you say 54 million for transportation, I would like to know, based on either the '95-96 school year or the '94-95 . . . or '95-96, what number of kilometres were buses using in this formula in terms of transportation? And is that number working close to about 80 or 85 cents per kilometre? Do you have that information today or will you be tabling that?

Hon. Ms. Atkinson: — We'll send it to you.

Mr. Krawetz: — Thank you for that answer.

Could I take a look at the budget document, Madam Minister. I want to bring to your attention some historical data that I find very interesting. In 1991, according to your numbers, you have indicated that the foundation grant to boards of education was about \$374 million, and the educational development fund for that particular year, and this number is coming directly out of the audited financial statement, was about \$7 million. So the amount that was actually transferred to boards of education in this province in 1991 for operation, and I'll refer to that as operation, was about \$381 million.

In 1995, you have indicated in your document, \$353 million was the amount that was in the line item referred to as the foundation grant, and there was about \$2 million worth of EDF (education development fund) — the final year of EDF. That number translates into a sum of about 355 million.

My first comment there is that over that space of that short four years, there was a decline in funding to K to 12 education on the operating side, of \$26 million. At the same time, I understand, Madam Minister, that there were increases from the federal government to the province of Saskatchewan almost on a yearly basis. What was happening with the federal monies when at the same time you were reducing funding to boards of education by 26 million over that four years?

Hon. Ms. Atkinson: — We sent a document on March 18, 1993 to every director of education in the province. I'm sure you were the chairman of your board of education, and you would have seen this document. And it says that the educational development fund will be wound down beginning April 1, 1993. And it goes into how it's going to be wound down. This is not news; it was known two or three years ago that this would be wound down.

And you should also know that EDF was used for things like technology and those kinds of things; curriculum supports, resource materials, and so on and so forth.

Mr. Krawetz: — Yes, Madam Minister, I was aware of that. And I guess as my colleague from Rosthern has indicated, his spouse gets him into trouble, and my past job gets me into trouble. I'm not sure if that's what you were alluding to, but I don't think it did get me into trouble.

I think what it tells me though, Madam Minister, is that if I now move to 1996 year . . . and I need clarification on your numbers because you've indicated that Education is one of the few departments that did not receive a cut. And if I look at the educational development fund plus the operating grant of 353, which I've already stated to you, that number was 355 in total last year, this year the line item for the EDF, as you've indicated it ended last year, so this year the monies for EDF are zero.

So therefore if boards of education were spending \$2 million last year on library technicians, purchasing resource materials for their resource centres, their libraries, buying computer hardware or software in terms of improving their technology, and they're going to continue to do that this year, they have to find that \$2 million from some other source because it's not there.

You've also indicated that the \$353 million foundation grant has been increased to 355. Plus zero EDF means it's the same 355 that boards received last year. However you've told us . . . and I understand your reluctance to discuss items of contract that are still to be voted on. But the word is out, Madam Minister; we know that there is a 1 per cent increase taking place on September 1 if the agreement is ratified, and that cost is \$2 million.

You have said \$355 million is the amount of money being given to boards of education, the same number as last year. And you've said that there will be a \$2 million increase in expenditures. The boards of education of this province are not in the same financial position as they were last year. Would the minister like to comment?

Hon. Ms. Atkinson: — I just want to comment that EDF was never for operating. I think you know that. It was one-time money for one-time projects. It did not go into operating grant.

Now I don't want to do this to you, but I'm going to do it. Add up . . . (inaudible interjection) . . . well he's a new member, and I just want to be kind. Let's just add up grants to schools, school capital, and EDF. If you look at 1995-96 in comparison to 1996-97, there's a \$3 million increase.

Mr. Krawetz: — I would like to look at the capital. We'll disagree on that for now, Madam Minister, and we'll talk about the full funding, okay. Boards of education over the last number of years have had a great problem with capital projects. And I'm glad that you've introduced that topic because I'd like to spend a few minutes there . . . (inaudible interjection) . . . Oh we'll get back to that point.

When we talk about capital funding, we have seen dramatic change in the amount shared between the department and the amount shared by the local taxpayer, that is, the boards of education.

(2015)

I recall that, I think it's about the late 1980s, that the share for a particular school division that I was associated with, the fee for capital construction, was about 20 per cent of the project. Now that share is about 40 per cent. Is there any plan in the

department to level that off? Is it going to continue to increase?

Because, Madam Minister . . . and I raise this very sincerely. I've had school divisions phone me to say we have a need for a capital project, and we understand that there are many capital projects before the facilities department. But they are saying to me that if they receive a capital project of significant amount — \$2 million, \$3 million — based on the fact that their share has increased so dramatically, they will be in a position to say thank you, Madam Minister, for the project, but no thank you because we can't afford it.

Has there been any look at the division of monies for capital and how the department is going to assess the needs of school divisions?

Hon. Ms. Atkinson: — I can tell you that we are reviewing our capital allocation formula, but we've made no decisions.

Mr. Krawetz: — You've made no decisions on a review?

Hon. Ms. Atkinson: — We're reviewing it, but we've made no decisions.

Mr. Krawetz: — Thank you for clarifying that. I didn't hear your first words.

Okay, so if the formula is to stay the same and the school division is going to be paying 35 or 40 per cent on its ability to pay, as I understand now, and if that doesn't change, we will see this year . . . and this is the point, Madam Minister, where I wanted to congratulate you and the Finance minister for something that I see as a change in the capital structure. And we'll get back to then the total amount that you're spending back on operating because it shouldn't include capital.

When I see a transfer of money in capital where you're saying that line item is now increased from 22 million to 24, and I see at the bottom of page 43 a footnote there, could you explain why there is a discrepancy in the interest? Is it due to the fact that there were no projects at a particular year?

Hon. Ms. Atkinson: — There's a variety of reasons, but basically interest rates are down.

Mr. Krawetz: — Interest rates are down. It has nothing to do with the fact that there were no capital expenditures a number of years ago and therefore that the department is no longer picking up a share of interest?

Hon. Ms. Atkinson: — As you know, there was major building 10 years ago. We haven't had as much capital construction in the last few years so consequently our interest rates are shrinking.

In fact, as you probably know, we have schools that were built in the '80s that are now abandoned. A good example is Paddockwood. This is where public policy does make a difference. When the previous administration entered into its agreement with Weyerhaeuser, small woodcutters couldn't go into the forest. Well there were a lot of small woodcutters that located in Paddockwood. We built a brand-new school in the

1980s. It's now empty because of that policy change. So policy does impact upon infrastructure.

Mr. Krawetz: — That may have some bearing on it, yes, Madam Minister, policy would. But I also know of schools that had small capital projects done to them in the middle '80s, and due to some extremely declining enrolments, those schools have closed and they've become public property, and indeed school divisions are still paying the last little shares on that. You know, I don't think it's because of anyone's error, that's just what has happened.

I'm glad to hear you confirm that indeed the interest reduction from \$14 million to \$12 million is due to the fact that it's a block of interest that's missing, okay. And if I read this correctly then, if I look at last year, the 22 million that you had as a capital expenditure, 14 of that was for interest and 8 was for actual, real projects, okay. And therefore the 24 million that I see this year, you're saying that 12 of that is for interest and 12 is for capital projects. Correct?

By your nodding, I see that that's correct. So therefore, as I said, I congratulate you for having \$4 million more for boards of education to look forward to in terms of capital projects.

Back to my original question, or comment, about monies for operating then. I still see the fact that the school boards of this province are out \$2 million for operating this year versus last year, excluding capital.

Hon. Ms. Atkinson: — Not true. Not true.

Education development fund, we announced it — let me see — March 18, 1983. It was going to be phased out beginning April 1, 1993. And it would be paid out . . . in 1993-94 we paid out in total of 5.8 million and the annual budget estimates will include 2.25 million for the EDF with a balance of 3.55 million appearing as an accounts payable against the province's accumulated deficit. The intention is to pay out the remaining \$3.75 million over the next two years. The EDF never went into operating. With all due respect, it went into . . . (inaudible interjection) . . . well maybe some school boards put it into their operating grant or operating, but they shouldn't have. It was for one-time projects like computer technology, like resource material, like conservation technology that would lead to savings, but it never went into the operations of the school. It was one-time funding.

