

The Assembly met at 2 p.m.

Prayers

## ROUTINE PROCEEDINGS

### INTRODUCTION OF GUESTS

**Mr. Martens:** — Thank you, Mr. Speaker. On behalf of the member for Redberry, I'd like to introduce a class of 14 students, grades 7 and 8, from Saulteaux School at Cochin. They're accompanied today by Len Gorgei, Rodney Gopher, Mary Wegner, and Johnny Night.

I'll be meeting with you for pictures, and my friend here and seat mate, the member for Biggar, is going to come along with me, and we'll be joining you to have a little bit of visit and some refreshments. And I want all the members of the Assembly to join me in welcoming you here today.

**Hon. Members:** Hear, hear!

**Mr. Brockelbank:** — Mr. Speaker, it's my extreme pleasure to introduce to you, and to the members of the Chamber today, a group of 39 grade 7 students from Caswell School in Saskatoon Westmount area. They're situated across from me in the east gallery. I know that all members will want to wish them the most interesting day here today. They're accompanied by teachers and others: Mr. Reichert, Mrs. Nichol, Mr. Tootoosis, Mr. Kuschner, and Ms. Stanzel.

I know all members will want to wish them the best and hope they have an interesting and informative day in the legislature and a safe trip back to Saskatoon. I'll look forward to seeing them later.

**Hon. Members:** Hear, hear!

**Hon. Mr. Meiklejohn:** — Thank you, Mr. Speaker. It gives me a great deal of pleasure this afternoon to introduce to you, and through you to other members of the legislature, a group of 44 grade 6 students visiting us today from St. George School in Saskatoon. They are accompanied by their teachers, Cathy Reschney and Joan Wallace.

I understand they're going to be visiting the science centre after. And I'm sure that they're in for a very interesting afternoon with the proceedings here and also at the science centre. And I would like to wish the students a very safe trip home and a very happy summer vacation. I would ask all members to join with me in welcoming the students and their teachers here today.

**Hon. Members:** Hear, hear!

### ORAL QUESTIONS

#### Financing of Fertilizer Plant at Belle Plaine

**Mr. Romanow:** — Thank you, Mr. Speaker. My question, I think, today should be to the minister in charge of Trade and Investment because he's been answering for the government on this matter. And it deals with yesterday's revelation that the government opposite had a financial

commitment to the Cargill Belle Plaine fertilizer project which is much larger than what it has admitted to thus far to the taxpayers of Saskatchewan.

Rather than the \$175 million short-term equity investment, which some might say is bad enough, Cargill has confirmed that the exposure by your government opposite now totals \$290 million — \$60 million equity, \$230 million loan guarantee exclusively by the Government of Saskatchewan and the taxpayers of Saskatchewan.

My question, Mr. Speaker, to the minister is this: can the minister tell this House and the people of the province of Saskatchewan why it was that he and the Premier misled the people of this province about the true nature of the financial set-up involving Cargill's deal at Belle Plaine? Why was it that we weren't told the truth at the outset? What are you hiding? What are you covering up?

And while the minister is getting up to answer that question he might as well tell us how in the world he justifies a \$290 million sweetheart deal with one of the wealthiest corporations in the world while ignoring small-business people in Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, perhaps you would indulge and I'll try to respond to the hon. member's question. Cargill and the Government of Saskatchewan entered into a joint venture company called Saferco, owned 50 per cent by the government, 50 per cent by Cargill. The project that we undertook to build, or are undertaking to build, has a capital cost of about \$350 million.

Now that project is going to be paid for in the following way: 30 per cent by way of equity and 70 per cent by way of debt. Now the 30 per cent equity will be contributed half by the Government of Saskatchewan, half by Cargill. The debt which will make up 70 per cent of the project will be borrowed by Saferco, the joint venture company, not from the government, but from a conventional bank, Mr. Speaker.

Now with regards to the financial package on the loan, there has been no arrangement arrived at to date for more arrangement. There are four options being considered. One option, Mr. Speaker, is a traditional bank loan; option number two would be a bank loan with a government guarantee; option number three would be sale-leaseback arrangement; option number four would be a convertible debenture.

I think the important thing to remember is should we . . . And I'm certainly advising the House that one option that we were seriously looking at is the government guarantee arrangement. Mr. Speaker, the rule that was set down and agreed to by the Saferco board, composed again of Cargill and the Government of Saskatchewan, as in the event that there was to be a loan guarantee by government; given the fact that a part of the production from this fertilizer plant would be sold into the United States, that it must be free from countervail action

In other words that means, Mr. Speaker, any financial arrangement must not have with it a government subsidy. In order to avoid that subsidy, Mr. Speaker, should we proceed with a government guaranteed loan — and that decision has not been taken — then there will be required to be a guarantee fee paid by Saferco to the Government of Saskatchewan. It would have to be a fee of such amount, Mr. Speaker, as to suggest and prove to the courts, both in Canada and United States, that there is no government subsidy and no potential countervail action.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Mr. Speaker, I have a new question to the minister. And may I say that the minister's answer is absolutely incredible, and his explanation becomes more tortured with every minute that he gives it. Absolutely.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Mr. Speaker, on May 16, 1989, according to the Canadian Press broadcast news wire service, on May 16, the Premier, your colleague, your boss, said, and I quote as follows in response to a question at the press conference question:

So it's \$175 million each. (Devine, according to the transcript says) Yes, well it's half of \$350 million.

That's the answer. That was the exposure. And now today the minister says that there are four options as he's identified it. My question to the minister is this: is there a deal or is there not a deal? Because a deal implies that the financial terms, at least the principals of the deal, are in place.

And if the financial terms and the financial principals of the deal are in place, you have an obligation, sir, especially in the light of your confusion and your cover-up, to table all of those details and principals in this legislature now by way of documentation and to be forthcoming. What in the world are you covering up? Why in the world do you not fess up what the deal is? Is it that bad for the taxpayers that you're trying to cover up?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, the hon. member talks about a press statement of May 17, 1989. And I'm reading here from the Leader-Post, and what the Leader-Post says, quoting the Premier, is: we are into a 50-50. And that is exactly what we're into, Mr. Speaker: 50 per cent for the province of Saskatchewan and 50 per cent of Cargill, Mr. Speaker. And that's what it is — that's what the arrangement is, Mr. Speaker.

Now we're each putting in 30 per cent — that's 15 per cent of the entire project will come, one from Cargill and one from the Government of Saskatchewan — and that is by way of equity. The balance of it will be borrowed from the bank, Mr. Speaker, by Saferco, which is owned 50-50. It is a company, not a partnership, Mr. Speaker, and it's going to be the company that borrows the money, Mr. Speaker.

What the Premier said is it's a 50-50 joint venture deal. That's exactly what it is.

**Mr. Romanow:** — Mr. Speaker, I have a new question to the minister. How in the world is it 50-50 on the arrangement, even as you've explained it, with all of its uncertainties? Cargill puts up \$60 million, according to the newspaper reports today; you people put up \$60 million. That's 50-50. And then there's \$230 million guaranteed by you, not by Cargill. How in the world is that 50-50? That means that the exposure is \$290 million; your risk, the taxpayers' risk, amounts to \$290 million. Explain that one.

**Hon. Mr. Andrew:** — Mr. Speaker . . .

**The Speaker:** — Order, order, order. Order. Order, order.

**Hon. Mr. Andrew:** — Mr. Speaker, the arrangement, as I've indicated to the House — that's what the hon. member asks for — I indicated to the House, is 30 per cent of the \$350 million in the project would come by way of equity. That means about \$52.5 million from both the government and from Cargill, Mr. Speaker.

Now what the hon. member suggests on a loan guarantee, let me go back and give you an example. On the Co-op upgrader, the governments of Saskatchewan and the governments of Canada entered into that arrangement where a loan guarantee was provided in excess of \$600 million. There was no guarantee fee because we could not come to an agreement on one. Now that would end up as being a countervail able type thing, should they wish to sell the product into the United States.

We must avoid any sense, Mr. Speaker, of a government subsidy. And this project is being put together so that it does not have a government subsidy to it, Mr. Speaker. That is the intent because we wish to sell that product into the United States. And it would be senseless to put a deal together that is countervail able, could prevent the product from being sold into the United States and therefore render the project uneconomical.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Mr. Speaker, a new question to the minister. Obviously . . . Look, to the Minister of Health, there's absolutely no doubt, given that answer, why this government has run up a deficit of \$4 billion, because of your total incompetence.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Look, no matter how much you obfuscate and no matter how much you try to cover up the reality, the facts are that you are exposed \$290 million, either by way of equity or by way of loan guarantee — your loan guarantee, my loan guarantee, the taxpayers of Saskatchewan — \$290 million. And the largest corporation, one of the largest corporations in the world is only exposed to \$60 million, and you say somehow that's a 50-50 deal.

How in the world is it that we've got \$290 million for the Cargills of the world but we don't have enough money for a drug plan or for a dental plan or for highways or for the small-business people in Saskatchewan? How do you explain that?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, the hon. member surely knows the difference. Mr. Speaker, the hon. member's argument is, if you are to follow what he is suggesting, is that X number of dollars for this project are coming out of the Consolidated Fund. That is not in fact the case. That is not what I said, and that is not the deal, Mr. Speaker.

Now the deal, Mr. Speaker, is exactly . . .

**The Speaker:** — Order. Order, order. Order. Order. Order, order.

**Hon. Mr. Andrew:** — Mr. Speaker, as I said before, that the hon. member, the Leader of the Opposition, by his question would suggest that all the money other than Cargill's equity is coming from the Consolidated Fund of the province of Saskatchewan.

**An Hon. Member:** — All loan guarantees . . .

**Hon. Mr. Andrew:** — Well that's what he's indicating. That's what he's indicated, Mr. Speaker. That's exactly what he's indicated, Mr. Speaker.

That is not in fact the case, Mr. Speaker. What they are doing . . . It's no different, Mr. Speaker, than if you had a joint venture with SMDC (Saskatchewan Mining Development Corporation) where they enter into a joint venture — so much equity, the rest is borrowed from the bank in a conventional way, Mr. Speaker. That's exactly the same thing that we are doing here.

It's not the first time, Mr. Speaker, not the first time that there has been loan guarantees or other arrangements with government to kick-start projects that are important for the people of the province.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Mr. Speaker, I have one more question, and I don't know whether to direct this to the Premier or the Minister of Trade and .

**The Speaker:** — Order, order. Order, order. Order. Order.

**Mr. Romanow:** — Thank you, Mr. Speaker. I have one more question to the Minister of Trade and Investment, and he refuses to answer this. In fact I don't think there is an answer, but I'll ask him in any event. How does he explain, as a matter of public policy . . . (inaudible interjection) . . . No, listen to me for a moment and not to the Minister of Finance who tries to give you the answer, otherwise you'll be in a billion dollar jackpot rather than a \$280 million jackpot.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — So my question to you or to the Premier is this. How in the world do you explain, as a matter of public policy, hitching up your government with a debt of \$4 billion on the operating budget, with a corporation in the United States that has sales last year of \$38 billion US?

If we could use that money that you're guaranteeing or exposing in one form or another, you could give \$3 million, roughly, to approximately a hundred rural communities for small-business development, without any obligations, and provide more jobs.

What in the world is the rationalization for doing that and turning down all the small communities who had the hopes and the prospects of going ahead in Rosetown and Melfort and Tisdale and Yorkton, Melville, but because of your government's incompetence, now has that deal changed. How do you explain that?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, to the hon. member, the Leader of the Opposition. Mr. Speaker, the Leader of the Opposition, the NDP government when they were in power, gave low interest loans to the Cornwall Centre. No problem with that — nine and three-quarters when there was 20 per cent interest rates. They give . . .

**The Speaker:** — Order. Order. Order, order. We're having difficulty hearing the Minister of Justice. I would ask the hon. members to allow the minister to continue without interference.

**Hon. Mr. Andrew:** — Mr. Speaker, it was okay for them to go into the Cornwall Centre mortgage at something 10 per cent below the rate of interest, to buy Nabu corporation that proved to be a flop, to put money into Prairie Malt at low interest, Mr. Speaker, to go into Ipsco with low interest, and that was in fact done.

But if we are to do a deal, Mr. Speaker, with the Weyerhaeuser, or with the Co-op upgrader, or with the operation in North Battleford or in Swift Current, somehow there's something wrong with it, Mr. Speaker. Every time a deal has been put forward where there is new activity, where there is new jobs, where there is new economic diversification, the hon. members stand against it, Mr. Speaker. They stand against it unless it is 100 per cent owned by the government, and then they're against that, as the case in Rafferty, Mr. Speaker.

The members opposite are against it simply for the simple reason, Mr. Speaker, is that the members on this side of the House, the Government of Saskatchewan, is doing it. And that's why they're against it.

**Some Hon. Members:** Hear, hear!

**Mr. Solomon:** — Mr. Speaker, my question is to the Minister of Trade and Investment. Mr. Minister, you and the Deputy Premier and the Premier are becoming widely known as the ministers responsible for sweetheart deals. In your rush to cook up this sweetheart deal for Cargill, you have done a disservice to, and in fact you've betrayed

the communities of Rosetown, Tisdale, Melfort, Yorkton and Melville.