Mr. Krawetz: — Thank you, Madam Minister. Madam Minister, many school divisions, when they looked at improving their resource rooms or their resource centres, spent money on material and spent money on a staff person. Now those expenses are real; they're operating expenses of a school division. They don't just disappear because the grant disappeared. They're still there this next year. How do you expect the boards to maintain the continued expenditure of buying materials for resource centres or employing the person who's there?

Hon. Ms. Atkinson: — Well you see, like let me give you an example. We have a million dollars for the telecommunications enhancement fund to wire and cable. I mean that's not

something that shows up in operating. It's something outside of operating. It's one-time funding. And I think, with all due respect, Mr. Member from Canora . . . or Pelly, I'm sorry, Canora-Pelly, I don't think you're being fair here. Look at the budget book. There's an additional \$2 million for operating. It's 2 million for operating. EDF was never part of operating. And if you're going to do that, then I must include capital. And if we're going to include capital, there's a \$3 million increase this year.

Mr. Krawetz: — Okay, Madam Minister, if we hear the numbers correctly, what you're telling me then, that if we talk about \$353 million worth of grant last year and you're talking about a \$2 million additional revenue to boards of education for this year, you're talking about 355 million, but you have added a \$2 million expense if indeed the contract is ratified for 1996 only and I'll just talk about that year. Is that correct?

Hon. Ms. Atkinson: — We have said that the \$2 million increase is basically for incremental increases associated with the salary increase that was tentatively negotiated but which we shouldn't talk about because teachers haven't yet accepted the collective agreement.

Mr. Krawetz: — Madam Minister, some of my colleagues would like to ask further questions and so do I, but I guess what I would like to look forward to then, if we can't talk about the contract, the negotiated contract, will we have that opportunity yet after the 25th?

Ms. Julé: — Thank you, Mr. Deputy Speaker. I'd just like to ask the Minister of Education, when the EDF fund was established, who were the contributors to that fund? Were there a number of contributors? Who were the contributors?

Hon. Ms. Atkinson: — This fund, I believe, was established in 1986. And the provincial treasury, the provincial government, were the contributors to the fund.

Ms. Julé: — So there were no funds put into the EDF from the teachers themselves in any way or form?

Hon. Ms. Atkinson: — No, teachers never contributed to this fund. It was an appropriation that the provincial legislature made every year after 1986, I believe — '85. And as I said earlier, there was an announced phase-out in April of 1993.

Ms. Julé: — Thank you.

Mr. Krawetz: — Madam Minister, if I could spend a few moments on the foundation grant formula in terms of how you have distributed the money to boards of education.

I note that in your release to boards of education, you have indicated that there is an increase in the per-pupil allotment. And after receiving some documents from various school divisions, I've noted that in many instances, because of the slight increase in the per-student allotment for kindergarten to grade 12, that number that is used now as a recognized expenditure, if there has been no reduction in enrolment, that indeed is a higher number than it was the previous year.

And you have stated in this House that there are additional monies provided for rural technology, there are additional monies provided for special needs funding, there were . . . core implementation I think was another one that you've indicated. And there's a significant number of dollars, millions of dollars, that you've now placed in the area that I'll call the recognized expenditures, okay.

When I have received phone calls from boards of education over the last four or five days since they've received their grant printouts, they're telling me that they have significant reductions in grants — 150,000, 160,000. So my question to them was, well then your enrolment must have declined significantly. And they tell me no, we lost a few students — in one example, 15; in another example, 23 on a fairly large rural school division — so that's not a significant amount.

And in three cases they have said to me, the numbers that we have as far as recognized expenditures for our student allotment is up, even though we lost 14 kids. We're still up. So my question, and my inability to answer the questions from boards, is, if that is true and you've increased the funding, how then do boards of education, how do they now face \$150,000 grant reductions if indeed they were supposed to be getting more money?

Hon. Ms. Atkinson: — They may have faced an enrolment decline. They may have faced . . . we've changed sparsity of small schools. As well, they may have seen an increase in assessment. And as you know, if your assessment goes up, you receive more funds from your assessment. Then the grant from the province goes down.

Mr. Krawetz: — Thank you, Madam Minister. As I look at the numbers though . . . and it's not enrolment decline because the instance that I'm talking about or instances, there's virtually no change to the enrolment of one school division. There is a slight decrease to the enrolments of another school division. And I see their printouts from last year and the year before this year and the year before, and the recognized expenditure for per-pupil enrolment is up. So there isn't there.

But when I look at the other side, I see a change in the equalization factor of 2 mills. For the benefit of many people, could you explain how the 2 mills then is going to relate to the amount that the school division now has to pay?

Hon. Ms. Atkinson: — Well I'm sure you know that equalization tends to benefit lower income school divisions. This is where we really do have equity in education because lower income school divisions with lower assessment receive more support from the province than higher assessed school divisions with higher income.

(2030)

Hon. Mr. Shillington: — I move we report progress.

**General Revenue Fund
Post-Secondary Education and Skills Training
Vote 37**

Hon. Mr. Mitchell: — Thank you, Mr. Chair. Beside me is

Dan Perrins who is the deputy minister of the department. Behind Mr. Perrins is Lily Stonehouse, assistant deputy minister. Behind me is Mae Boa, the executive director of finance and operations. Also present along the back of our side of the House, Mr. Chair, is Margaret Ball, assistant director of facilities planning; Brady Salloum, who is the director of student financial assistance; Merran Proctor, who is the president and CEO (chief executive officer) of New Careers Corporation; and James Benning, president and CEO of the Saskatchewan Communications Network.

Item 1

Mr. Krawetz: — Thank you, Mr. Deputy Speaker. Welcome to the officials with the Department of Post-Secondary Education.

Mr. Minister, with the creation of the new department, I imagine that you've had a chance to take a look at what was the previous vision of the department when it was a joint, combined project with the kindergarten to grade 12. Could you elaborate as to whether or not that vision has changed and indeed what is the vision for post-secondary . . . for the post-secondary department?

Hon. Mr. Mitchell: — I think that the vision is quite similar inasmuch as we are still talking about post-secondary education and skills training, and the universities are still there. SIAST (Saskatchewan Institute of Applied Science and Technology) is still there, and the regional colleges are still there. However, a number of things have happened which have intensified the public attention and provincial concern about the post-secondary education and training system. And the member will know that, but let me recount it briefly.

We have some adjustments in the cost-sharing arrangements and we've discussed those before in this House. I won't have to go into detail there, but the cost-sharing arrangements involving the federal government have created problems. In addition, changes to the unemployment insurance arrangements and the participation of the federal government in the purchase of training has changed and that has created problems.

One of the problems that I might mention specifically that has arisen from the change in the federal philosophy is that they are getting out of the training field in the sense that they will no longer be involved in the provision of training but will simply be assisting some of the people who are on their unemployment lists in a chronic way to purchase training. This leaves Saskatchewan in a position where we are going to have start at square one with respect to a training strategy.

As I have explained before in the House, this province, along with a number of other provinces, have adopted a training strategy built around federal programing. And we've become quite adept at taking advantage of the opportunities that that presented to mount training in the province of Saskatchewan. And we supplement and fill in around the federal programing. We did that for something like three decades. It seemed to be a rational approach at first, and it served us over the 30 years.

But with the withdrawal of the federal government from that field, we are in a vacuum situation. And we're moving as

quickly as we can to try and fill that vacuum. I think it's a grand opportunity; I don't think it's an entirely negative situation. I think it's something probably, with the benefit of hindsight, we probably ought to have done 30 years ago, that is, to stake out our position with respect to training in Saskatchewan and to establish a training strategy built around Saskatchewan priorities, the needs of our labour market, the needs of our population, and to fashion our own program and allow the federal government's programs to supplement that. This therefore is not an entirely negative situation, although it's a difficult one because of the cost implications.