You told this House that the reason you picked Cargill over Canadian "88" energy project is that the smaller operation was looking for a subsidization of interest rates — the same subsidization you offered Weyerhaeuser. You clearly implied there was something odious about a company asking for a subsidized loan.

My question, Minister, is this. Can you explain how it is more financially prudent to guarantee in full a \$230 million loan, plus pay \$60 million in cash up front, than it is to subsidize the interest rate for a \$10 million loan. And what evidence, other than your assurances which have so far proven worthless in this deal, can you give that the debt owed by the Cargill plants will be paid off at the going rates, at the going bank rates, and not at a rate subsidized by your government?

**Hon. Mr. Andrew:** — Mr. Speaker, the hon. member raises the question of Weyerhaeuser. And I remember Weyerhaeuser very well, Mr. Speaker, prior to the last election. And what the hon. member said is, number one, Weyerhaeuser would never pay a red penny to the government of Saskatchewan, one; number two, Weyerhaeuser would never build a paper plant, Mr. Speaker.

Well, Mr. Speaker, Weyerhaeuser did in fact build a paper plant. It's in production in Prince Albert. It's employing hundreds of people. It is producing paper, Mr. Speaker. And number two, they are paying back the Government of Saskatchewan, Mr. Speaker.

That is exactly what has happened, and that's why I say to the members opposite, you're always against the project because it comes from this side of the House, Mr. Speaker. That is your rationale in every one of these deals. Don't do it, don't support it because it's being done and promoted by the Government of Saskatchewan.

Mr. Speaker, it seems to me the hon. members should look if they are genuinely interested in diversifying this economy, in creating jobs for the people of Saskatchewan, in creating more economic activity, that they would support some of these . . .

**Some Hon. Members:** Hear, hear!

**Mr. Solomon:** — Mr. Speaker, new question to the same minister. Mr. Minister, the opposition is only against your mismanagement and your incompetence and your costly sweetheart deals to the taxpayers of this province.

**Some Hon. Members:** Hear, hear!

**Mr. Solomon:** — If this project goes over budget and ends up costing more than \$350 million, we want to know who's going to pick up the extra costs. Will we cost-share it, will Cargill pay, or will it simply be tacked on to the debt that the people of Saskatchewan are, according to you, ready to stand good for? Who will pick up the cost overruns?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, why is it — and I say this to the hon. members — why is it that they were against Co-op upgrader being here . . . (inaudible interjection) . . . well they were. Why was it that they were against the Husky project . . . (inaudible) . . . where we made a very large equity investment. Mr. Speaker, number three, why were they against the Weyerhaeuser project, where it was a venture where we sold it off?

Why are they against Rafferty, which is 100 per cent owned by the government? Mr. Speaker, they against it if it's 100 per cent free enterprise; they're against it if it's a mixed joint venture with government and free enterprise; and they're against it if it's altogether 100 per cent.

**Some Hon. Members:** Hear, hear!

**Mr. Solomon:** — Mr. Speaker, a new question to the minister. If the project loses money, Minister, during its operations — not during the budget start-up and the cost overruns, but if the corporation loses money during its operations, will the taxpayers of Saskatchewan be making up the difference, and if so, what is our proportion and what further liabilities will the taxpayers be responsible for if this doesn't fly?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, the hon. member is perfectly aware of, what if we lose money. Mr. Speaker, they have a fair degree of experience on going into ventures that will lose money, Mr. Speaker.

Why is it that they always take such a negative view on everything that is done. They say, oh but this is going to be a failure; oh but this is going to lose money; oh but this will never be built, or doom and gloom. How do you build a province? How do you diversify an economy with an attitude of doom and gloom? It's going to fail regardless of what, Mr. Speaker. That attitude never built anything, Mr. Speaker, and that attitude will never build anything in the future.

**Some Hon. Members:** Hear, hear!

**Mr. Solomon:** — New question to the minister. Our concern, Minister, is that with you and your government running it, it may just well fail. That's the problem. It will fail.

**Some Hon. Members:** Hear, hear!

**Mr. Solomon:** — This is a very strange and unusual situation . . .

**The Speaker:** — Order, order. Order. Order.

**Mr. Solomon:** — Thank you, Mr. Speaker. This is a very strange and unusual way to do business — strike a deal, then make an announcement, and then work out the financial details later. Why were the financial arrangements not done before you announced the deal? You're flying on the seat of your pants on this one, Minister. Is there a final deal as yet, and what will it cost the taxpayers in the end? That's what we want to know.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, this project in the end will cost the taxpayers not 1 red cent, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — This project, Mr. Speaker, will contribute to this province. This project, Mr. Speaker, is going to provide fertilizer to the farmers of Saskatchewan and northern United States.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, this project is going to use natural gas that we have here in the province of Saskatchewan to make fertilizer. It's going to create jobs, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — It's going to create tax revenue. It's going to diversify the economy, Mr. Speaker. And that's how you build this province, Mr. Speaker, not with a negative gloom and doom as the members opposite are so . . . always trying to put forward, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Mr. Speaker, I have a new question to the Minister of Trade and Investment.

**The Speaker:** — Order, order, order. I'd just like to ask the hon. members to allow the questions and the answers to go forth, and perhaps tone down your interference so that we can proceed in a more orderly manner.

**Mr. Romanow:** — Thank you very much. Thank you very much, Mr. Speaker. I have a new question for the Minister of Trade and Investment, and I see that he has gotten his notes; he's brought his music sheet along from the Minister of Finance.

**The Speaker:** — Order, order. Order, order. Order.

**Mr. Romanow:** — Mr. Speaker, the hon. member from Kelvington wants to know why it is we won't play ball with the Progressive Conservatives opposite. We will play ball, except we've knocked so many home runs off them this session, there's no contest left to play.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — And, Mr. Speaker, I didn't think they'd give us another pitch on this Saferco deal which would allow us to knock another political home run, but they have.

My question to the minister opposite is this. I simply . . .

**The Speaker:** — Order. Order, order, order. Order. I think . . . Let's just settle down. Order, order, order. Order. Order, order. Order.

**Mr. Romanow:** — Mr. Speaker, I . . .

**The Speaker:** — Order. I'm going to ask the Minister of Finance to allow the question to go forth. And the member for Quill Lakes, I'm going to ask him also to allow the question to go forward. Now the Leader of the Opposition.

**Mr. Romanow:** — Thank you very much, Mr. Speaker . . .

**Mr. Speaker:** — Order.

**Mr. Romanow:** — We haven't been entertained by the Minister of Finance's rather witty interjections in this legislature lately, witty interjections which amount to a 10 decibel yell across the floor, but we're enjoying it today.

My question to the Minister of Trade and Investment is this. You have a major financial commitment which apparently is unnegotiated yet in its final details, according to all of the answers you give today, which I find absolutely incredible, and announced by a Premier of the province of Saskatchewan, which makes it doubly incredible. A Premier who makes the announcement and tells the details, and one month later has the rug pulled from underneath him by you and the Cargill people — you're not able to tell the deals. That is absolutely unbelievable.

But my question is, whatever the financial arrangement is, why in the world do you turn your back on a project which would have three possible different locations in Rosetown, Melfort-Tisdale, or in Yorkton-Melville? Why is it that you turn your back on that one with limited provincial government money — it's rural diversification, it's economic diversification. Why do you turn your back on the people in the small towns, and the small-business people there, and pump the money, \$290 million worth, for Cargill? What is your explanation for that stupid policy?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, we look at a variety of projects that come forward to review, to look at, as to whether we should proceed forward or not, Mr. Speaker. The analysis of these two projects was by professional people in CMB (Crown Management Board), was that the Cargill project was far superior to the energy "88" project.

Mr. Speaker, that is the reality of the analysis, Mr. Speaker. To the members opposite I only say once again, Mr. Speaker, they should at least give us credit for even one project that we do, Mr. Speaker, and we've done many, Mr. Speaker. We should ask for at least credit for one, Mr. Speaker.

**An Hon. Member:** — Which one?

**Hon. Mr. Andrew:** — Well the hon. member from Regina Elphinstone says, which one, Mr. Speaker. I will go over a large list of ones that he could review, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

## MOTIONS

## Referral of Bill to Standing Committee on Non-controversial Bills

**Hon. Mr. McLeod:** — Mr. Speaker, prior to orders of the day, I would like to move the following motion, seconded by my colleague, the Minister of Urban Affairs, the member for Regina South. I'd like to move:

That the order for second reading of Bill No. 33, An Act to amend The Regional Parks Act, 1979, be discharged, and the said Bill be referred to the Standing Committee on Non-controversial Bills.

Leave granted.

Motion agreed to.

**Mr. Lautermilch:** — Thank you, Mr. Speaker. Before orders of the day I would like to rise to advise all members of this Assembly, and I would ask leave to pay tribute to a truly distinguished Saskatchewan resident, Mr. Mederic McDougall, who passed away recently.

Leave granted.

## CONDOLENCES

**Mr. Lautermilch:** — Mr. Speaker, Mr. Mederic McDougall, a truly distinguished resident of Saskatchewan, a long-time resident of St. Louis, passed away recently. Throughout his life Mr. McDougall dedicated his energies to the service of his church, his community, and his people, the Metis and non-status Indians of Saskatchewan.

In 1986, Mr. Speaker, his distinguished career of service to the people of his community, to Saskatchewan, and our nation, was formally acknowledged when he was awarded the Order of Canada by the Governor General.

I know, Mr. Speaker, that all members of this Assembly will join with me today in extending our deepest sympathy to his family.

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

### COMMITTEE OF FINANCE

#### Consolidated Fund Budgetary Expenditure Education Ordinary Expenditure — Vote 5

#### Item 1 (continued)

**Mr. Prebble:** — Thank you very much, Mr. Chairman. Mr. Chairman, I would like to ask the minister a specific question about the funding that is being made available to the three theological colleges that are associated with the University of Saskatchewan campus.

Mr. Minister, I wonder if you can provide us with the details of the budget for each of these colleges for the current fiscal year in contrast to the previous fiscal year.

Could you do that, please?

**Hon. Mr. Hepworth:** — I'm advised that the colleges that you refer to received the same amount this year as they did last year.

**Mr. Prebble:** — Mr. Minister, I'd be grateful if you could send me the details of the funding on each college.

And the question I want to ask you at this point is: why is it that at a time when the University of Saskatchewan is receiving a budget increase in the range of about 2 per cent, just under 2 per cent in your estimates, and also of course is, in addition to that, able to take advantage of the special fund that you have established, which I think in general will mean about a six and a half per cent increase for the University of Saskatchewan, why is it that at the time when that increase was taking place, the three theological colleges on the campus are receiving a zero increase in funds for, I take it, now the third year in a row?

**Hon. Mr. Hepworth:** — I think that either you were confused or I was confused in my response relative to who got what, and so maybe I'll try and clear that up for you.

The affiliated colleges, that is to say those that are off campus, received no increase. The federated colleges received a 2 per cent increase.

**Mr. Prebble:** — Well, Mr. Minister, it's the affiliated colleges that I'm talking about. And my question to you is this: on what basis did you decide that while the University of Saskatchewan got, I might add, a desperately needed infusion of funds from your government, you chose on the other hand to provide the affiliated colleges with not a penny extra in budget, after their budgets have now been very tight over the two previous fiscal years. On what basis, Mr. Minister, did you decide that these colleges deserve no increase while the University of Saskatchewan did get an increase? Can you explain that to me please?

**Hon. Mr. Hepworth:** — Certainly, I can see why the hon. member would raise the point that . . . and the question as to, why not as well provide some additional funding for those . . . the important role that these affiliated colleges play, and we are not insensitive to that. But I guess the larger sensitivity for us, and one that had been impressed particularly upon us, was the situation at the university as a whole with its broader obligations, if you like, and society's higher expectations, and that was an overriding factor in our minds, number one.

And secondly, as well, as you will know, the affiliated colleges do have opportunities to raise revenues or other sources of revenues from their parent church bodies, and that has always been the case, and who can be there to provide that stabilizing influence as well. So it's not a matter of trying to pick on them. It's a matter of us trying to address the broader obligations that we feel the university has and that we have to them.

**Mr. Prebble:** — Well, Mr. Minister, I just don't think that's a satisfactory explanation. Surely there ought to be some kind of equity with respect to the way in which you

handle funding for post-secondary education. I think this is just another little example, Mr. Minister, of the unfairness with which you've approached the situation.

You know full well, Mr. Minister, that the affiliated colleges, the theological colleges have been hard pressed with respect to their funding, just like the rest of the university campus has, Mr. Minister, and I think that all you've chosen to do is in effect discriminate against them, Mr. Minister. And I'm asking you here today to change that policy and to put into place in the budget at least a 2 per cent increase for those affiliated colleges.

Now will you do that, sir, this afternoon? Will you revise your budget to ensure that those affiliated colleges get the same kind of treatment that the rest of the University of Saskatchewan campus received?

(1445)

**Hon. Mr. Hepworth:** — Well I think the hon. member is doing a bit of grandstanding. He knows full well that we don't revise budgets here in the middle of June.

I've given him my reasons. I've suggested that we weren't trying to be unfair and unnecessarily pick on anyone or penalize anyone. We felt we had broader obligations at the universities as a whole because of their broader obligations. And number two is that these affiliated colleges do have opportunity for outside revenue.

**Mr. Prebble:** — Well, Mr. Minister, frankly I don't think that the opportunities that the affiliated colleges have for outside revenue is any different than the opportunities that the University of Saskatchewan, as a whole, has for outside revenue through contributions from alumni, through various corporate contributions that the University of Saskatchewan has gone to a great deal of trouble to raise.

And I fail to see the distinction that you make, sir, and therefore I ask you again: on what other criteria did you base your decision to place another freeze for yet a third year on the affiliated colleges? Provide me with an explanation of that this afternoon, please.

**Hon. Mr. Hepworth:** — If I could just review what our approach has been here. We recognize particularly that our universities face some major challenges. We wanted to respond to them just as we have in the past. We identified that . . . This government identified that as a particular priority.

And while many areas in government may have had to do the same and more with no additional funds — and included in that group, affiliated colleges — we tried to respond rather generously, given the current economic situation, to the universities. And that's why we put in place the special \$10 million enhancement fund that speaks to the priority that we feel post-secondary education has.

In your mind, you I guess feel that somehow somebody has been penalized because of it. And I guess all I can do is that maybe you and I will have to . . . albeit I'm sensitive to your arguments, I think all we're trying to say here is the

larger priority was our larger obligation to the university.

**Mr. Prebble:** — Mr. Minister, one other question to you, and that is with respect to the funding crisis that the University of Saskatchewan and the University of Regina still face despite your budget, sir.

When the full impact of your budget is taken into account on the University of Saskatchewan campus, in effect the University of Saskatchewan campus is getting a budget increase of a little over 6 per cent, sir. Now that budget increase comes after two previous extremely difficult years at the U of S campus.

And basically, Mr. Minister, all that that six and a half per cent increase constitutes is a stand-pat situation at the university. If the budget increase had not been in the range of six and a half per cent, Mr. Minister, there would have had to be, as you well know, more deep cuts in programming at the University of Saskatchewan campus. All that your budget has done this year, sir, is prevented the crisis in funding from getting any worse than it already was in the previous fiscal year.

So in other words, Mr. Minister, the issues that my colleague the member for Saskatoon South has raised earlier with respect to accessibility, have not been alleviated at all. And the problems that you will be well aware of with respect to the decline in the quality of education at the University of Saskatchewan campus have not been alleviated by this budget either, Mr. Minister. This is simply a stand-pat budget in comparison with the previous fiscal year.

And you well know, Mr. Minister, that in 1988 and again in 1989 there is a very serious crisis at the University of Saskatchewan with respect to funding, with respect to the ability to deliver quality education on the campus. We suffer, Mr. Minister, from overcrowded class-rooms. We suffer, Mr. Minister, from a situation in which there are, particularly in the arts and science field, there is a serious lack of resources, Mr. Minister.

And my question to you is, when are we going to see a budget for the University of Saskatchewan campus that will allow the University of Saskatchewan to improve the quality of education on the campus, instead of seeing a steady erosion in the quality of education on the campus as we have seen since your government was elected?

**Hon. Mr. Hepworth:** — Mr. Chairman, the only ones who are using words like financial crisis at universities after the budget was delivered, is the opposition members who are trying to do a little grandstanding and politicking. And I understand that; that's part of the reality of this business.

But the reality is, Mr. Speaker, and the universities are appreciative of it, that during not exactly buoyant economic times, this government, this Minister of Finance, this Premier, recognizes the importance of continuing to have a strong university sector in this province. That is why there was a \$10 million enhancement fund set up, Mr. Chairman.

Your colleague, the member from Saskatoon South,

himself said, what we were looking for was about a 7 per cent increase for the universities — 7 per cent, exactly how he was quoted in the newspaper, Mr. Chairman. We delivered a 7 per cent budget. That's what your own colleague and the critic for post-secondary education said — that's what the universities needed. And that's what we delivered, and we won't stop delivering.

And this is the government as well, Mr. Chairman, that delivered a new agricultural sciences college on that campus, after years and years of neglect by the NDP when they were in government.

This is the same opposition that ... or this is the same government, Mr. Chairman, that's delivered some of the best student aid programs to make sure that young people are enrolled in those colleges on those two universities, Mr. Chairman. We have not forsaken these students in the past; we will not forsake them in the future.

And you, sir, are the only one who is using words like financial crisis to describe this budget relative to universities.

**Mr. Tchorzewski:** — Thank you, Mr. Deputy Chairman. I have two or three questions for the minister . . .

**An Hon. Member:** — On superannuation.

**Mr. Tchorzewski:** — No, it's not on superannuation. I'm interested in young people who are being betrayed by the policies of your government. They're not ready for superannuation yet.

Mr. Minister, the only thing that I can think of that's worse than denying students an opportunity for education is pretending that they're getting one, making them get tied up with extensive financial commitments by student loans and whatever other financing they might do, and then finding out that the courses they have taken are not worth anything in the market-place and are not recognized by the employers. And such is the case, Mr. Minister, that it's existing in Saskatchewan today because of your drive to even privatize some of the education system.

Mr. Minister, one such example. There are courses that are being delivered by CompuCollege in Saskatchewan. I have had numerous contacts by students who have taken courses at CompuCollege and then have gone out and tried to apply for jobs and have been told by employers that those courses provided by CompuCollege are not recognized. A number of employers have said that they didn't even know what CompuCollege was.

Mr. Minister, are you aware of these problems that many students are facing in Saskatchewan? Are you aware of them, and what are you or your department doing to deal with it?

**Hon. Mr. Hepworth:** — Relative to CompuCollege, and you can correct me if I'm wrong, our best understanding that officials have is that the concerns that we've had raised — and they probably go back a year and more ago — relative to CompuCollege was relative to one particular course, the travel consultants. And if that's the

ones that you're raising and asking what has been done about that, I'm also advised, and I think I made this point last year, that there was a bit of a problem across the country with that.

The industry maybe had to share some of the blame there in terms of not clearly spelling out what it was that they wanted. But rather than getting into finger-pointing, suffice it to say that everybody's been engaged to define what this job should look like. There's been some fruitful discussions. The appropriate changes have been made, and hopefully those young people who graduate from there will find work in the travel industry. I think the program has been customized as much as can be done to suit the needs of those employers.

If that's the one you're referring to, that's the issue that we've had raised with us there.

**Mr. Tchorzewski:** — Mr. Minister, that's not the one I'm referring to. And I'll get back to the one I'm referring to, and there are a number like that. And I'm really quite shocked that you would not be aware of them and that your officials would not have been aware of them because those complaints have been going to the department from these students.

Mr. Minister, you now recognize, going back to your travel consultants' course, you now recognize that there has been a problem. Mr. Minister, during the time when there was a problem, many students took the course, borrowed money to take the course, paid atrocious tuition fees in order to be able to take the course, ended up with having nothing that was recognized by anyone from the point of view of a certificate.

What steps have you taken, Mr. Minister, to assist those students who were misled by being told that the course was going to be recognized and that it was worth something? — misled because they felt that the Government of Saskatchewan, which obviously licensed this private educational institution, would have licensed them only if they were sure that the courses they were offering were legitimate courses. What steps have you taken to assist those students who got caught because of your neglect, Mr. Minister?

**Hon. Mr. Hepworth:** — Well first of all, Mr. Chairman, I don't think the hon. member would expect that we can go around providing guarantees of employment for young people no matter what course they graduate from, whether it's public or private.

Secondly, I think for him to use the word "misleading" may be overstating the case by some fair measure. What we attempt to do is just as I outlined in my earlier answer. Where we see concerns raised, where we see an issue, we investigate, we look to assist, in fact, oftentimes play a lead role in rectifying the problem. And we've done that in the past and we'll continue to do that in the future.

As he may well appreciate, predicting labour market future demand is at best a grey art. I wish we could be more precise sometimes and provide that information in a most perfect form possible to high school students who look to vocations and careers.



But you know, when you look at the fact, Mr. Chairman, that . . . and some have said, some have speculated that 90 per cent of all the jobs in the future are going to exist in professions that today, or in companies today that don't even exist. You can see how difficult that can be.

(1500)

**Mr. Tchorzewski:** — Mr. Minister, that's a nice attempt to dodge the question, but the issue here is not the labour market. The issue here is not the availability of jobs. The issue here falls squarely on your shoulders. The issue is the quality and the standard of the courses offered; the quality of the standard which you, as Minister of Education, have to approve before a private vocational school can operate in the province of Saskatchewan.

Now, Mr. Minister, your department — you therefore are responsible — provides to these students student loans, which they then have to repay after taking some of these courses which have proven to be inadequate, Mr. Minister. Clearly the evidence . . . This has got nothing to do with the availability of jobs. It's got everything to do with your neglect in how you have licensed these vocational institutions without first assuring yourself that the courses they offered are adequate courses and will be recognized by anybody in the market-place because, Mr. Minister, appropriate steps weren't taken to make sure that the courses were legitimate courses. The responsibility has to be yours.

I ask you again, what are you prepared to do to those students, through no fault of their own, who got caught and took those courses and now find that those courses are not useful for anything because there isn't an employer in North America who will recognize them? What are you going to do for those students who now have those loans — some student loans through your department, some loans that have been taken out through the bank — and are forced into a situation where they have to pay to them back, but are not able to find a job in that field because their course is not being recognized?

**Hon. Mr. Hepworth:** — Well as I said in last night's examination of the estimates, any time we have issues or concerns raised with us or ourselves, based on our inspections, have some sense that courses are off the mark, our officials move to do what they can to correct and work with the college to provide the best curricula with the best faculty possible. And if such isn't forthcoming, regulations do have some teeth; there's provision for refunds and so forth.

As it relates to the travel industry, as I said earlier, it has been a bit of a national problem. And I think it would be somewhat unfair to characterize the colleges as totally at fault here and say that they merely had bad courses, when in fact there is some suggestion as well that the industry itself maybe hadn't defined exactly what they wanted. That wasn't a problem just in Saskatchewan, but as the hon. member himself said, an issue across North America. And I think that by sitting down with the industry and the colleges and our self, we've been able to come to some resolution on that.

The second point I would make is, recognizing that perhaps the regulatory framework needed to be updated, a year ago we set in place a committee to look at the whole question of the regulation of private vocational schools. They have a broad mandate, they're well into their work, and I expect a report back from them early this fall. So we haven't been sitting on our hands, Mr. Chairman.

And the final point I would make is that the colleges themselves have no wish, no desire to turn out graduates who do not get jobs because that's what brings their future clients either back into the door or not back to the door. And the good, long-standing, highly-regarded colleges in this province — and as the hon. member from Saskatoon South said last night, there are many of them — they don't want their reputations damaged by others who do not subscribe to the same standards.

I think that's an issue that we all want to see addressed; they want to see it addressed. And we've taken appropriate steps to address it, Mr. Chairman.

**Mr. Tchorzewski:** — Exactly the point, Mr. Minister. The good and reputable colleges do not want their reputations damaged by these kinds of situations — the good and reputable colleges. The fact of the matter is that under your administration the licences that you have issued have not always been issued to good and reputable colleges, and so as a result, Mr. Minister, there are a lot of young people who are getting caught simply because there are people around in the private education business who are there simply to make themselves a profit and not to provide a quality education.

It's not good enough, Mr. Minister, to say, oh well, you know, some of those students got caught and they will continue to get caught, and when we find out there is a problem we'll make the colleges change them, and then say, but sorry, all you young people who got caught, that's your problem.

I ask you, Mr. Minister, don't you check the courses offered in advance to determine whether they are legitimate courses and to determine whether they meet a certain minimum standard? Don't you check them in advance? Or do you wait until there's a problem and then you deal with it? What's the procedure, Mr. Minister?

**Hon. Mr. Hepworth:** — The additional points I could perhaps provide the hon. member with is that the department, before any course is approved, the college must get at least three employers to say that they will hire these students, so that there is some sense of a job market out there.

As I mentioned last night as well, we have an "instructor certification process" that is in place. And in fact when concerns are raised, my observation would be that the officials in the department investigate them and investigate them aggressively on behalf of the students or whomever raises them.

And to reiterate again, if there's some better regulatory framework that needs to be put in place, then perhaps that will be forthcoming when I receive the recommendations

from the committee I've put in place over this past year, Mr. Chairman.

**Mr. Tchorzewski:** — Mr. Minister, if you go out and try to seek out three employers who will say that they will hire the students, what in Heaven's name went wrong with your tourist consultant program, travel consultant program? What happened to those employers, Mr. Minister? Are you just simply saying this in order to try to bail yourself out here, or is that in fact the process that's used? What was the problem?