All of those combine to intensify the concern for people involved in public policy with respect to post-secondary education and skills training. And I don't know what that says in terms of vision. The vision is, I believe, what it always has been, namely, that in order to support economic development in this province, we have to support the training of our people. We have to support it in whatever way is appropriate, and in conjunction with that, of course, is to provide our young people and some who are not so young with the opportunity to participate in the workforce and to acquire the education and the training that they need in order to participate, in order that they will be able to enjoy their life to the fullest.

Now those are not new ideas; those have been common to what we used to call manpower policy all across this country, probably all across the world. But those are the two specific public policy elements that drive our department at the present time.

Mr. Krawetz: — Thank you for that reply, Mr. Minister. Mr. Minister, with the creation of the new department outside of the umbrella of the K to 12 and post-secondary training before, do you see the people of Saskatchewan being served any better, any differently, than the system that we had prior to the splitting of the two departments?

Hon. Mr. Mitchell: — I think that the answer probably is that the proof of the pudding will be in the eating, and we'll see how it turns out.

I regard the present system as normal. It has, for 25 or 30 years in this province, been the case that these have been two departments. And only during the period from about '86 or '87 to this past fall did we have an attempt to join the two departments and to meld them, merge them into one functioning department. The member will know that it just simply didn't work, that it was like a . . . there was a marriage that never became a marriage, a marriage that was never consummated. And if you look at the organization chart, the two parts of the department never really merged and the marriage was never a complete success.

And I think that's natural because the issues are so different. The issues that I heard the member talking about with my colleague, the Minister of Education, involving bussing, involving rural schools, involving the capital program for K to 12 facilities, are just a long way away from the issues that involve SIAST and involve the university. And the kind of questions that arise there are substantially different.

And in the 10-year experiment to put the two together, it became evident that there wasn't enough common features to really create one functioning department and that probably the normal situation should be reverted to. I call it the normal one because it probably has been apart more years than they've been together in the modern era at least. And I think it probably an appropriate one.

Frankly, I don't know how one minister could have done both jobs. I take off my hat to my predecessors who tried to do that from the period of '86 to '95, and I don't understand how they could possibly have carried such a burden. I think now is the more appropriate kind of organization.

Mr. Krawetz: — Thank you, Mr. Minister. In terms of the structure of the department now, I heard the Minister of Education respond by saying that there are shared staff, there are shared services. Do you see the expenditure for the department now versus the expenditure of then the joint departments, do you see your department saving some money for the province because it has been separated and you are becoming more efficient?

Hon. Mr. Mitchell: — I don't claim . . . I haven't claimed that there'll be any savings in it. There were two ministers of Education; there are now. There was an associate minister prior to my appointment.

I think that I have a larger office than the previous associate minister, although I'm not certain of that. I think that . . . I have a complement of six staff and I'm not certain that he had six, although he may have; I'm just not certain of that.

There are two deputy ministers instead of one. But I think that . . . I haven't examined the documents closely in the two departments, but I think we have about the same size in terms of the full-time equivalents as was the case when they were one department.

But I wouldn't claim that there's any particular savings. We have tried to avoid duplication by sharing services, which is quite an unusual thing in governments — to share the kind of services that we're sharing here. And in that sense this is really a kind of experiment to see whether this sort of sharing is a workable idea. And if it is, who knows, we could implement it with respect to other departments as well.

Mr. Krawetz: — When I look at the *Estimates* and indicate that the staff complement for post-secondary education has been reduced by four from the estimated '95-96, and as I indicated previously, the post-secondary salaries for administration have increased 1.687 million to 1.768 million, with a decrease of four in staff, with an increase in dollars, can you elaborate whether this is due to a new agreement in wages, or is this the extra deputy minister?

(2045)

Hon. Mr. Mitchell: — Mr. Chair, and to the member, I am advised that the reason for the increase in cost was due to the SGEU collective agreement, and some changes in the mix between salaried employees and in-scope employees. I'm not able to expand on that and give the member a great detail, but I

am advised that it's just the operation of the collective agreement that results in the increased cost.

Mr. Krawetz: — Thank you, Mr. Minister. As you've indicated, your staff component for the actual department itself is relatively small and you haven't noted any significant changes from the year before.

Mr. Minister, I just want to change to a slightly different topic rather than the numbers. post-secondary education involves universities, SIAST programs, the different campuses that we have operating. And it involves also a third component of that, and that's regional colleges out in rural Saskatchewan that play such a tremendous role out there in rural Saskatchewan.

Is there a plan to look at the entire picture of how the universities fit in with the technical institutes, how they're going to fit in with the regional colleges, and as I asked the Minister of Education who talked, I believe it was November, she addressed the concerns around an expansion of K to 12, the role that the current school division boards play have always looked at kindergarten to grade 12. And there was a suggestion from then the combined departments that maybe boards of education would look at K to 14. I think she was referring to classes beyond grade 12.

Many have suggested that regional authority, if indeed that's what the public is going to tell the Minister of Education, that it might expand its mandate or its umbrella as far as the responsibilities that it has. How do you see that coordinating with your department?

Hon. Mr. Mitchell: — The whole question of the regional colleges and their relationship to the whole of the education system is on the top of the mind of both departments, as it is on the minds of the hon. member, as I understand his question.

Certainly it is our view that we will see over the course of time a strengthening of the regional colleges and a delivery of more education and more training at the level of the region. We have been having discussions to this effect with the two departments and we have indicated this wish to the universities and to SIAST. And I think that as the processes proceed in those two institutions — the universities and SIAST — the development of things like distance education and the more brokering of university courses and SIAST courses at the regional level will be a significant part of those discussions. I think that the future lies in that direction.

As to the possibility of the K to 12 and the regional colleges having some closer kind of relationship, the answer to that is going to have to wait for a few months, I think, until we've gone through a consultation process with the province and come to some conclusions about what would work and what would not work.

The idea that the member referred to, Mr. Chair, of a K to 14 is, I think, one of the options but it's not the only one by any means. I think at the end of the day we'll certainly have an arrangement where the regional colleges and the K to 12 system, particularly the high school portion of the K to 12, work much more closely together.

They do in fact work closely in some communities — Melfort being a good example — and there are others also. But generally I think they will be working more closely together than has been the case in the past. What that means in terms of structure or organization, we'll just have to wait and see. A lot of consultation about it and a number of very, very tricky, very difficult questions that arise because the training situation is as complex as it is. There are so many participants in it — so many stakeholders, to use a term that you used earlier — that a lot of these things have to be worked through and thought about before we come to any conclusions.

But let me just repeat. At the end of the day, I think for certain, the regional colleges will be playing an increasing role. A role that's increasingly important and their relationship with grades . . . with the high school part of the K to 12 system will be much closer, I think, than it has been in the past.

Mr. Krawetz: — Thank you, Mr. Minister. The K to 14 concept are the quotation of the Minister of Education; those are her words from the fall. And I've repeated them because I think that is an option and I know you're serious about taking a look at it.

What I'm hearing from students in the province, Mr. Minister, is that . . . and I believe we are looking towards the new millennium; the new century is around the corner, and I think for Saskatchewan to prosper, we must have an educated populace. And the concern that I'm hearing from students is that, as we move through the next year or two or three and look at the delivery of post-secondary education across the province, not just at the four SIAST campuses and at the two universities, when we look much broader than that, I'm hearing from students that they want to ensure that there is a quality education system at the end of the line and that it is affordable. And when I hear you talk about, you know, we have to wait until we hear this or we wait until there is a review of the universities that is taking place right now, my fear is that we don't have the broad picture in mind, that we try to fix the small pieces and miss out on that entire program. We know that there probably are going to be significant increases in tuition fees, which is another great concern. As we look at costs of operating the programs — and you've indicated, you know, training strategies and funding, a new way of funding — students are aware that they're going to be looking at tuition fee increases.