**Hon. Mr. Hepworth:** — Well the issue you raise, as I said, was one that concerned us. You rightfully ask, what have we done about it. What we did about it is we recognized that the industry hadn't probably defined as well as they should have what it was they expected; hence, the course material wasn't maybe providing the students with what the employers wanted. Maybe a bit of fault on both sides. We got everybody in a room together, defined what it is, and I think that one is behind us.

**Mr. Tchorzewski:** — But unfortunately, Mr. Minister, the students who got caught and are now having to shoulder some considerable debt, it's not behind them. It's not behind them. They are faced with the problem, and you still haven't addressed the question about what you are prepared to do to correct the mistake which you made. And you may want to share it with the industry — I don't accept that. In the ultimate end, you are responsible; you are the one who signs the certificate which gives the licence.

But, Mr. Minister, I said I would give you another example, and I have had a number of students who have contacted me, who complained about a nine-month course which has a tuition fee of \$6,000. Now you want to have an example of what is a rip-off in the education system, this is an example. A private college providing a nine-month course, charging a tuition fee of \$6,000 for a course that deals with business administration, accounting, and computers — a double diploma course. Students who have taken this course and have graduated are being told by employers that that course is not being recognized. Now I shouldn't have to stand in the House and tell you about this, Mr. Minister. If you're doing your job, you will know about the problem.

This one particular student — I'll give you one example only — has a student loan of \$13,000, is unable to use this certificate because employers won't hire the student. The student says that in the accounting portion of the class, in that nine-month period — if the minister would listen — in the accounting portion of the class, Mr. Minister, during the nine-month period there were six different accounting teachers. Now anybody who knows anything about education will know that that kind of inconsistency is not exactly bringing about any kind of a quality education.

Mr. Minister, are you aware of this problem, or have you waited for somebody to tell you in this House so you can deal with it in the same way as it took you three years to deal with the travel consultant problem?

**Hon. Mr. Hepworth:** — Well, Mr. Chairman, I'm a little

unclear exactly what is the problem. Is it that the \$6,000, the tuition, is too high? I don't understand what the concern was there.

**Mr. Tchorzewski:** — It's really quite atrocious that the minister would be so flippant about a serious case as this. Here we have young people, those who have not been turned away from a technical school or a university, because hundreds of them have, going into a course which they believe to be a legitimate course because the Government of Saskatchewan has licensed it; pay a tuition fee of \$6,000 for the course. That itself is atrocious, \$6,000 tuition fee. But that's not the question.

The question, Mr. Minister, is that after having paid that kind of a tuition fee, after having been saddled with a student loan of \$13,000, the students go out and seek a job in the field for which they are supposedly trained, and employers are saying, sorry we don't recognize that course.

Once again, Mr. Minister, are you aware of the fact that this course in business administration, accounting, and computers, many employers are not recognizing it, and students are once again being saddled with this expense, something which you're not prepared to help them with, even though you licensed the courses in the first place?

**Hon. Mr. Hepworth:** — Well I would ask, perhaps, if the member has a specific case here relative to this course at whatever college, perhaps he could provide it to me and I could forward it to my officials and I would have them investigate it, because we don't have a particular concern there that we can glean from your commentary that would provide me to be more forthcoming in my answer, quite frankly.

I guess I would just want to put this whole private vocational school situation in perspective, Mr. Chairman, because one could think that there's several thousand students that have been victimized out there by the private vocational college sector.

And the two points I would want to make. Yes, there are from time to time concerns which we pursue. But number two, many, many colleges have a long-standing history and have turned out high quality graduates who do get high quality jobs.

Yes, the tuition fees are higher because, unlike a university, there is not an 85 or 95 per cent subsidy from the taxpayers of the province. And to put it in perspective, of the 5,000 young people who were enrolled in these colleges last year, we had approximately . . . something less than 100 complaints. Now if you are one of those students who has been hurt, at least in your mind hurt, then statistics are cold comfort. But certainly I'd like to keep this all in perspective for the hon. member, Mr. Chairman.

**Mr. Rolfes:** — Mr. Minister, I had not intended to pursue this area any longer because there are many other areas that I want to pursue, but I think it'll take a lot longer than I had anticipated.

I am somewhat amazed, Mr. Minister, that you take this

thing so lightly. At least it seemed like you . . . but, so what? So a hundred students got rooked, so a hundred students got took — so what? Out of 5,000. What are the members opposite concerned about?

I was surprised that the member for Regina North East . . . I hadn't even talked about the problem. He said he wanted to get in and address the problem. I didn't know what the problem was. He addresses the same problem that last night the member from Saskatoon Westmount brought to my attention. The same problem that others on this side have brought to my attention, and I know they brought to your department's attention.

And I am really amazed at your attitude this afternoon. You seemed to be more sincere last night than you are today. And maybe you got up on the wrong side of the bed this morning

(1515)

But I ask you, Mr. Minister, you are the final one who must accept responsibility — don't lay it on the industry. Don't lay it on people out there. You are the minister. You are the one that licensed that. And if you have people in your department who don't understand a curricula when they look at one, whether it's a good one or a bad one, then, Mr. Minister, you'd better hire yourself some people who understand.

But I don't believe that. I don't believe that that's the case. I think you are about as flippant with the problems that you get from private schools as your answers are to us today.

I had a number of them last night, and I didn't want to mention the various colleges or the various private schools, but, Mr. Minister, by setting up a committee you have not resolved the problem, as I indicated to you last night, because some of the people that you have appointed to the committee are from the private schools who are causing the problem. And they're not going to recommend, they're certainly not going to recommend that you tighten up your regulations in regards to private vocational schools.

Mr. Minister, I think if you haven't taken any steps in the last little while as the problems have come to your office . . . and I know because I have phoned your department on several occasions on problems that have come to my MLA office. Now I know if I phoned you personally, yes, I will admit I do get results, I do get results, and I'll give you that credit. But, Mr. Minister, there are lots of others who don't get the same results.

And if you are approving student loans today, if you are approving student loans today for those colleges . . . pardon me, those private schools that are the problem, then you are not taking care of the problem. You are simply doing exactly what the member from Regina North East had indicated. You are helping to take these students to the cleaners. And many of them find themselves in huge debts — 5 or \$6,000 tuition fees are not the exception for these private schools, they are the standard in many instances.

I want to say to you, Mr. Minister, as I brought to your attention last night, that some of these private schools have now extended their courses, have drawn them out, but the course remains the same; the hours don't change, but they have extended them over a longer period of time so they can qualify for . . . so that students who take these courses can qualify for the student loan. But the quality and the standard of the courses is atrocious.

And I believe, Mr. Minister, it's time that you addressed this problem seriously. And before you go out and accuse us of blaming all the private schools, I want to make it very clear, as I did last night, that there are a number of good ones and they should not take the blame because the minister refuses to accept his responsibility when he licensed those irreputable private schools that have come on stream.

And I'm going to leave it at that. But I did ask you some questions last night, Mr. Minister, as far as student loans were concerned as they pertain to private schools. I wonder if you have that information. I had asked you, Mr. Minister, several questions. Just to refresh your memory I had asked: how many loans had been approved to private schools; number two, of the applications that you received, what percentage were approved; number four, can you tell me what the total costs, the total loans were; and, number five, what was the default of those loans? Have you got that information and can you send it across to us today?

Mr. Minister, do you not have it in writing? I asked the question last night. I'd appreciate if you'd send it across.

**Hon. Mr. Hepworth:** — Well last night I told you that we — at least our understanding was that we didn't traditionally or historically have it by college or by institution across the province. We will continue to endeavour to pull that together for you. Your request is a fairly large one and it will be done manually.

Specifically as it relates to Bridge City there is, and I think I mentioned this to you last night, an audit under way there. I'm advised that it will take some days to complete, and so I couldn't give you some of that information even if I wished, relative to the defaults and that kind of thing, because that's all part of the audit, Mr. Chairman.

**Mr. Rolfes:** — That's all the information you have?

**Hon. Mr. Hepworth:** — Yes.

**Mr. Rolfes:** — Well it doesn't make any difference, Mr. Minister. You can give it to us next week. Because if that's the attitude you have, then we're going to just simply continue until we get some of those.

Mr. Minister, I want to continue then. I've also asked you to give me the process. I want to know, and this surely you can give me . . .

But before I go to that, Mr. Minister, there's one other question I wanted to ask. Do you know how many of those students . . . first of all, how many students, when they received loans, also received bursaries? — the ones to the private schools. I want to know. I also want to know

the amount, the total amount of the bursaries that those students received . . . (inaudible interjection) . . . Ah, you do.

**A Member:** — Forgivable loans.

**Mr. Rolfes:** — That's forgivable . . . (inaudible interjection) . . . Well, okay. Forgivable loans. That's fine. Forgivable loans.

I heard the Minister of . . . see, you change the definition so often. I heard the Minister of Economic Development the other day now say that if you have a subsidized loan, that is now considered a grant. And I have some more questions I want to ask the Minister of Finance when we get to his estimates, on that, because that will be very interesting.

Mr. Minister, have you got that information for me?

**Hon. Mr. Hepworth:** — Mr. Chairman, I'm going to have to take notice on that question as well, because that one requires a fair bit of investigation, as you can appreciate.

**Mr. Rolfes:** — Mr. Minister, just to make certain that you understand what I am saying. I want the number of students who asked for loans who also received the forgivable portion of that loan. Secondly, I want the percentage of students who asked for loans who also received the forgivable portion of it, and the defaults.

**Mr. Prebble:** — Mr. Minister, just to be very precise about what it is we're looking for . . . Thank you very much, Mr. Chairman. Mr. Minister, we want to know how much of the total non-forgivable loan money in the province is going to students in private vocational schools. That's what we want to know, Mr. Minister. You have a total budget for non-forgivable loans. We want to know how much of that budget is going to private vocational school students and how many private vocational school students are getting that money.

**Hon. Mr. Hepworth:** — Yes, I understand the question. We'll have it in black and white for us when we get the *Hansard*, and I'll endeavour to provide you as much detail as we can, knowing full well that, as I understand, our computer doesn't spit it out that way. But we'll see what we can do for you, and we'll see what we can do for you as expeditiously as possible.

**Mr. Rolfes:** — Mr. Minister, there's one further question that I'd like to direct to you, and it's in regards to welfare recipients. I'm not sure whether you have or you keep records of how many people who are on welfare who also receive student loans in applying for courses at private schools. Do you have that record? Would you be able to tell me how many there are who have applied for student loans, received student loans, and who have taken courses at private vocational schools?

If you don't have it, I want to . . . Well, Mr. Minister, while they are looking that up, the reason I'm asking that question is because there have been some complaints. Again, the member for Regina North East indicated that many of the students take these courses, then of course there are no jobs available.

And what is happening now to the welfare recipients is this. They get a student loan; they take the course; there is no job available. They then go and reapply for welfare, and the welfare department says, sorry, but you are not eligible for welfare right now because the student loan was more than you would have received on welfare. But the student doesn't have the student loan any more; that went to the private vocational school. So they're sitting there now, no job, they're in debt, and they can't get welfare. But who benefitted from it? The private vocational schools.

My next question to Mr. Minister — and I asked you, I think, this last night; if I didn't, I had intended to and I will ask it now — will you tell me what is the process of processing the student loans for private vocational schools? Student A comes to you, asks for a loan, was to attend private school B. You go through the steps of the student applying for the loan, getting the loan, and attending a private school. Where does the student loan go? Directly to the student? To the private school? Or how is it handled?

Mr. Minister, one further question while they're looking for the answer; maybe you tell me this one. Do you set a cap on tuition fees of private schools, or do you simply recognize any tuition that they set?

**Hon. Mr. Hepworth:** — No, we don't set a cap, Mr. Chairman.

**Mr. Rolfes:** — Mr. Minister, so that means they can set 6, 7 to \$8,000 tuition fees, and if a student then applies for a student loan, would that all be covered by the student loan, or how do you do it? I mean, I don't have a handle on this. If they set their tuition fees at \$5,000, a student doesn't have any money, do you pay . . . and the student then requires \$5,000, do you give the student \$5,000 in loans and that's the end of it? Or what happens? Maybe if you go through the process I'll understand it better, because I don't quite understand how this works. Neither do some of the students, I can tell you.

(1530)

**Hon. Mr. Hepworth:** — I'll go back to the process question relative to student loans — does the cheque, the student's loan cheque go to the student or to the college? I'm advised that the cheque is made out personally to the student, that is to say the funds when they're being disbursed from the loan, to the student. But in some . . . for the student's convenience they will sometimes send it right to the college, but it's made out to the student. But because sometimes they're moving from wherever to wherever, may not have their permanent address yet, they'll use that almost as the post office, if you like, but it's made out to the student.

Now relative to fees for the courses, we don't set a cap, but certainly we are cognizant of the fees that are being charged. And in fact one could argue that the student loan program, because it has a maximum weekly cap on it, in a way, as well indirectly caps what fees might be charged in so far as what funds might be there to cover them.

The second point I would make relative to fees is the market-place regulates that to some degree. For example, two beauty colleges, one charging 4,000 a year and one charging 8,000, guess who's going to get all the business, given that they're of equivalent quality? And that's sorted out pretty quickly by the market-place, and that's the kind of thing that all the good operators want to continue to protect. They don't want to have bad reputations. They want to have satisfied clients and satisfied customers who, yes, pay money — yes, substantial sums of money — but who do go out and do go on to succeed.

Does the system have its problems occasionally? Yes. And that's, I suppose, regrettable and none of us wish that they would occur. But as well, as you pointed out again, we don't want to drag those good colleges through the muck when there are lots of them. At the same time, when there are those who do not fulfil the students' expectations or our expectations, we will act on those concerns, Mr. Chairman.

**Mr. Tchorzewski:** — Mr. Minister, again let's be realistic. We're not talking about the good colleges, the good private schools — we're not talking about those. And you know full well, by dragging them in you're trying to muddy the waters.

Let's stay with the issue of those colleges that do not have a reputable name for themselves or made a reputable name for themselves in this province. Those are the ones that are ripping off the students and those are the ones that we are concerned about. I'm not concerned about Robertson. I'm not concerned about Saskatoon Business College. I'm not concerned about Marvel Beauty School. I'm not concerned about those. I told you that last night. You always bring in those again to muddy up the waters. We are concerned about those private schools that you have licensed that do not have very good courses.

**An Hon. Member:** — Which one?

**Mr. Rolfes:** — I mentioned them last night, and the member from Cut Knife-Lloydminster wouldn't recognize it if we gave him the name. Mr. Minister, I want to again reiterate, it is a problem out there. I think it's time that you address it. The problem was brought to your attention three years ago. You've finally now set up a committee.

I am concerned about the composition of that committee, but you've set it up, and I hope that in the end we will get some good recommendations. I am leery about it because of the composition of some of the people on that committee, but I'm simply saying to you that I would have felt better if one or two members of the schools who have been in existence — the private schools have been in existence for a long time — if one or two of those members had been on that committee.

And I want to simply say to you today that . . . or ask you today, when that report is brought to your attention or submitted to you, will you then make it public, and will you make it available to us?

**Hon. Mr. Hepworth:** — Well perhaps the hon. member last night when I went through, who was sitting on that

committee, wasn't in the House when I addressed that, because our concerns, I think, were like yours. I mean, we wouldn't want to have a committee where we just had the fox in the chicken house. I mean, I don't think that would accomplish what anybody wants.

And for that reason on the committee, yes, we do have private vocational school operators, number one. As well, we have a graduate from the school. As well, we have two employer representatives, in this case, one from the corporate accounts executive, Marlin Travel. I think you understand, given today's conversation, why that person may well have been involved. We have somebody from . . . the other employer representative was Lisa Hickie, from Lee Anne's sports wear. The chairperson was from our own department. I think always government's viewed as that independent referee, if you like.

And then from the employer's side, just as you have suggested — why didn't we have somebody there who's long-standing and has a reputation earned over a decade and more? Well that's exactly, I would suggest, the kind of people we have in Gordon McKay, who I'm advised is into a second generation now in that operation at McKay Tech Inc. in Saskatoon. Saul Jacobson at Prairie broadcasting, I think that one's been around for a good long time — obviously would have gone by the wayside if they hadn't been doing their job.

So I think your concerns were our concerns. I'll accept criticism if you want to put criticism my way relative to, that we'd like to have had the committee up, running, the report in and put in place; or any new recommendation they might have if that would give us a better system. I'll accept that criticism.

I think the fact that we put the committee in place was something that we both had agreed to in previous estimates. And in so far as the report, I think your suggestion was to make it public or available or whatever, and I'll certainly take that into consideration when I do receive the report.

**Mr. Rolfes:** — Mr. Minister, I want to leave that particular topic now because in fact we could spend most of our estimates on that topic. I believe it is that important. And we want to impress that upon you and your officials that come next year, if we still have those complaints, I can tell you it won't be easy on your — of course you probably won't be there — it won't be easy on the law firm . . . the rumours have it that you will have a lateral movement, lateral movement somewhere.

Mr. Minister, but please pass that message on to the next minister because he or she will not get an easy ride through their estimates if we still have those problems in existence come next year.

**An Hon. Member:** — Have you been chatting with the Premier that I don't know about?

**Mr. Rolfes:** — Yes I have. In fact, I've been giving him a few suggestions, Mr. Minister . . . (inaudible interjection) . . . Well if you went to Urban Affairs we'd at least have a minister there.

Mr. Minister, I want to now turn to another topic, and we talked about it last night, and that is funding of post-secondary education, and particularly, Mr. Minister, as it compares to other provinces and as it relates to the last federal budget.

Mr. Minister, before we get into your comparison to other provinces . . . and by the way, Mr. Minister, the latest statistics have you ninth, only Manitoba being behind you, in the amount of money that you spend on advanced education as a percentage of your budget. As a percentage of your budget, you rank ninth. Mr. Minister, these are the information that I have received. As a percentage of your budget, you rank ninth, only behind Manitoba.

Mr. Minister, what I want to ask you . . .

**Hon. Mr. Hepworth:** — Maybe to facilitate the discussion, maybe the hon. member could table the document that he's been quoting those statistics from.

**Mr. Rolfes:** — Mr. Chairman, these are my own figures that I have calculated from various documents that I have received, which are in my files in my office under lock and key, but . . . (inaudible interjection) . . . Yes, Mr. Minister, you can refute these. You know what the position you are in, and I will read these to you a little bit later.

But what I want to ask you now, what effect did the cuts of the last federal budget in the EPF (established programs financing) have on post-secondary education? Secondly, if that trend, if those cuts continue, if those cuts continue for the next five years, what will be the impact on advanced education for your department? All right. You must have done those calculations, obviously.

**Hon. Mr. Hepworth:** — The comments I would make relative to the budget and established programs financing would be these. That I, like I suppose any minister or any provincial government across the country, will always like to see more money forthcoming from the federal government to our province and to this budget.

But to keep all of this in perspective, as I understand it, what the last budget said is that the increases relative to established program financing won't be as large as they have been in the past. That doesn't mean to say there's going to be cut-backs, that we're going backwards. It's just that the increases won't be as large as they have been in past. For example, if there was a 6 per cent increase before, it may well now be a 5 per cent increase, year over.

Having said all of that, what is the implication for us? Yes, we'd always like to receive more money, not less, but that doesn't mean to say that somehow that will cause us serious problems here. We always just have to adjust to that to continue to make education the priority that we've always considered it to be. And just because there'll be a slower increase in federal government spending in established program financing, that doesn't mean to say that you'll see slower increases in educational expenditure growth in this province, Mr. Chairman.

**Mr. Rolfes:** — Mr. Minister, it is true that there probably couldn't have been too much of a decrease, because if there's any further decrease we're going to be in a minus figure. That's true — we're going to be in a minus figure because some of the post-secondary education got less than 2 per cent in their budget. On their base funding, they got less than 2 per cent.

Mr. Minister, my understanding is that if the trends continue in the EPF — and can you verify this — if the trends continue in the EPF, that for the province of Saskatchewan it will mean a reduction of what we had anticipated, had the increases continued, of \$122 million in the next five years. Is that correct?

(1545)

**Hon. Mr. Hepworth:** — It's a little tough for me to predict five years down the road, but I'll deal with today and this year and last year.

The equalization . . . or the established programs financing in our budget estimates for '89-90, which we're examining, is \$435 million — that's what we expect to get. If we saw that decreased by 1 per cent in its growth, that would mean \$4.3 million. Substantive enough. But of course from our government's standpoint, we have to look at what's happening in all of our revenue sources, like equalization payments, other transfers from the federal government.

And I guess what we're saying is yes, we're mindful of that. But on the other hand, a \$450 million drought payment, when you put that in perspective against a \$4.3 million issue and look at the entire basket, I would suggest to you that maybe yes, looking at established programs financing you can raise some questions. When you look at the entire basket — deficiency payments, drought payments, grain stabilization payments, equalization payments — that's a number that we can certainly live with, given that context.

**Mr. Rolfes:** — Mr. Minister, that's the problem, I guess, that we have, is that you have to defend your brothers in Ottawa rather than defending the people of Saskatchewan. That's the problem that we have, and consequently it's the people of Saskatchewan that are suffering. It's the people of Saskatchewan are suffering. That's why our universities don't have sufficient money to allow students to enter, who are qualified. That's why we had to turn away 800 students in the last two years who otherwise would have qualified for a university education.

I hear the member from Swift Current say hear, hear. That's true, she says hear, hear, because she believes, as she answered in question period some time ago, that those students who were denied entrance to university wouldn't have got a job anyway. That was her answer. All of those students who were turned away, they wouldn't find a job anyway. That's her attitude.

And I see the same attitude coming from you, Mr. Minister. Now let's defend our brothers in Ottawa and let's not defend the people of Saskatchewan. We got the

same attitude from the Premier of this province.

Mr. Minister, it is true that even the Premier of this province defends the federal government and doesn't worry about the people of Saskatchewan. And as the editorial indicated, the Premier of Saskatchewan, if it wasn't for the Premier of Alberta, would be standing alone. He would be standing alone in the defence of Ottawa in the last budget.

Mr. Minister, let me just read to you what the editorial said in the *StarPhoenix*, "Devine's endorsement of budget worrisome." It ends up by simply saying this:

Devine says Saskatchewan people will tighten their belts and say, boy, I hope Wilson knows what he's doing.

The fact is, they're more likely saying exactly that about their docile Premier.

Mr. Minister, what we need here in this province is a government and government ministers who will defend Saskatchewan, who will see to it that we get our fair share of the EPF so that we can provide quality education for our students — quality education — so that we don't have to turn away 800 students who are qualified to enter our universities.

They aren't here, Mr. Minister, as I said last night. They are getting their education somewhere else — in Alberta, in B.C., in Ontario — because you haven't provided sufficient spaces at our universities and our technical schools so that they can receive their education here.

Mr. Minister, that is borne out, that is borne out by the statistics that I indicated to you before. You stand ninth in all of Canada as far as providing education or money for education as a percentage of your budget — ninth. Only Manitoba has a lesser percentage of their spending on education.

Mr. Minister, if you turn to the moneys that you have provided for our universities in the last number of years . . . let's have a look. Let's have a look at what you've done. In 1985-86 there was \$139.1 million; 1986-87, in the operating grants, you provided 143.5 million; 1987-88, 143.5 million at zero per cent increase — zero per cent increase; in 1988-89, 146.4 per cent; and in 1989-90, 149.4 on the base funding, plus you indicate to us today that they are receiving additional sums from the enhancement fund.

Mr. Minister, you have provided in the last four years a little over 8 per cent increase in the operating funds for our universities. But the cost of living, I believe, has gone up by 15 per cent. So in real terms, over the last three or four years, our universities have suffered a loss of 7 per cent — a loss of 7 per cent.

And is it any wonder, Mr. Minister, that our universities have to turn away qualified students? Is it any wonder that they can't provide the quality education that our students deserve with that kind of increases? That includes the enhancement fund that you have indicated. If we take that off, Mr. Minister, and I think we need to for the future

because it's not added into the base funding, then our universities are in a crisis situation.

And as the president of the University of Saskatchewan indicated the other day, that there are going to be a number of students, qualified students, who won't graduate from this university because they couldn't find spaces for them. They now are attending other universities.

Mr. Minister, I want to ask you a very specific question. Why did you not, as requested by the university, provide them with a 7.3 per cent increase on the base funding in their operating grants rather than a 2 per cent increase?

I believe you established the \$10 million enhancement fund for two reasons — one, that you wanted to have the hammer over the universities as to what is going to be done with that \$10 million; and number two, you wanted to make it a one-shot deal. You didn't want to include it in their base funding because that meant that you'd have to do it again next year. That is the concern of the universities when you talk to them. If you talk to the officials, they say that that's got to be included in their base funding.

Two things must be done, Mr. Minister, two things must be done to assist the universities. Number one, you must provide them with the additional moneys in the base funding; and number two, you must provide them at least the increase in the cost of living. At least those two things have to be done.

And, Mr. Minister, I'm asking you now, why did you not include the \$10 million in the base funding for the universities, the U of S and the U of R, and for the technical institutes? Why was that not put into the base funding?

**Hon. Mr. Hepworth:** — Mr. Chairman, the hon. member asks why has the enhancement fund been set aside on a separate line in the budget. In fact, this was as a result of discussions with the university and the post-secondary community. They had, along with ourselves, I might add, identified some specific challenges that they wanted to tackle and that we wanted to tackle. I think even words by the administration, like bridge financing, were used. So it was always viewed as a separate fund, which is obviously what it ended up being called. And so that's the reason for that.

Now to get back to your earlier . . . to an assessment of your . . . the member for Saskatoon South's StatsCanada statistics, or whatever you would call them, his own version of StatsCanada statistics on who's going to university and how much money our university's getting. And the hon. member's research department, his own research department, he says, he reminds us, has us in ninth place.