So when we take a look at the role that the universities may have to play in delivering that education system . . . the Minister of Education commented that she's very concerned that in talking to educators that there are fewer people from rural Saskatchewan enrolling in the College of Medicine. And this was a doctor from Eastend who was, I believe, making the comment that, you know, this is a problem.

Well the problem might be, as we move along in terms of increased cost to students, that we're going to have to adjust that. Rural Saskatchewan students who are going to be moving to the city, Regina or Saskatoon, to take a university program, or to Moose Jaw or Prince Albert to take a SIAST program, the cost of them attaining education is greater.

Yes, there are students loans, and we'll talk about that a little later. But I think what we have to look at is to see whether or not there's a possibility of delivering an education system to people in their areas. And I'm not talking about every little rural community; I'm talking about strategically placed programs. And I'm wondering if that's part of a plan that you're looking at.

Hon. Mr. Mitchell: — Yes, I think we move further and further in that direction as time goes on. A significant amount of that is done right now. The member will be aware of that. There are a significant number of university programs that are brokered through the regional colleges. The same can be said of SIAST. And I think it's a good thing, and I think we should continue to move in that direction for the reasons that you've indicated.

I'm not sure what is the right amount or how much or how many class credits you should be able to obtain. Those decisions can only be made after you get a lot of advice on the point, and we'll work that through in time. But I can indicate in a general way that it's my belief that more and more of these courses have to become available in rural Saskatchewan so that people can afford to do it.

And I think that technology is going to be a great ally for us here. I think the technology of communications will enable more and more programs to be delivered more and more cheaply into the regional college system. And technology, I think, will help and work with the economies of the situation to substantially improve the education for people who are interested in obtaining a university degree as well as interested in obtaining SIAST certification.

Mr. Krawetz: — Mr. Minister, you mentioned one word and it just reminded me of class credits and flexibility. I'm hearing from the different post-secondary institutions that there is a need to address recognition of credits from one level, that is the university level, to the SIAST level, and vice-versa. And I wonder if you would comment on whether or not that is a possibility.

Hon. Mr. Mitchell: — I have said a number of times that this year, 1996, is the year to solve that problem. I think we have made some progress in that through a Post-Secondary Advisory Committee that we have in existence that includes the universities and SIAST and the regional colleges and the Indian and Metis institutions. And a lot of work is going on in that direction and it's my personal priority to hurry that work along and to extend recognition as far as we possibly can.

Ms. Julé: — Thank you, Mr. Chair. I'd like to ask the Minister of Post-Secondary Education to refer to page 105, under skills training and labour marketing planning. And I noticed there that the New Careers Corporation funding for administration is up about \$3 million — is that correct? — from 1995-96.

Hon. Mr. Mitchell: — The amount that will be coming out of this budget has increased by that amount. That's correct, yes.

Ms. Julé: — Thank you. I would refer you to page 122 of the budget estimates, referring to Social Services. And there is a

decrease of \$3 million in actual allotment for training and employment opportunities for individuals receiving benefits under the Saskatchewan Assistance Plan.

Now my question is, why is there \$3 million more in administration than, in fact, there is in the actual training which would directly target assistance for people who need it?

Hon. Mr. Mitchell: — Mr. Chair, and to the member. You've got it about right — it's just the amount of money that's missing in Social Services turns up in the Post-Secondary Education budget.

But the amount that is dedicated to training is unchanged. What came over is some grant money and that sort of thing, not all of it administration. But we pay, for example, grants to various NGOs (non-governmental organizations) and that came over. What's left in Social Services is the amount that's paid in respect of Social Service clients. They're funding the clients.

The Department of Post-Secondary Education will be funding the training, if you know what I mean. So that in the end you have substantially the same program, but the training part of it moves over to the training department and leaves Social Services financing the, you know, the recipients that they're attempting to assist through the various programs offered by the New Careers Corporation. But in the end we have the same total package as we had before.

(2100)

Ms. Julé: — Thank you, Mr. Minister. In all due respect, as they say, it states under Post-Secondary Education that the financial services provided here are for "development, delivery and evaluation of training." So that would mean that it's sort of an administrative structure for people that are working in the administration of that.

If in fact there is not the same monies, in fact 3 million down for the actual training and employment, it seems to me as though this translates into something like a wage hike for administrators possibly, or is it something to do with our new learnfare that we're talking about and getting prepared for that?

Hon. Mr. Mitchell: — Mr. Chair, and to the member, I'll just read you the various heads of expenditure that are involved here.

Regional program development and administration is the same as it was, essentially the same as it was last year, a very small increase in costs that would reflect probably the collective agreement more than anything else. Accommodations, same amount; work experience program, slightly less; community employment program, slightly more; work preparation contracts and private contracts, about the same; employment centre delivery costs, exactly the same. And the amount staying with Social Services, which is just over \$6 million as the member observed, is the Saskatchewan skills development program, which is the program that provides training to social welfare recipients and that remains with Social Services.

But all of the programing that I have just mentioned moves over

to the Department of Education, but it doesn't change. It is the same programing but consolidated into the Post-Secondary Education department. So that as you say, the financial support, the program support, and the administrative support to institutions and agencies involved is consolidated in the Department of Post-Secondary Education, but doesn't change the programing in the New Careers Corporation.

Ms. Julé: — Thank you, Mr. Minister. The question I'm about to pose to you may be a little premature, but it was suggested to me. And maybe this question actually should be for the Minister of Social Services, but I'll ask you anyway.

A question was posed to me, and a suggestion, that in fact if there was going to be skills development training for Social Service recipients, that rather than to create another layer of bureaucracy and add to administrative costs, etc., that there is no reason we cannot use our community colleges for that kind of training. Do you know whether or not you will be looking at that very advantage that we have right now?

Hon. Mr. Mitchell: — The program has been using regional colleges and will continue to do that more and more as time goes on. A lot of this programing, as you will know, is done with individual employers and with NGOs and municipalities and that sort of thing. It's work experience — work experience — on-the-job work experience so that it doesn't involve the kind of training or education that you would find in the community colleges. But about a third of our money is spent on programs delivered by SIAST/regional colleges and we expect . . . I'm advised that the regional college component of this will probably increase as time goes on.

Ms. Julé: — Thank you, Mr. Minister. And I know I'm asking you here with this next question to project your thoughts a little ahead of time here or into the future but I'm wondering whether or not learnfare, if it's going to be in fact happening, whether or not that, Mr. Minister, is going to include an education that would be suited to the needs of the people involved? In fact, would it include post-secondary education say through SIAST, or would it just be through work experience and in conjunction with business in communities? What is the latitude, I guess, that people may have as far as accessing education or the education facilities out there for learnfare or has that been determined yet?

Hon. Mr. Mitchell: — The policy elements that underlie the member's question, Mr. Chair, are rather broader than my particular responsibilities, but let me take a crack at it anyway. I think that it probably involves all of the things that the member mentioned — more access to adult basic education; more access to skills training; more access to work experience; more access to every opportunity that can strengthen the connection between an individual and the world of work. So I believe that the member covered it all.

Mr. Heppner: — Mr. Minister, we spent some time talking about some of the possibilities that may happen in the future in education and I think that's good. I think when we look at some of the future things we need to make sure we don't create a situation that stagnates us in time some point down the road to the extent that we may have done at various times throughout history. And I'm wondering, as we look at the various things

we've talked about, universities and colleges and how they can work together and combine and these sorts of things, are there any things that are being considered sacred and untouchable, and if so, what are they?

Hon. Mr. Mitchell: — Mr. Chair, and to the member, that's a very challenging question. I start out from the position that there isn't anything sacred or untouchable here, but it has to make sense and it has to fit. The ideas that are generated in the various processes that are under way have to be appropriate and have to have some meaning. You don't change something just for the sake of changing it; it has to be changed for a particular purpose and there has to be some consensus that that purpose is one worth pursuing and will give us a better quality education or a better functioning institution or whatever.

But I think that the short answer to the member's question is that there are no sacred cows here. All aspects of the whole system are up for discussion and analysis and debate.