Mr. Chairman, for him to suggest that, borders on gross error, quite frankly. I'm tempted to use some unparliamentary language, but I know that's not allowed here. I think he's doing a disservice in fact to this province to suggest that, and I'll tell you why, Mr. Chairman. I'll tell you why, because the numbers are these. The numbers

are these, Mr. Chairman. What we have seen from '82-83 through to '88-89 is a 31.6 per cent increase in university grants, operating and capital — 31.6 per cent.

And how does that compare to other provinces, Mr. Chairman, because we want to compare apples and apples to oranges and oranges. Has B.C. had a 31 per cent increase, Mr. Chairman? The answer is no; it's been a 13 per cent increase over that same period. Alberta, Mr. Chairman? No, fourteen and a half per cent. Manitoba, Mr. Chairman? No, 29 per cent. We've had 31.6 per cent increase.

Now I'm not trying to suggest because of a 31.6 per cent increase in operating and capital, that somehow it's easy for our universities here in Saskatchewan or, for that matter, anywhere across Canada. The answer to that would be no. But certainly if you look at our track record, I think it's fairly meritorious, Mr. Chairman.

And I guess I ask you, if by using the hon. member's socialist accounting techniques he has us at ninth, where were we in 1982-83? If we've had a 31.6 per cent increase and everybody else has been 13, 14 — 29 is the highest — in western Canada, where were we under those dark days of the NDP?

Additionally, Mr. Chairman, as it relates to capital funding at the University of Saskatchewan, this year the increase will be 127 per cent. You see, how would the hon. member reconcile his ninth place finish by his own socialist accounting, when the University of Saskatchewan is going to get 12.4 million from the ag development fund; 15.5 from the university renewal and development fund, a fund that did not exist under the NDP.

How would he reconcile that with a \$7.6 million expenditure from the ordinary capital fund, over a half a million from urban parks, and 10.1 million from education, for a total of 46.2 million, Mr. Chairman? That's why I say his figures do a gross disservice to the administrators and to the people of this province when it comes to where dollars are being spent.

And what about the students themselves, Mr. Chairman, the students that those members opposite did not come to the defence of? In '81-82, in those so-called halcyon days of the NDP, the NDP student assistance program helped 5,400 people, 5,400 young people, to the tune of \$12.8 million. In '88-89, what are the numbers? — 18,500 young people received assistance to the tune of \$95 million.

There was no 6 per cent loans then. There were no forgivable loans back in the NDP days. And then the question becomes one of . . . the question then becomes one of: were there more young people going on to universities in the NDP days or are there more going on to university today? And the answer is, there's something close to 7,000 more young people in our universities today than in the NDP days of '80-81.

(1600)

Now I say, would we want to go back to the NDP days? I

say again, the answer is no by every measure. By every measure, we have tried to help young people, and the universities meet the challenges that are indeed there. And I would suggest, Mr. Chairman, that that \$10 million enhancement fund jointly agreed to will indeed address some of those challenges.

And I might remind the hon. member that on March 31, shortly after the budget was delivered in this House, he told the *Leader-Post*, the NDP wanted — and I'm quoting now — “The NDP wanted at least a 7 per cent increase for the two facilities, Rolfes said.” End of quote, March 31, '89, *Leader-Post*.

That was shortly after the budget was delivered, Mr. Chairman. And what does the enhancement fund, along with the 2 per cent increase, represent for our two universities, Mr. Chairman? — 6.8 per cent.

The NDP said, come up with 7 per cent; the university said, come up with 7 per cent; and by golly, Mr. Chairman, we delivered 7 per cent. Would we like to deliver more? I'd always like to deliver more. But by golly, I think we responded in a fair and reasonable fashion to our universities, just as they identified, just as the university identified, and just as we identified, Mr. Chairman.

**Some Hon. Members:** Hear, hear!

**Mr. Rolfes:** — Mr. Minister, if you and I were talking privately, I'd have some very choice words for you, but in this House, I can't.

Mr. Minister, how you can squirm out of things . . . yes, I can understand that, you're a politician, and probably one of the worst in that particular character.

Mr. Minister, we are talking about operating grants. When we asked for 7 per cent and when a university asked for 7 per cent, they asked for a 7 per cent increase on the base funding of their operating grants. For you to stand here and say you gave them a 6.8 per cent increase on their base funding is simply misleading not only this House, but misleading what the universities have said. And it's simply unacceptable for you to come here and say . . .

**An Hon. Member:** — Can't hear you.

**Mr. Rolfes:** — And you should get your hearing-aid, which you did away with.

Mr. Minister, it's unfair, it's simply unfair for you to misrepresent the universities. That was not their first priority to have the enhancement fund. They wanted the 7 per cent on the base funding; that's where they wanted it. Oh yes they did . . . (inaudible interjection) . . . Well, I spoke to the president and I spoke to other people at the university, but they couldn't get that. They either take this or get only a 2 per cent increase. And their comment simply to me was that the minister wanted to determine how the money was going to be spent, how the money was going to be spent. And that is simply unfair for you to categorize the universities now in saying that they agreed that that was their priority, because it simply wasn't.



Mr. Minister, when we talk about increases in operating grants, I think you will have to agree, operating grants, that for the last number of years the increases have been the following for operating grants. And please don't mix this up with capital, we're talking about operating grants.

Your operating grant increases to the university have been the following: from 1985 to '86 there was a 4.9 per cent increase; 1986-87, 3.2; 1987-88, zero; 1988-89, 2 per cent; and 1989-90 on the base funding was 2 per cent, and you can add on another 4.6 if you want to add on the enhancement. That's a one-shot deal. That is not calculated into their base funding for next year.

And I know what you want to do for next year, which is an election year. You want to take the 149 million of base funding, give them a 7 or 8 per cent increase and say, well hey, look how generous I am.

But if you add in the 5.6 million, there will probably be a 2 per cent increase for next year. But that is not going to help the crisis at the university. You can play with all those figures you want, but it still remains that over those years, those were the increases — from your own statistics — those were the increases in the operating grants. You can add in the capital all you want, but that is not going to help the universities in being able to accommodate the students. They simply can't do it with that kind of money.

And I'm simply saying to you, Mr. Minister, you're misrepresenting the universities and what they had asked for. They did not ask for this enhancement fund. They wanted it on the base funding and the operating grants. You denied them that because you had other things that you wanted to do with them, for example, distance education. You wanted to determine that a lot of these things were going to be done off campus.

I don't say that I agree or disagree with that. All I'm saying is, don't misrepresent the universities, what their priorities were. Their priority was that they needed a 7 per cent increase on the base funding and the operating. And if you don't believe that, also look at issues and options on the section on accessibility; it will tell you the same thing, and we'll get into that next day. Mr. Minister, I want to turn it over to my other colleague.

**Some Hon. Members:** Hear, hear!

**Ms. Atkinson:** — Well, Mr. Minister, I too want to discuss further with you educational spending for the K to 12 system. And in particular, Mr. Minister, I would like an explanation on the part of your government as to why government grants for school divisions have dropped from 55 per cent in 1981 to last year less than 49 per cent of the total school board revenue. As you're probably aware, school boards across Saskatchewan are concerned that as a result of the underfunding in education, the K to 12 school system . . .

**Mr. Chairman:** — Why is the member on his feet?

**Hon. Mr. Hepworth:** — To facilitate the discussion relative to K to 12 funding the member was quoting some

statistics, and I wonder if she could provide me with a copy of those.

**Mr. Chairman:** — I suppose it's appropriate; we could ask the member.

**Ms. Atkinson:** — I think the member does have the statistics. All he has to do is check with the Saskatchewan School Trustees' Association or check with any school board in Saskatchewan, and he can have access to the statistics.

Now, Mr. Minister, what I am prepared to do is share with you a newspaper report, and I've had the opportunity to review all of the rural newspapers in Saskatchewan and look at what happened to school taxes in those rural communities as a result of this latest budget of yours. And one comment that I found very interesting in one newspaper, and it was *The Whitewood Herald*, was this. I'll repeat it for you:

The Provincial share for funding of education in the Broadview School Division has steadily been declining. In 1978 the provincial share was 57.8 per cent — in 1989 the share has dropped to 39.75 per cent. As the Provincial cost sharing drops, the additional monies must be raised through property tax increases. The Provincial Government did not share the increase in operating costs for 1989, therefore the property taxes had to be increased by 6.896 per cent to cover all of the added costs.

Mr. Minister, I'm wondering whether or not you agree with the statement as presented in *The Whitewood Herald*, that in fact provincial funding of our educational school system here in the province of Saskatchewan has steadily been declining, and as a result, Mr. Minister, that shift from the province to the local school division has meant that property taxes, school taxes, have had to increase on the local ratepayer, Mr. Minister.

**Hon. Mr. Hepworth:** — Well, Mr. Chairman, as I recall it, when I sat in other portfolios, Energy and Mines, and my colleague from Swift Current was in Education, in my days when I sat in Agriculture and other ministers had the Education portfolio, and I think even when the NDP were in office and the Conservatives were in opposition, these same questions have come up every year.

The opposition always tries to suggest that somehow the government of the day is off-loading or not meeting its obligations and its traditional 50-50 share of financing school operations across the province.

Every year as long as I've been in this House, that comes up. And so we'll read into the record again the numbers, because I think the member opposite probably used the same kind of selective socialist accounting techniques as their colleague from Saskatoon South does. In 1982 the provincial share as percentage of actual and/or final budget expenditures was 52.6 per cent. Now the hon. member suggests we're down to 45 per cent; 1989, what do I have? — 51 per cent.

Now she might say, well yes, but you're including the

education development fund. What I'm doing is I'm comparing apples to apples and oranges to oranges, and even without the education development fund it's 50.2. Okay?

Now does that suggest to you, Mr. Chairman, that we're somehow off loading in some horrendous fashion onto the backs of the school boards? I would suggest not. If I look at the numbers over the years, and I've got them right back to 1971 when that infamous NDP government came to be, was 45.8 per cent. That's their track record, Mr. Speaker. That's their legacy. They didn't put an education development fund in place; this Tory administration did.

So over the years it's varied by plus or minus a couple of per cent, and that's because politicians of whatever administrative stripe, political stripe, have always wanted to provide as much as economic circumstances permitted to this very high priority we call education.

And we can go through this, actually, you know, political debate again, and you can try and score your points, and that's your job and I accept that. But that's the reality — we go through this every year, and if you wish, fine. But let's look beyond the numbers, let's look beyond that petty debate and get into some substantive issues as it relates to K to 12 education.

**Ms. Atkinson:** — Right. Well, Mr. Minister, it's interesting. The information that's contained in local newspapers across Saskatchewan and the kind of feedback that caucus members are receiving from school board trustees indicate that your alibi or your rationale for this continuing process of school cuts is not sinking in in the general public. They disagree with you.

Now, Mr. Minister, you paraded out this budget of yours in the spring of 1989 saying that it was going to do wonderful things for local school divisions, but it still hasn't helped to address the problem that local school divisions are facing.

And I just want to read into the record what has happened as a result of this latest budget of yours, and I'll give you some examples. This comes from the Department of Education — the 1989 foundation operating grant comparison. Let's look at Arcola. Arcola, you say that there was a 4 per cent increase, but let's look at what happened to Arcola. Arcola, which is a school division, received a 2.01 per cent increase. What did they have to do with their mill rate? They had to increase their mill rate by 7.02 per cent.

Assiniboia received a 3.03 per cent increase, and they had to increase their mill rate by 6.25 per cent. Another example would be the town of Biggar. Biggar had a 0.05 per cent cut, and they had to increase their mill rate by 5.83 per cent.

And once again, Mr. Minister, I want to read into the record what was reported in *The (Biggar) Independent* on April 24, 1989, what the school trustees had to do as a result of your decision not to give the Biggar school division an adequate funding increase. Now what they say is that:

Increasing pressures to meet the educational needs of all students within the Biggar School Division is reflected by the board establishing the 1989 mill rate for school purposes at 63.5 (per cent).

It goes on and talks about how the board was faced with a deficit of some \$200,000, or an equivalent of a required increase of 7 mills. In order to deal with that, and recognizing some of the economic conditions, it dictated, according to this newspaper article, it dictated that the board increase its budget very wisely. And so what this board had to do, and I quote:

The reduction was accomplished after many hours of consideration of all areas of the budget. Expenses were cut by reducing the number of teaching staff in the division by an equivalent of three, reducing 1989 plant repair and maintenance budget, reducing the teacherage repair budget, omitting a provision for future expenditures for buses and the reduction of capital equipment purchases. This allowed the board to set the mill rate at 63.5 (per cent).

Then it goes on, it says:

Education is a personnel related industry with the greatest cost expended on salaries of employees. Another cost of a fixed nature is plant operations being heat, light, water, janitorial and cleaning supplies. A reduction in expenditures would mean a reduction in either personnel or school programs. In the last six years, 10.0 teaching positions have been cut while school programs remained up-to-date, current and met provincial standards, in all schools.

(1615)

Now, Mr. Minister, the point that I'm trying to get at is that as a result of some trends that we're seeing in rural Saskatchewan and in this province with regard to rurality population, declining enrolments, greater expectations on schools, that they have to provide services that have not traditionally been within the realm of the school division. And as a result of your government's underfunding of education, school boards have had to make some decisions.

Now those decisions, Mr. Minister, have not been easy on those school boards. School boards have had to consider school closures in rural communities, they've had to look at increased student/teacher ratios. It's meant that there have been crowded class-rooms in some instances. It's meant that teachers, Mr. Minister, have had to take on more responsibilities. It's meant that there have been all kinds of problems — teacher cuts, cuts in funding for special needs students, Mr. Minister. And what I'm simply pointing out to you is that there are some serious problems that have developed in this province as a result of your government's decision to improperly fund education in this province.

Now I just want to address something that you said earlier. You're saying now that the provincial government

is picking up about 52 per cent of the total school board expenditures, and you include EDF (education development fund) in that proposition. Well, Mr. Minister, I'm not including EDF in that proposition; I'm including operating and capital grants as reported in your own government estimates, Mr. Minister.

And I just want to read into the record what has happened in this province. In 1980, Mr. Minister, the grants as a percentage of the total board expenditure amounted to 56.7 per cent on average; in 1981 the grants as a percentage amounted to 54.7 per cent; in 1982, 54.6 per cent; 1983, 56 per cent; in 1984, 54.7 per cent; in 1985, 55.2 per cent; in 1986, 50.5 per cent; in 1987, 49.9 per cent. And, Mr. Minister, I don't have the figures available for 1988 and I don't have the figures available for 1989. And I'm not quite sure how you can have the figures for 1989, in view of the fact that there are some provisions made at the end of the year to increase basic grants in some cases.

Now, Mr. Minister, I just want to advise you what has happened in other areas of this province in terms of the mill rate. In The Battlefords, they had to increase their mill rate by 7.51 per cent; in Eastend, they had to increase their mill rate by 14.55 per cent; in Gull Lake, 12.28 per cent; in Herbert, 15 per cent; in Kindersley, 13.56 per cent.

Now, Mr. Minister, we're dealing with rural school boards, and as you know, and you represent a rural constituency, things haven't been all that great on the farm and they haven't been all that great in rural Saskatchewan. And when . . . (inaudible interjection) . . . And you're asking me to wrap it up. Well I'm not going to wrap it up, Mr. Minister. I'm going to try and explain to you some of the problems that are being faced by rural school boards in our province.

Now, Mr. Minister, you recognize full well that things have not been good on the farm; they have not been good in our towns and villages. And I would like you to explain for all of the people living in rural Saskatchewan, your rationale for cutting back on foundation operating grants to numerous school boards across Saskatchewan. And as a result of that, we've seen some horrendous increases in our mill rates.

**Hon. Mr. Hepworth:** — Mr. Chairman, the hon. member asks some questions about why some school boards got a decrease or less funds this year than last year. And it's a legitimate enough question on the surface because one could legitimately ask, if the kindergarten to grade 12 budget went up by 4 per cent this year compared to last year, why didn't every school board across the province experience a 4 per cent increase in the cheque that comes from the government? That's a legitimate enough question to the outsider. The pie went up by 4 per cent, so the share of that pie that all school boards should get should have gone up by 4 per cent.

But the reality is, Mr. Chairman, the school trustees who represent all of the boards across the province, some years ago, along with the Department of Education, agreed to a formula to divide the pie up. When you think about it, it made sense, because what they were trying to

do was put some fairness into the system, some equity into the system. And I think we all would subscribe to that view.

Certainly if you look at it fundamentally, an area like northern Saskatchewan with few people and few businesses and no great manufacturing sector, no industries to speak of to draw from on a tax base, has less of an opportunity to raise money locally than downtown Regina. There's no question about that.

And because trustees recognized that, they said, let's put a formula in place that will divvy up the money fairly. If your school board is an area where there's a number of students come in unexpectedly — Lloydminster's been a classic example, the extreme activity in the oil industry over the last decade — it must be flexible enough to reflect that. If you've got upgraders being built in your backyard that pay hundreds of thousands of dollars a year in tax to the school board, that takes the burden off of the ordinary home owner, then that should be reflected, because some areas do not have that to draw on. Or Weyerhaeusers in Prince Albert who probably pay hundreds of thousands of dollars.

So in their wisdom they said, let's put together a formula to divide this up, an equalization formula to divide it up. You see, and the reason they did that, Mr. Speaker, is because they wanted to be fair. And you see, for every example the hon. member trots before us where this board received less and this board received less, for every one of those, Mr. Speaker, if the formula is working, there must be a board that received more money, because the funds totally went up 4 per cent from the provincial government. The cheque was 4 per cent larger.

And you see, she trots out for us here this afternoon, for political gain — and I recognize that — the Arcola school division. In 1981, they were receiving 54.89 per cent of the revenue from the provincial government; today its 49.11 — down, yes. And she trotted out Biggar, that used to get 61 per cent of its fund from the provincial government, and it went down to 53.94 this year.

But you see, she does it in that sort of mischievous, selective, socialist accounting. She didn't mention Battle River, that went from 35 up to 48. She didn't mention Battlefords, that went from 51 to 57. She didn't mention Melfort, that went from 47 to 59. She didn't mention Melville; she didn't mention Moose Jaw; and the list goes on and on and on.

You see, this argument, quite frankly, is just a mischievous one. And I understand where the trustees are coming from. They have to posture to their public. They have to raise the mill rates, and they say, well the reason we have to raise the mill rates is the grant from the government didn't go up as much this year as we expected.

If we're going to be serious politicians in this forum, Mr. Chairman, why don't we get down to the nub of the issue? And the nub of the issue is, is the hon. member saying that the formula's unfair? Is that what she is saying? I say to her, come clean with the public. Take your duties seriously as an Education critic, and let's have an intelligent debate

about the formula.

Does the formula reflect the same kinds of equity concerns that it did 20 years ago, given what's happening in rural Saskatchewan, given that we see an increased urbanization across the province? Does it? And given the business tax furore, and given all of the skirmishes that are taking place between, in some instances, RM councils and school boards. Why can't we go beyond this silly little debate about our share went down, theirs went up or didn't go up enough, and all that kind of stuff, when really what we should be arguing is, is the formula wrong?

You see she didn't attack the department or the government on the 4 per cent. A 4 per cent increase, as the teachers' federation president said after the budget, a 4 per cent increase . . . and Susan Bates, the president of the STF (Saskatchewan Teachers' Federation) said that is fair and reasonable considering the economic climate of the province.

Why can't we have that kind of intelligent assessment and debate in this House? Is the formula a good formula? It served us well for 15 years. Will it serve us well in its present form for the next 15 years? It seems to me that's the question we should be addressing. We put 4 per cent more money in the pot; it's distributed by this fairness formula. And this selective little games playing really serves no useful purpose for the boards or the trustees. If you want to have an intelligent debate on the formula, I am prepared to entertain that.

And I say to the hon. member, is that what you're attacking — the formula? Come clean with the public and tell us. Do you want the formula changed? Go on the record, put it on the record. Do you want the formula changed? Is the formula unfair? I want to hear that from the hon. member. Is the formula unfair, or are you just being mischievous with the statistics?

**Ms. Atkinson:** — Well, Mr. Minister, in two years you will have the opportunity to ask the questions, but until that time, Mr. Minister, I'm the Education critic. I get to pose the questions. You're the Minister of Education, and your job is to answer the questions. And, Mr. Minister, you haven't been doing a very good job.

Now, Mr. Minister, I just want to go on about some of the problems with the operating grants, and I want to look at 1986-87. In 1986-87 there was a 5 per cent increase in the operating grant over the 1985-86 year. In 1987-88 your government cut the operating grants by 1 per cent. In 1988-89 there was a 2.16 per cent increase in the operating grant, and in this budget, Mr. Minister, there was a 3.84 per cent increase.

Now if you look at what's happened with the consumer price index in 1985 . . . or 1986-87, CPI went up by 3.11 per cent. In 1987-88, CPI up by 4.9 per cent. In 1988-89, 5.7 per cent increase in the CPI. And in 1990-91, the projection year to date thus far, Mr. Minister, is a 4 per cent increase.

So what has happened, Mr. Minister, in reality is that the operating grants have actually declined by 8.4 per cent as a result of inflation and so, as a result of your

government's underfunding of school boards in Saskatchewan, and as a result of the increases in the consumer price index, Mr. Minister, school boards across this province have had to make some changes and have had to make some cuts as a result of your underfunding.

Now, Mr. Minister, I'm not here to debate the merits of the formula. What I'm here to do, Mr. Minister, is to speak on behalf of the people of Saskatchewan, particularly people in rural Saskatchewan who are facing some problems, and one of those problems, Mr. Minister, is rural depopulation and declines in enrolment.

Now it doesn't matter whether you have 20 grade 12 students or 190 grade 12 students, Mr. Minister, you have to present a curriculum to those students in order that they can receive a grade 12 and go on to post-secondary education, if they so desire.

And so, Mr. Minister, while I am not here to debate the formula, what I am here to do is to talk about how this, as a result of the enrolment declines, there have been some serious problems created for rural Saskatchewan. They still have to provide grade 12 social studies and English and chemistry and physics and biology and all of the other courses.

So I'm wondering, Mr. Minister, what are you planning to do about what seems to be a trend in this province that school populations are declining in rural Saskatchewan; and there's no question that they are increasing in urban Saskatchewan?

**Hon. Mr. Hepworth:** — Well the hon. member has raised a number of questions. She has tried to make the point that somehow our funding increases to education have not kept pace with inflation. From 1981 to 1982, Mr. Chairman, through to '89-90, funding increased by 62 per cent, while the inflation rate or the consumer price index rose by 47 per cent. The net effect has been an increase of over 10 per cent in real funding to school boards during that period.

If one looks at that on a per pupil basis, Mr. Chairman, real funding has increased by more than 12 per cent, and that is because enrolments have gone down over that same period by about 4,000.

And I might add, Mr. Chairman, that that doesn't include the special warrants that this legislature passed — the one being \$19 million to bail out the teachers' pension plan as a result of the stock market crash, which would mean something close to 5 per cent in terms of the funding increase in that year alone.

So I think the argument that she makes, that somehow increases in expenditures in education haven't kept pace with inflation, is a spurious one, Mr. Chairman.

(1630)

**Ms. Atkinson:** — Well, Mr. Minister, I now want to talk about special education in Saskatchewan. As a result of some of the problems that have occurred with your funding cuts in the last several years — and you and I are not going to agree that there have been tremendous

funding increases because, in my view, there have not been — special education has developed as an issue in Saskatchewan.

Now, Mr. Minister, I spoke earlier to you about what had happened in the Sturgis area. And in the Sturgis area, Mr. Minister, the situation is such that the school board has had to make a number of cuts to programs, to transportation. And as a result, a parent in Sturgis has been advised that her son, who is in grade 9 this year, who has been receiving the assistance of a teacher aide, will no longer have the teacher aide come next fall.

Now, Mr. Minister, the teacher aide is necessary because this boy, this young boy, is a hearing-impaired student. He's a deaf student. And as you know, Mr. Minister, people in Saskatchewan, particularly in rural Saskatchewan, would like to see their special needs students remain in their own communities. But as a result of your funding cuts, Mr. Minister, this young man is not going to have a teacher aide next year.

And I'm wondering, Mr. Minister, if you can bring us up to date on how your funding cuts and your changes to the formula for special education have affected special needs children and youth in our province.

**Hon. Mr. Hepworth:** — Mr. Chairman, relative to special education, the increase in the special education budget overall was 2.3 millions of dollars, and I wouldn't want to suggest for a moment that we couldn't use 25 or \$30 million there, because we probably could. But as well, over and above this, because I too would like to . . . and our government would like to respond in this area, even to a greater degree than we have. There was an enhancement grant as well put in place for severely handicapped, including the profoundly deaf, to the tune of 650 thousands of dollars. Now those obviously are increases, not cut-backs.

Could we use more in this area? It's an area that I would suggest to you could probably use increases in the magnitude of tens and twenties and thirties of millions of dollars, and that's . . . A strategy to put that kind of money in place, along with boards, is not something that's going to be able to happen overnight, but we're trying to respond to the issues with boards out there in a positive manner, and I think that speaks to the increases I talked about in those two areas.

**Ms. Atkinson:** — Well, Mr. Minister, I want to talk about the Sturgis situation as an example of what's happened to some school districts, and then I want to talk about the enhancement grant that you talked about.

Now, Mr. Minister, when I look at what's happened at Sturgis, they received a funding cut of 4.31 per cent, and I want to read into the record again a newspaper article that was in *The Norquay North Star* sometime in May. And this is what the headline reads: "Three-mill tax increase, expenditure cut approved."

The Sturgis School Division board has prescribed some strong medicine for the division, its ratepayers and teaching staff with the setting of its 1989 budget and mill rate.

The tough measures decided on by the board were announced in a press release issued this week, which cites "very difficult economic times" currently being experienced by the Sturgis School Division.

"This, unfortunately, is all too common to Saskatchewan rural school divisions and municipalities as we are all grappling with a shrinking population and economic base," . . .