Mr. Heppner: — Thank you. I appreciate the part where you said everything is up for debate because I think we need to do that if we want to end up with an optimum situation. However I have a feeling that if we do that and we look at the systems honestly and all the changes that may be needed in there, we may also find that at some point in order to achieve those kinds of changes, whatever they are — we've decided those — we may need a fairly major cash injection to make those kinds of changes and integrations. Is that kind of commitment there?

Hon. Mr. Mitchell: — Cash is always a problem as the member will appreciate, so that you have to be guarded when you answer a question like that. But you have to be sensible about it too. And if it meant that by expending some money now you would save money in the medium term, long term, then I think we'd likely spend the money. You have to be practical and pragmatic about these things. I'll just finish my answer as I started — cash is always a problem. But certainly you have to be wise, or at least prudent, with respect to your decisions in a situation like that.

Mr. Heppner: — Thank you. My next question deals a bit with process and I think the public's talked a fair bit about what might happen with various colleges on university campuses, things like where maybe both universities have a campus in a particular college and maybe bringing those down to one or something of that sort.

What's the process working on that? To look at that, is that done from your office or will the universities just sit down on their own and make that decision without our input?

Hon. Mr. Mitchell: — The two universities are engaged with each other and those are the sort of questions that I believe that they're prepared to discuss. I don't think they've reached the point where they're actually discussing those questions yet, but they're fast approaching that. The work has to be done at the university level.

There is a tradition in this province, and indeed in the western world, of the autonomy of universities, and we are very much aware of that and we respect it. And we want to be present and

offering the perspective of the public to those discussions, but we insist that those discussions will be carried by the universities. After all, they're the people who understand their programs and what's involved in delivering the program and the content of those programs and how they may or may not fit together; and they will, in the end, be coming to conclusions with respect to those questions.

And we want to be present and we want to participate from the point of view of contributing the public perspective, but we're not going to make those decisions. We want them to make them. And that's appropriate and we want that to happen.

(2115)

At the same time, there is another process going on internal to each university as they look at their own array of programs and determine what action may be necessary there in relation to their long-term fiscal viability. And we also want to be present during those considerations, again bringing to that process the perspective of the public and the public interest. But again, those are decisions to be made within the university.

It's our objective, in so participating, to try and encourage the best quality of a university that we can have at Saskatoon and at Regina. But the decisions will not be made in the department. We're assuming that they can be made entirely at the level of the university.

Mr. Heppner: — Thank you. I appreciate your respect that you mentioned for the traditions of the universities, but I'm a little fearful that sometimes that tradition may overshadow the needs and the concerns that we voiced with reference to the students of our province and their education. So I think we have to make sure we put that first.

A number of years ago, there was a good move made between the various provinces when we put the veterinary college together, and the three provinces worked on that. Because of the expense of some of the colleges, is there any discussion going on between the three prairie provinces on working together on some of those colleges?

Hon. Mr. Mitchell: — There is a fairly high level of interest with respect to further development of that model, both in Alberta and in Manitoba. I visited the two ministers some two or three months ago, in Edmonton and in Winnipeg, and this was one of the items I raised at both those meetings. And in both cases there was a high level of interest, and that's especially the case in Manitoba.

The veterinary college in Saskatoon is the example that the member used, and it's a good one. It's operated now for 20 or 25 years, and everybody likes it. And everybody in western Canada who wants to become a veterinarian, wants to be educated in the West, goes to Saskatoon. And it really has saved the whole system a great deal of money and has operated very well.

We're interested in pursuing that idea, and Manitoba is certainly interested, and Alberta is also quite interested in pursuing the idea. I'm expecting to meet with those two

ministers again in the next four to six weeks, with a view to pushing that idea some more. Certainly it's going to need a good deal of political commitment to the idea and then involve the universities in seeing where that can be done.

Mr. Heppner: — Thank you. And I would hope that that discussion bears some fruit, that we're as fortunate as we were with the veterinary college and get it in Saskatchewan. That may be hoping for a little too much.

I would like for you to make a comment on moving into the area of getting some funding from businesses for probably some of our community colleges and technical institutes, to increase the amount of funding that we get from businesses for those areas?

Hon. Mr. Mitchell: — Mr. Chair, and to the member, there has been an increasing amount of employer involvement in training over the last about 10 years and that involvement is growing. There's increasing interest in the employers in becoming involved. They've learned that there are great advantages for them because they can have a contribution to the design of the training to insure that the people that they hire have the kind of skills they need.

Probably the most dramatic recent example is the multiparty training plan involving the mines in the North, and that is proving to be very, very successful. This item is high on the agendas of SIAST and the regional colleges, to get more and more employer involvement, and in part, that is a solution to some of the funding problems that exist in the system now. So the answer is yes.

Mr. Osika: — Thank you, Mr. Chairman. Mr. Minister, I just want to clarify on one point under skills training and labour market planning. The expenses for grants, \$25.1 million, are those grants that will be paid primarily to government agencies and/or departments? Or is some of that funding . . . will it be directed to private industry that's involved in skills training, management training, effective presentation, and the like?

Hon. Mr. Mitchell: — Mr. Chair, and to the member, the item that the member refers to is the grants of 25 million. And about just something more than 5 million of that will involve employers directly through either work-based training or some of the employment development initiatives that were part of the strategic agreement that we signed with the federal government just two months ago, three months ago, something like that. So 5 million will involve employers directly. The other 20 million will be SIAST and the regional colleges.

Mr. Osika: — Thank you, Mr. Minister. So there will be no private agencies, consulting firms, management firms, that will be involved in any of the training that might be subject to those grants? Just to clarify that, please.

Hon. Mr. Mitchell: — We won't be directly funding anything like that. I'm advised that it could be that an employer might use a consultant in order to do the things that that employer wants to do in organizing his own participation in the program, but we wouldn't be paying for such consultants, nor would they be employed as a result of any direction from us. That would be

up to the individual employer.

Mr. Osika: — Again to clarify, Mr. Minister, thank you. They would receive the money, a grant, to operate a certain program, and then they would spend it as they see fit to meet the criterion for that type of program that they're involved in.

Hon. Mr. Mitchell: — Yes, I should have been more clear. We approve the training plan that would be involved, and we fund the training plan. How the employer develops that training plan will be up to the employer. We will approve it though, and we will fund it. We won't be funding any consultants. I should probably not have mentioned it.

What the employer does is up to the employer in how he or she organizes their presentation or designs their plan or chooses to deliver the training. But we would not be funding any consultants.

Mr. Osika: — Thank you, Mr. Minister. But the plan or the program that that employer would initiate would be subject to your approval before implementing it. Is that correct? That's the way I understand it.

An Hon. Member: — That's correct.

Mr. Osika: — Thank you.

Ms. Draude: — Thank you, Mr. Chairman. I have a question on the partnership program for students. Can you give me an idea of how many applications are received each year for this program?

Hon. Mr. Mitchell: — I'm advised that we've had over 1,700 applications to this point. The deadline is not upon us yet. We expect that there will be in excess of 2,000 applications.

Ms. Draude: — Thank you. Is this number increasing or decreasing over the last two years?

Hon. Mr. Mitchell: — There were 2,500 last year and that was a substantial improvement over the previous year. It could reach that this year. It's 1,700 at the moment and counting, and we certainly expect it to exceed 2,000.

Ms. Draude: — So you're able to use up the money each year from applications. Do you have to turn away students who have actually applied for funding? Pardon me, it's not the students; it's the employers.

Hon. Mr. Mitchell: — Last year the demand exceeded the amount budgeted and we had to go back and get some more money in order to accommodate all the requests. And if that happened again, we'd go back and try and find some more money. But we'll just have to see.

Ms. Draude: — I'm just wondering if the amount of money — this \$897,000 — is that all money that's given out to the employers or is some of that money used in administration of the program?

Hon. Mr. Mitchell: — That's all program money.

Ms. Draude: — I'm just wondering, is any of the students that are . . . employers that are given money to hire students, are these students allowed to work outside of the province, or do they all have to work within the province?

Hon. Mr. Mitchell: — It's an interesting question. We think they're all Saskatchewan students and they're all Saskatchewan employers. We think all the work is done in Saskatchewan but it wouldn't have to be. I suppose if you were in Lloydminster or some other community near a border, it would be quite possible that the student would be working in Alberta say, from time to time, but we're not aware of it. We think no doubt the great bulk of the work is done in Saskatchewan.

Ms. Draude: — Is there any attempt to match the students' interests, or what they are actually going to be going into further education, on . . . with requests that the employers may have for when they fill out their application?

(2130)

Hon. Mr. Mitchell: — What happens is that the employer does the recruiting and then we provide the money. So the match is down there. We don't connect the student with the employer.

Ms. Draude: — How do you determine each year how much money you're going to be returning to the employer through this program? Is there a calculation for the amount?

Hon. Mr. Mitchell: — The subsidy is calculated at the rate of \$1.20 per hour, to a maximum of 480 hours. And the formula is as simple as that.

Hon. Mr. Shillington: — I move to report progress.

General Revenue Fund Environment and Resource Management Vote 26

The Chair: — I would ask the minister to introduce his officials, please.

Hon. Mr. Scott: — Thank you very much, Mr. Chair. I have with me Stuart Kramer, deputy minister; Les Cooke, associate deputy minister, policy and program division; Ross MacLennan, assistant deputy minister of operations division. And over here we have Bob Blackwell, assistant deputy minister of management services; and the young lady behind Bob is Donna Kellsey, director of financial and administrative services; and back here, Don MacAulay, director of parks and facilities.

Item 1

Mr. Bjornerud: — Mr. Minister, I'd like to kind of move around on some of these things, but with SERM (Saskatchewan Environment and Resource Management) and the budget and job cuts there was 125 jobs lost. Could you give me a breakdown of where these jobs would have come from and

which areas that they were lost?

Hon. Mr. Scott: — Thank you, Mr. Chair, and for the question. We certainly did lose a number of positions in the department this year in our efforts to reach our budget target. A breakdown includes, from the education and communications area, 10 jobs; from finance administration, 2 jobs; information management, 2 jobs; parks and facilities, 9; wildlife, 6; fisheries, 2; field operations, 11; commercial revolving fund, 2; forest fire management, 39; and environmental protection, 28; and policy and public involvement, 2; for a total of 113 jobs, positions.

Mr. Bjornerud: — Thank you, Mr. Minister. Mr. Chairman, I neglected to welcome your staff here tonight. We feel a little intimidated. There's pretty near more of you than there is of us.

Mr. Chairman, I'd like to ask the minister, if it's all right, I'd like to kind of broadly go around rather than stick to the script for the start, and then I'll get back into where we are here.

Some of the concerns that have been brought to us, the one concern especially, has been with reforestation. Is this going to be hurt badly by the number of cuts this summer with the planting of trees and that? Will that be one of the areas that is going to be cut back?

Hon. Mr. Scott: — Thank you, Mr. Chair. And in response to that I'm happy to inform you that forest fire . . . reforestation, I should say, is a top priority. And in fact we have an extra \$500,000 in the budget for reforestation. We realize that if we are going to have sustainable forests, we need to keep up with reforestations. So we do have an extra \$500,000 in that. And we appreciate your comments and interest in that area as well.

Mr. Bjornerud: — Thank you, Mr. Minister. I would presume then that the number of students hired this year will then be at least equal of last year, if not maybe possibly even higher if the budget is higher? Would that be a fair . . .

Hon. Mr. Scott: — Mr. Chair, the people used in reforestation are hired under contract and in various scenarios, so we would assume that, because there's more money being spent, that there will be more people employed in the reforestation area. And so we don't hire through the department people to do this work; it is under contract. But we don't have the exact figure but we suspect there will be more people hired.

Mr. Bjornerud: — Mr. Minister, is there any federal funding that also goes along with the provincial funding for stuff like reforestation and the hiring of students for summer jobs up there? Would part of that be under the federal plan too, or is that strictly provincial?

Hon. Mr. Scott: — Mr. Chair, there is a new federal plan in the works — we haven't got the details yet — to increase the employment of students in various areas, and certainly reforestation is an area where young people, students, can be employed. And we are hopeful that once the details of that federal plan are out that the forest companies will be able to tap into those funds and make the best use of them in acquiring more manpower, student power, for reforestation. So we don't have the exact details of the new plan yet.

Mr. Bjornerud: — Thank you, Mr. Minister. Mr. Chairman, some of the concerns also we have had are from the Hudson Bay area with the new project that was . . . is hoping to be planned to go ahead up there. But now with the new stumpage fees, the concerns we are getting from the people up there, that they're not sure that with the extra cost this company is going ahead. Do you share our concerns? Like, have you had those same concerns brought to your attention that possibly this project may be on hold now because of the new stumpage fees?

Hon. Mr. Scott: — Thank you, Mr. New Chair. With response to that, I am very happy to tell you that I just got back to Regina about an hour ago from Hudson Bay. I had the pleasure of meeting with the Forest Management Advisory Committee up there and we have a very good working group of people from the area — from trappers, industry, outfitters, wildlife federation representatives, and others. And it was great to meet these people, and they are doing a very fine job in pulling together the whole east side forest management area. And we're really quite optimistic about the development of this FMLA (Forest Management Licence Agreement) in the east side of the province, but specifically with regards to the oriented strandboard plant at Hudson Bay. The environmental approval has been given for the project to proceed. It's a very state-of-the-art mill at Hudson Bay that's been approved — zero-effluent discharge. It's met all of the environmental requirements.

The main reason that the plant is on hold for a year is simply because the oriented strandboard product has taken a sharp drop in value. So the developers decided that there's no real rush to jump into this and get it going. They also wanted to fine-tune a couple of technical areas within the mill.

So we are confident the project will proceed and it will be a state-of-the-art mill. And I'm confident with the fine people we have around the table that we'll have a state-of-the-art forest management area with everybody's interest being accommodated. And I can assure you that sustainable forest management is a top priority for the people around the table at Hudson Bay and for people in the area, and in fact for everybody here in Saskatchewan. So we're looking for the project to proceed.

(2145)

Specifically with regards to the stumpage fees that you asked about, we are in the process of intense negotiations with the forest companies. This has never occurred in the past. The forest companies and government are sitting down, going through the books. And we're in the process of seeing if we can raise stumpage fees and how much, and how much the forest companies are able to absorb. And this is going very well.

And we hope to have this process pretty well wrapped up in another month or two, a couple of months. So we are working at the table with the forest companies. They realize we don't have a lot of money and we want to make sure that we have a viable forest industry here in Saskatchewan.

Mr. Bjornerud: — Thank you, Mr. Minister. That's actually very good news. I think that area specifically really needs the

boost from the new business that that will create up there and the jobs.

Workers' Compensation Board rates for outfitters in the North, in that same area actually — lot of the concerns have been brought to us — I think originally were set at a 70 per cent increase. Can you tell me, Mr. Minister, at this time they have been . . . the rates I believe have been readjusted. Can you tell me for the outfitters, at this point, what the new rates are now that Workers' Comp has looked over their rates and readjusted them?

Hon. Mr. Scott: — Mr. Chairman, I'm sorry, I don't have the specific answer for that question. And if the hon. member would like to direct it to the Minister of Labour, he would probably be able to have that. It is certainly an area of concern but we just simply do not have the answer here today.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Thank you, Mr. Minister. Actually I'm having a lot more luck with you than I had with the Minister of Labour yesterday, so I'll stick with you. You're doing a fine job.

I'd like to touch for a minute, Mr. Chairman, on forest fires and what they cost in the province last year. And correct me if I'm wrong, Mr. Minister, but I believe the budget last year was \$25 million. It ended up costing roughly, or approximately, 94 million. Could you verify those numbers, or am I close, or . . .