Identified as factors which "affect the 1989 budget for the Sturgis School Division" were: an enrolment drop of 59 students . . . (so that) a net Foundation Grant loss of \$64,858; increased salary costs for teachers (4 per cent) and other employees (2.75 per cent); increased fuel costs for busing through both provincial and federal increases, with a notation that the division does not receive the fuel tax rebate; increased costs for natural gas and electricity; increased costs for school and library materials, and an accumulated deficit of \$60,000 for 1988.

"To combat these increases in operational costs and decreased grants (from the provincial government), the Sturgis school division board of education has presented a budget that contains the following key points:

"A 6.5 (per cent) reduction in the number of teachers we employ;

"The closure of Stenen School at the end of the current school year . . .;

"A \$60,000 reduction for school operating budgets;

"Expenditure reductions in many other areas, such as janitorial supplies, contracted services and board services expenses;

"A mill rate increase of three mills. This will raise the mill rate from 57 to 60 mills. This increase has been forced upon on us by the provincial government raising the computational mill rate from 50 to 53 mills. The computational mill rate is the factor that the government uses to determine how much money must be contributed locally before the grant commences. By raising the computational mill rate by three, the government is saying that three more mills must be contributed locally."

Now, Mr. Minister, the woman who contacted me whose son has been affected by your decision to raise the computational mill rate by three, and your decision to cut back on school funding to several rural school boards across Saskatchewan, is quite concerned that her son, a grade 9 student who is hearing impaired, will not have a teacher aide this fall.

Now, Mr. Minister, what I'm trying to point out to you is that when you sit in your office in Regina playing Mr.

Cabinet Minister, and making decisions about school boards and school board funding, Mr. Minister, it impacts upon students and parents in this province. And so while you like to play fast and loose with the truth, as I call it, regarding the grand increases that have occurred under your government, the evidence that we've been able to garner from looking through newspapers simply does not bear out any relationship to the truth.

And I want to know, Mr. Minister, what sort of arrangements are you going to make to ensure that this woman's son has a teacher aide this fall in his local community, and that he is not put in a position where he has to move out of his rural community and away from his family?

**Hon. Mr. Hepworth:** — The hon. member raises the question, specific question, what am I going to do to see that this student gets a teacher aide. I don't think the hon. member would want somebody under this dome in the legislature in Regina to start running our school boards. They would take umbrage at that. I think they would see that as interference.

At the same time, Mr. Speaker, any time there's a distraught parent with legitimate concerns, I think it's fair to say that, if raised with us, we attempt to raise it with the school board, hopefully to the satisfaction of that individual. I'm not suggesting that school boards don't face challenges like the Sturgis school board.

But you know, in fairness, Mr. Chairman, why doesn't the hon. member tell the whole story on the Sturgis school board? Why do we get into this mischievous representation of the facts? Why doesn't she tell the Assembly, all the members here, so they can make an informed judgement? Why doesn't she tell them that the Sturgis school board lost 60 pupils? Why doesn't she tell them that their enrolment has gone down by nearly 6 per cent? Why doesn't she tell them that? And why doesn't she tell them that their assessment went up marginally, which means that they get a little more money from the same mill rate? Why doesn't she tell the Assembly that so they can make an informed judgement?

And she knows that the computational mill rate is part of that divvying up the pie in a fair way that's always been agreed to by the system. And I'm not trying to suggest for a minute that it's easy for the Sturgis school board or any other school board across the province. They're all trying to deal with the challenges, and I think they do a good job, for the most part. I think they do a good job.

And if there's a specific case that the hon. member would like me to take a specific look at, I would just ask her to send the details to me and I'll see what we can do. As I said earlier, we've tried to increase to some degree the funding available to boards or special education to recognize that there are some special people out there who need some special attention. I'm not happy if it doesn't go the way boards or parents or trustees or students would always like to see it, but that's a reality, Mr. Chairman.

**Ms. Atkinson:** — Well, Mr. Minister, if you review *Hansard*, you will note that I did indicate when reading

this article that there had been an enrolment drop of 59 students. So I did give you that information for all members of the Legislative Assembly to hear.

Now I just want to talk about your enhancement grants. Now, Mr. Minister, as I understand it, school boards whose divisions make the decision to spend in excess of \$12,000 in the academic year September to June, 1989, may be eligible for this enhancement grant.

One of the problems with this enhancement grant, as it's now defined, is that you have to spend the money in order to apply for the money, and there's no guarantees, as I understand the situation, that you will be reimbursed for the money that you've already spent.

The problem is, Mr. Minister, that special ed consultants have a very difficult time planning what to do with special needs students. And I'm wondering if that particular point that I've just raised with you has been brought to your attention and whether you're prepared to do something about the enhancement grant in order to allow teachers and special ed consultants to do some planning when it comes to special needs children in our province.

(1645)

**Hon. Mr. Hepworth:** — The hon. member, Mr. Chairman, asks, relative to the rationale of the enhancement grant expenditure — and what I'm advised, and it's relatively complex and I'm probably going to oversimplify it — but this is to go to 220 children who have been identified as severely or profoundly handicapped, to top-load, if you like, programs that have been put in place by boards for these 220 individuals with some very special needs. And I know that's an oversimplification, but there's 220 that have been identified . . . (inaudible interjection) . . . 220 is to share the \$650,000? That's right.

**Ms. Atkinson:** — Okay. Mr. Minister, what has been brought to my attention is that it's very difficult to plan for services being put in place for children because you have to spend the money to get the money back. And there's no guarantees that you're going to get the money back.

How have you communicated this program to local school board divisions? Because it appears to me that there is some concern that it's difficult to plan for kids when you're not really sure whether or not they're going to be eligible for this enhancement funding.

**Hon. Mr. Hepworth:** — I appreciate the point the member is raising in that an administrator, a program administrator, a financial planner for a board would like to have, for lots of reasons, one of which you've mentioned, the money in hand first. The reality is, as you know, in terms of government and comptrollers and audits and all the rest of it, that's not the way it works here or virtually in any other area of government. We pay for the services sort of on delivery, that kind of approach, that it has to be delivered and then they're reimbursed.

And I know it causes . . . I can see your argument; I can see the merit of the argument. But this has traditionally been the way that we've delivered it.

**Ms. Atkinson:** — Now maybe I misunderstood the information that was given to me, but I understand that this is a new program for special needs children whose school boards spend in excess of \$12,000 on them. Is that not the case?

**Hon. Mr. Hepworth:** — Yes.

**Ms. Atkinson:** — So this is a new program. So when you say that this has traditionally been the way we do things, we can't really say that this has traditionally been the way we do things because this is a new program.

And so I just want to reiterate the concerns that have been expressed to me that you can't plan because you have to spend the money in order to apply to get the money. And so for school boards that have . . . who are facing cost crunches, Mr. Minister, there's a great deal of risk being taken if they spend the money and there's no guarantees that they're going to get the money back.

Now, Mr. Minister, you said that this is for 220 students in Saskatchewan who are severely developmentally delayed or have severe handicaps, Mr. Minister. Can you tell me how many students in Saskatchewan have school boards who spend in excess of \$12,000 on their educational services?

**Hon. Mr. Hepworth:** — I'll have to take notice of that question and undertake to see if we can't dig that out for you.

And on the whole question of your observations, this is a new program, so how can I say that traditionally this is the way we've done it? What I was talking about is traditionally, in terms of government paying the bills, if you like . . . And in special ed, whether it's this new program or our special ed budget, normally it's always been conditional funding paid on receipt of a program being put in place, that kind of approach. That's what I meant when I was talking about traditional.

**Ms. Atkinson:** — Now, Mr. Minister, I understand that you've changed the way you fund special ed in Saskatchewan. It used to be that the process, when I was involved in special ed, that you'd determine which students you think had learning disabilities or required some additional funding on the part of the provincial government. You would go to a designation meeting with Harry Dahl in Saskatoon, who's an employee of your department, and you would make the case or present the case that students should be designated for high cost funding.

Now I understand that that process has changed in the last couple of years, and I would be interested in knowing what the changes have been and how we now fund special education in Saskatchewan.

**Hon. Mr. Hepworth:** — This is a bit complicated, and I'll take a run through it. And if I'm off the mark, my officials will provide me with some additional information so that we can make sure the members of the House get as accurate information as we can.

The traditional eight categories — the deaf, blind, mentally retarded, hospitalized students, multiply handicapped, orthopedically handicapped — I think what's been traditionally called high cost in the educational system, the procedure for those is unchanged. And they're identified, the right program is identified, and the funds are made available on a per capita basis, per student basis. And that's as in the past and it is today.

The category that there's been some changes on is what they call a learning disabled category. And why that is . . . And I agreed with the changes because I think in some instances in this learning disabled category, we don't have the technology . . . no, technology isn't the right word. Our capability of diagnosing the students with learning disabilities isn't as precise as it might be in some of these other categories, and I think you can see why that would be so.

And so what was done there, because diagnosis is a little tougher, is that the levels were frozen at what they were two years ago, but the fund has had increases not unlike what the Education budget generally has — 4 per cent, 3 per cent, 5 per cent, whatever the number might be. But for a board to earn, if you like, a chunk of that increase, they have to essentially demonstrate that they've put something more in place to help learning disabled students in their area.

So I know I'm over-simplifying a bit, but that gives you some sense of what we're trying to do in that area. And the changes largely revolve around problems with diagnosing in the learning disabled category.

**Ms. Atkinson:** — Mr. Minister, is it possible for you to provide me with a written explanation of what's happened to funding for learning disabled students in Saskatchewan, because I have had a tremendous amount of concern expressed to me from parents and teachers of learning disabled students who in their view are not getting the kind of resources and services, program services, that they used to get, as result of changes to funding for special-needs kids who have learning disabilities.

Now I just have one other question here. Is it true that special ed programs have been frozen, the funding has been frozen for the last couple of years, and that this is one of the reasons why we're having some of the problem in funding for learning disabled students?

**Hon. Mr. Hepworth:** — I will have my officials provide a comprehensive briefing note for you in this area. Because it is pretty complicated, and certainly to the lay person such as myself, sometimes I don't do as good a job of explaining as I would like to.

The area, as I mentioned, that's been frozen, was in the learning disabled category. It was frozen because of the difficulties with good diagnosis in some instances.

There have been increases, but they're the incremental increases like 4 per cent or 3 per cent or 5 per cent that have gone into that chunk of the budget pie. So it's not as though there haven't been some increases, but it's not

funded on a per capita basis any more like those other eight categories are in the high cost basis. So we'll have that laid out for you so you can have a clear picture of it in a comprehensive briefing note.

And before I take my place on this question, I'd just like to reiterate again what I said at the outset. This whole area of special education, quite frankly, in my mind . . . And maybe I bring — you've worked in it, as you said — maybe I bring more of a layman's perspective, or a layperson's perspective to it. My observation, after being in this area for two or three years, is it's an area that we have come some fair distance on over the last 10 or 15 years. I think there's even much more we can do.

I think even some of the technological . . . some new technology, and I know that sounds awful clinical when you're dealing with the human side of learning, but I think there are even some technological advances that I've had my Legislative Secretary, the member from Canora, along with my officials in the department, investigate over this past winter. And we're looking at putting them on show here, if you like, for some boards and doing some pilots with them over this next few months, to respond to students' needs to some greater degree in this area.

And a final comment would be, and I know that you'll probably hold this to me, but I would like to maybe think that in five years from now, when you and I are standing here, that we've made even another quantum leap on how we deal with these children. And I think part of that is having the public, the larger public, understand what we're really talking about. I mean, it's very complicated even for you and I, and myself with the additional resource of officials who work with this every day, at some times to untangle what we're really talking about, and we use terms that the average person doesn't deal with.

The more we can engage the broader public in this, I think the better off we are, and that too would be part of how I would see us proceeding in the future. And I hope maybe five or 10 years from now when we're standing here, we've made another quantum leap, and I know that that might require 20 or \$30 million — a substantial sum. I mean, we have to put our heads to that as to how we would engage those kinds of dollars, given all the pressures that we face in this area.

**Ms. Atkinson:** — Thank you very much, Mr. Chairperson. Mr. Minister, the thing that I wanted to say about this funding freeze that has occurred in special ed for learning disabled students is this — that there are lots of school boards in Saskatchewan that have had special education consultants and very good special ed consultants that have in the past designated LD (learning disabled) students, so as a result, they aren't facing the kinds of problems that school divisions who haven't done all the designating in the past are presently facing.

So we have a situation, Mr. Minister, I understand that this is now . . . special ed is now block funded. And if you did a good job of designating the students in the past, you're not experiencing the same difficulties that other school divisions are facing as a result of not designating students.

And so in terms of the briefing note, I'd like to know if you can do this. I would like some information as to the kinds of problems that school divisions are facing as a result of your government's decision to change the way we fund people with learning disabilities, and as a result of your government's decision to freeze the funding, because I'm hearing from lots of parents that their kids simply aren't getting the services that they used to get under the old system.

The committee reported progress.

The Assembly adjourned at 5:05 p.m.