Hon. Mr. Scott: — Thank you, Mr. Chairman. Yes, you're certainly correct that we traditionally budget about \$25 million for forest fire suppression. And that's basically what it has worked out to on average over the years. But as you correctly identified, last year was the worst forest fire season we've ever had in Saskatchewan and we ended up spending about \$89 million on forest fire suppression. And it was a year that we had never seen before and unfortunately about 7 per cent of our harvestable timber was affected by the fire. And since then, we've worked diligently with the forest companies and everybody else involved with forest industry in salvaging this material — what we can salvage — to make the best use of the resource.

So yes, we were way over budget on that but we view our forests as a very important resource and certainly the manpower, the many, many hours of overtime, the volunteers, the people from offices that went out and fought fires — we really appreciated all of their efforts. And business, and the industry, and everybody worked together to get us through this dreadful season and we hope that we'll never see another year like that.

Ms. Julé: — Thank you, Mr. Chairman. Mr. Minister, it had been brought to my attention last year at the time of the forest fires that some of the social service recipients and people on UI (unemployment insurance) were in fact offered some jobs fighting forest fires.

I wonder if your officials or if you might yourself may have any documentation as to how many of these people actually had

jobs or got jobs related to forest fires and putting out the fires?

Hon. Mr. Scott: — Mr. Chairman, and thank you for the question. We certainly work with northern communities in the forest fire season and we've traditionally worked . . . have about 12 or so communities that we hire people at on a regular basis in a normal year when there isn't near as many fires as last year. And we specifically, I can tell you, work with Social Services in hiring about 125 people annually in these communities to . . . the job would last throughout the summer, on the forest fire lines. And this is cost shared between Social Services and my department.

And last year we had, during the peak fire season, 3,400 people employed. And undoubtedly a lot of those people certainly were northern people, and undoubtedly some were unemployed, and probably some were on social assistance, but we don't have the breakdown on that. But we certainly try to utilize local and northern residents as much as we can for forest fire suppression.

Ms. Julé: — Thank you, Mr. Minister. I'm wondering whether or not your department in fact approaches people on social assistance to inform them of jobs fighting fires or if you . . . for those people that are under your jurisdiction with UI, if you approach those people, offering the jobs to them. Do you offer jobs to them in respect to the forest fires and fighting them?

Some Hon. Members: Hear, hear!

Hon. Mr. Scott: — Mr. Chairman, I'd like to inform the hon. member that we have about 6,000 people that we've put through some kind of training course for fighting forest fires. And we view this as being proactive. The days of just recruiting people off the street to go in and fight fires are over. And certainly for a number of reasons — for efficiency, for safety, and everything else.

Now undoubtedly again, some of these, certainly 6,000 people, wouldn't be employed in the wintertime but could be employed during the summer season by us. And I guess at the same token, if a resident of a northern community was away working at a mine, they wouldn't be working on the fire line.

So we just don't have a breakdown, but certainly our goal is to provide jobs for those people who need them in the North, whether they're on social assistance or unemployment. And we believe that we're doing this very well and working with the communities in the North, and our leaders on these fire teams know who is available and their expertise. And we're quite pleased with the progress we're making in this area.

Ms. Julé: — Thank you, Mr. Minister. Do you have a mechanism of some sort in place whereby you can access information as to social recipients' addresses or whatever so that you may approach them to inform them that there is work fighting fires?

(2200)

Hon. Mr. Scott: — Thank you, former Mr. Chair. Other than the 125 or so positions that we cost share with Social Services,

there is no real linkage between . . . We simply do not have access to social service lists or unemployment lists of people.

We are using our trained people who we have put through courses, and undoubtedly again a number of those people could be on social assistance or unemployed during a good part of the year. But we don't specifically go out and look for people on social assistance, although a large number of this 6,000 people could be.

And our goal is to train people to do the job. And if they're on social assistance and can get a job through this process, all the better for the people as well as the communities and certainly for us in fighting the fires. But other than the 125 positions we cost share with, there's no attempt to go out and look for a list, and we don't have any lists, or we don't pursue lists of people who are unemployed.

Some Hon. Members: Hear, hear!

Ms. Julé: — Thank you, Mr. Minister. I would just like to make, or offer, a comment, in that your government mentions that they are working at integrated services between departments, and I would like to make the suggestion that this is one area where maybe a little more integration could take place as far as information between departments on how to help people recognize their worth and promote the work ethic.

I would like to ask you one more question. If in fact someone was on UI, that's under the jurisdiction of the provincial government right now, and they were offered this work of fighting forest fires and refused it, would they in fact be eligible for UI yet, or continued eligibility, would it be there?

Hon. Mr. Scott: — Mr. Chairman, again, what we do is we rely on the people that we know have training, and undoubtedly some of these people could be unemployed or on social assistance during the winter, or part of the year.

And the only real contact we have with unemployment insurance is if sometimes they contact us for a list of people who worked for us, perhaps people we approached and they did not come and work for us; we would provide those names. But what unemployment insurance does with that information, we are not sure of. Perhaps somebody may refuse a job fighting fires because they have bad lungs or something, even though they're on unemployment insurance.

But I guess our goal is to rely on the people we know that are trained. And if we need new people in a northern community to help out, our team captains or experienced fighters would know who to call on. So as far as checking everybody, whether they're unemployed or on social services, we don't do that, but if those departments would like the information we provide it to them. Thank you.

Ms. Julé: — Thank you, Mr. Minister. Mr. Minister, for anyone who is employed by your department or ultimately, I guess, it's by your government, fighting forest fires, I would just like to know who is responsible for paying workmen's compensation in that instance?

Hon. Mr. Scott: — Mr. Chairman, the answer to that question is that we, Environment and Resource Management, are responsible for paying workers' compensation.

Mr. Bjornerud: — Mr. Chairman, I'd like to ask the minister and get back to the forest fire, the cost, the over-budget that we ran in this last year, it was such a tremendous amount. Of the, I believe, it's \$64 million over what was actually budgeted, was there federal money involved in that? Or was it strictly the province that had to pick up the full tab of the shortfall? Or did the federal government pick up part of that?

Hon. Mr. Scott: — Unfortunately we got very little money, Mr. Chairman. We have an agreement with the Department of National Defence which is for the Primrose Lake Air Weapons Range, and we got roughly 2 to \$3 million for fire suppression last year in that area. And we also get a little money from Indian Affairs for fires which are on Indian reserve land. And we got maybe 600 to \$700,000 for that. So as I say, very little federal money came in for the last fire fighting season.

Mr. Bjornerud: — Thank you, Mr. Minister. Mr. Chairman, that's actually disappointing because that would have made good material for question period.

Mr. Minister, maybe you could tell me then where did the shortfall of money come from? Like where did you come up with the extra money?

Hon. Mr. Scott: — Mr. Chairman, we simply got the money through government, through special warrants and supplementary estimates, and it just came through the Treasury Board process and obviously from other departments in government and other areas.

Mr. Bjornerud: — Thank you, Mr. Minister. Okay, I think the point I'm trying to get to here, Mr. Minister, is that when the need arose with forest fires and the budget was here and the cost was here, we created the money from one spot or another.

I'd like to get on the wildlife compensation thing now, and to farmers the cost and the problem that wildlife is creating is every bit as important to them as the forest is to the people of the North, I would say. If we can find money when the necessity arises in the North, why can we not come up with some more money to compensate farmers who are being expected to pick up the extra costs where everybody in this province enjoys wildlife, and we are asking just a few farmers, and the number is small compared to the population. Why can we not do the same for farmers in coming up with a few million dollars for compensation, Mr. Minister?

Hon. Mr. Scott: — Well thank you, Mr. Chairman, and like the forest fire situation, the severe winter and the conflict between wildlife and landowners was also a record year — not a great time to be minister of this department.

But with the . . . just going back to the fire situation, once the process got rolling, I mean when there's fires burning we try to put them out. And with respect to the wildlife damage, as you are well aware, we had a record number of acres of crop out, 196,000 acres of crop out, an early winter, and relatively high deer numbers; not record numbers. And everything sort of

combined to produce a severe conflict between wildlife and some landowners.

As in the past years, we've had 325-or-so thousand dollars to deal with this problem, which usually was confined to hay yards, bales, farmers' yards, and this program has continued. We well overspent that budget by tens of thousands of dollars. We still have bills coming in for providing fencing materials in our efforts to protect the hay yards and feed in farmers' yards.

We've never experienced before such a widespread depredation on crops. Now a number of farmers did have deer in fields, some elk as well. And when you see a bunch of deer in your field in February, you figure there's not going to be anything left. And what some farmers are saying, now that spring is here, we're a little more optimistic; we're going to go out and combine it. And maybe the losses won't be as severe.

Certainly there will be some losses, and we've asked a number of farmers to let us know how the yield was. Was it as bad as they said? Is it basically wiped out? Or was there still something there? And this will help us to gauge for other years as well.

What we hope to do, because we don't want to be in this scenario again, we certainly are going to continue the prevention program where we can, and we are looking through crop insurance to have perhaps a spot-loss component in there. Some farmers think this is great. Unfortunately a number of farmers who have crop out this winter didn't carry crop insurance, but they might if there was a component for wildlife damage. So that's an area we're looking at.

Also to combat this problem, we're going to be opening the season two weeks earlier for does and fawns in areas that had high deer populations. We're also looking at planting lure crops on wildlife development fund lands and some farmers even said they wouldn't mind planting a few acres on their own land if it would mean keeping the deer away from their yards and keeping them in the field.

We're working very closely with SARM (Saskatchewan Association of Rural Municipalities), the wildlife federation, and landowners themselves to deal with this. Another thing we're trying this year in the south-east part of the province, where vehicles are confined to roads and trails, if the hunter gets written permission from the landowner to drive on his field to hunt, this will be allowed.

And so we recognize that some farmers are certainly going to incur losses this year and we are simply going to work together as best we can to see that we don't end up in the same boat another year.

(2215)

Mr. Bjornerud: — Well thank you, Mr. Minister. Mr. Chairman, I really appreciate what your department is doing for another year. I think the farmers themselves will appreciate that down the road it'll pay dividends. But as a farmer myself and, Mr. Minister, you're a farmer, and if I had a half-section of linola or flax or peas or something lost to wildlife, I don't know if I could sustain that and keep farming another year.

And I think we really have to feel for these people who have struggled for the last 10 or 12 years with low grain prices. Now we get to a point where prices have come up, where they should have been a long time ago, but they're up where we can turn a dollar and the wildlife has ate it. So I really feel that these poor farmers are being kind of left on their own and I sure wish there was something we could do, Mr. Minister.

I'd like to go on to some of the complaints that I've got where farmers have had traps set up and have some assistance from your department, but there was such an enormous number of deer, that the amount that SARM put into these traps and then they carried on themselves, filling them themselves, they just couldn't afford to do it.

Now as you know, at the Melville meeting, all kinds of concerns were brought up that night, Mr. Minister, but in a few cases, the concern that has been brought up to me is some of these farmers got frustrated beyond belief seeing their crop being annihilated by the wildlife and have took the law into their own hands, in some cases, and have gone out, fed up, as maybe you and me might do if we saw out livelihood going down the tube, and have shot a number of deer.

Can you tell me, Mr. Minister, are these farmers going to be charged or are they going to be held liable for their actions?

Hon. Mr. Scott: — Mr. Chairman, I certainly share, as the hon. member said, the frustration that some of the people must have experienced with the depredation that was occurring in their land. And I know that we've heard many reports where people were going to go out and shoot all the deer.

We are again working with the landowners and we issued hundreds, hundreds of depredation permits last fall right through into February. And one area we . . . one farmer we issued 50 permits to and I believe he harvested 42 animals; they came to the food bank.

So we do know that certainly in those cases we did, as a last resort, work with the landowner. And it was a supervised hunt with the department people there.

And again, we've heard of a couple of farmers, or cases where farmers or somebody — not necessarily farmers — but somebody shot some deer. They're being investigated, but no concrete cases have been determined yet. And I guess if they were, if it was blatantly obvious somebody shot a deer and left him there, charges could be laid.

Mr. Bjornerud: — Thank you, Mr. Minister. I guess I realize that we cannot interfere with the law of the land, but I would hope at this point we could have some compassion for these farmers, because on the first side they have lost thousands of dollars and now if we turn around . . . and we can't condone them breaking the law, but I think we have to go with a very broad and liberal view of what has happened out there because once again we're going to be costing them money on top. So it's good on top of bad.

Mr. Minister, we're running short of time and I have one

subject that I know you wouldn't want me to miss, is the underground tank issue. I'd be remiss if I didn't get into that.

This week, Mr. Minister, you had — I believe you had — a liability meeting, and could you inform as to what came out of that meeting. Like where did we get with the liability issue on the underground tanks?

Hon. Mr. Scott: — Thank you, Mr. Chairman, and that is another very important subject in my department. And we did have a meeting last week where we had perhaps 15-or-so individuals from industry, from small business, Environmental Fairness Association — Bill Albert who has been a strong voice on this issue — municipal governments. A wide range of people came to the table, and this is a serious problem in many areas of Saskatchewan. I know a number of communities where there are underground fuel tanks. Many of them are abandoned, and they are causing problems now in homes and businesses and so on and so forth.

Of course the issue is, who should pay to clean up this mess. Should it be the local government? Should it be the last owner if he or she is still alive? Should it be the government? Who should pay? And that's why we set this committee up; it's to look at the liability of these sites. It's not just underground fuel tanks but other sites where there's pollution involved as well.

It's a very complex issue; usually every case or situation is different. And so we're really looking forward to this group's report. They will be meeting throughout the summer and reporting to us in early fall, and we really appreciate them taking the time.

We also have lending institutions on this committee as well, and we really appreciate them taking the time to work together and get everybody's views on the table to see how we might best resolve this problem. Because it's not going to go away and we need to deal with it, and we're looking for input from everybody on this important issue.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Thank you, Mr. Minister. I think, Mr. Minister, as we look back at what has been done with the digging up of tanks . . . and I'd just like to touch on a few issues here. I'm sure you are familiar with some of them. But I'm wondering if common sense is also being used along with logic from the labs, etc., etc. But is common sense being used here?

I'd like to give you the example of my home town where there was a Shell bulk station. It was closed; the lot was cleaned off; there was nothing there any more. A few years later, the department came along and they checked. And we have a small lake beside our town, and it was decided that the whole lot would have to be dug up, hauled away and cleaned up because there had been a leak at one point previous.

Now keeping in mind that we have clay base in our area, as many areas do in the province, that is very solid and, from what my information I can get from many so-called experts, is that with this clay base this spill was going nowhere.

What was done, Mr. Minister, is all this soil was dug up. It took days with semi-trucks. They hauled it from point A to our nuisance grounds, spread it out, and it was to be cultivated. Well now the catch there is that our little lake that kids swim in, in our town, it runs right around our town. The run-in runs right by our nuisance grounds. The rain would come down — the year that this was done was a very wet year — would wash through this soil, into this water, back into our lake.

The question I have, Mr. Minister, for you and your officials is, how on earth could this be safer than leaving it where it was in the ground, above this clay base?

Hon. Mr. Scott: — Yes, this is very important. Thank you, Mr. Chair. There's a number of things that we need to look at. Perhaps the owner of the site knew that he couldn't sell it until it was cleaned up because he couldn't get financial arrangements to sell the site. Nobody could buy it. Also — I don't know the exact details — but if you wanted to pursue it with, we could get the case study for you. Perhaps there was a danger of the fumes getting into a sewer or storm channel or something. I really don't know, but that's certainly a consideration, as well as the water areas you said, even though there was a clay base.

So there are a number of things to consider. And the idea of spreading the soil out and working it over is so that the pollutants will evaporate and the soil will become more purified, although I guess what you raised, the danger of rain coming right after they put the soil out, it could have been a problem.

This is relatively new to all of us and we are learning as we go too, and every site is different.

Some Hon. Members: Hear, hear!

The committee reported progress.

The Assembly adjourned at 10:30 p.m.

