



STANDING COMMITTEE ON HUMAN SERVICES

Hansard Verbatim Report

No. 11 – November 18, 2004



Legislative Assembly of Saskatchewan

Twenty-fifth Legislature

**STANDING COMMITTEE ON HUMAN SERVICES
2004**

Ms. Judy Junor, Chair
Saskatoon Eastview

Mr. Ken Cheveldayoff, Deputy Chair
Saskatoon Silver Springs

Ms. Brenda Bakken
Weyburn-Big Muddy

Mr. Lon Borgerson
Saskatchewan Rivers

Hon. Joanne Crofford
Regina Rosemont

Mr. Glenn Hagel
Moose Jaw North

Mr. Don Morgan
Saskatoon Southeast

The committee met at 15:30.

The Chair: — Okay, we'll call the meeting of the Standing Committee on Human Services to order. The first order of business I want to mention is that on our agenda today we'll be dealing with estimates, supplementary estimates. So I want to make a note to the committee members that all questions must be relevant to the subvote program or policy being funded. There will not be a wide-ranging debate on the whole department as occurs on the administrative subvote during the main estimates. We've already done that during the estimates debate in the spring.

So the first order of business is we need to seek agreement from the committee because we've changed the agenda to have Corrections and Public Safety up first. Is it the pleasure of the Assembly to . . . or the committee to adopt the agenda as amended?

Some Hon. Members: — Agreed.

The Chair: — Thank you. I'd also like to advise the committee that we've received an order of the Assembly dated November 16, 2004 to consider and report back on the supplementary estimates for the following departments: vote 3, Justice; vote 5, Learning; vote 27, Culture, Youth and Recreation; vote 32, Health; and vote 73, Corrections and Public Safety.

And our first order of business today is the supplementary estimates for Corrections and Public Safety. I'd invite the minister to introduce his officials. And when the officials . . . for the ease of the technicians, the officials, if there's new ones come forward if they would identify themselves before they speak. To the minister.

**General Revenue Fund
Supplementary Estimates
Corrections and Public Safety
Vote 73**

Subvotes (CP01) and (CP04)

Hon. Mr. Prebble: — Thank you very much, Madam Chair. I'm very pleased to be joined today by Terry Lang, who's the deputy minister of Corrections and Public Safety; by Mae Boa, who's executive director of management services in CPS (Corrections and Public Safety); by Bob Kary, who's our new executive director for the Young Offenders program; and by Avonda McKay, who's the director of institutional operations in adult corrections.

And I should also say that with us today observing are Duane McKay, who is our Sask911 project manager; and Sharon Markesteyn, who's the executive assistant to Mr. Lang. So I want to welcome my officials and I'm very pleased to answer any questions that the committee might have.

The Chair: — The floor is open then for questions.

Hon. Mr. Prebble: — If you want some preliminary comment on the estimates, I'm also happy to provide that, Madame Chair, I'm just . . .

The Chair: — If you wish.

Hon. Mr. Prebble: — . . . in your hands on that.

The Chair: — You go ahead.

Hon. Mr. Prebble: — Well, I would just say that by way of a preliminary comment that there are two areas where Corrections and Public Safety are seeking approval from the legislature for additional expenditure, and the total expenditure here is \$996,000. There's 541,000 being sought in the area of adult corrections and there's 455,000 being sought in the area of administration.

The Chair: — Any questions? Mr. Kerpan.

Mr. Kerpan: — Yes, thank you, Madam Chairman. It seems like it was just yesterday that we were in this room discussing the estimates late last spring prior to the House recessing for the summer. And after question period today it seemed like we were here just yesterday as well, but . . . It's going to be a long stretch for me to try to bring my comments on Corrections over to SPUDCO (Saskatchewan Potato Utility Development Company) or the CAIS (Canadian agricultural income stabilization) program, so I'd like to say at the outset that they will be contained to Corrections.

I guess as a critic for Corrections for our party obviously I was relatively pleased to see new dollars going into Corrections. Of the . . . A couple of generic questions. Of the \$110 million that was allocated for Corrections as well as the building of a new lab and the forest firefighting fleet, how much of that \$110 million is actually going into Corrections?

Hon. Mr. Prebble: — Well there'll be . . . In terms of the capital project initiatives, Mr. Kerpan, we've got \$40.7 million allocated for the new correctional centre. To be precise, it's \$40.69 million. And that'll basically be phased over a period of about three and a half years, so you can expect those expenditures to be spread between . . . certainly to the end of the fiscal year 2007-2008. It's possible there might be a very small amount of expenditure in 2008 as well, but I'm hoping that the new correctional facility will be completed on time and that would be March of 2008. So the expenditures will be between now and then.

Mr. Kerpan: — Thank you, Mr. Minister. I guess there's no question that . . . Both myself and I know my colleague, Mr. Morgan, have visited the facility here in Regina and I've been to all . . . I think all the other ones around the province as well, and there would be no question, and there'd be no argument, there'd be no debate as to whether that old portion of the Regina jail should be replaced, and we all agree on that issue. The question though that does come out of it is what are we going to buy for our \$40.69 million.

Thank you for providing me with a timeline because that was going to be my other question. But where is the plan, what is the plan, and will we be able to see that if there is a plan in place. And if not, when will we be able to see a plan.

Hon. Mr. Prebble: — What we'll essentially be purchasing for

that investment is, first of all, 216 new beds. So in other words we're looking at one inmate to a cell instead of some of the double bunking that we have now. And we'll have a 216-bed facility. And that's basically the same number of inmates that are in the current 1913 portion of the correctional facility.

The breakdown will be that we'll have 48 maximum security units. We'll have 12 medium security. We'll have 12 medical beds. We'll also have 144 remand units because the remand offenders in the correctional facility are basically housed in the old portion of it right now.

And in addition to that we're going to be building a new admissions and discharge area for inmates. And it's very important I think that we have good security in that area and also adequate room for staff to function safely within a group of inmates that basically may be either entering or leaving the facility for court or other purposes. In addition to that we'll have a new health outpatient clinic, a new administration area, and a new visitors' area. So that will be essentially what we're building for \$40.69 million.

We'll be seeking advice of staff in terms of the design of the facilities, so there'll be an opportunity for input from staff. There'll also be an opportunity for input from traditional elders. I'd certainly welcome any suggestions that members of the official opposition would want to make with respect to the design of the facility. We'll be seeking advice from First Nations and Métis organizations as well and, of course, the FSIN (Federation of Saskatchewan Indian Nations) and tribal council themselves if they have an interest in input on design. And we are going to try to — once the architectural work is completed — we're going to try to move forward with construction as quickly as possible.

Mr. Kerpan: — I'm sort of reluctant to call this a band-aid on that particular facility because it's a pretty expensive band-aid. And I know that's not . . . I understand and I realize it's not the intention of the government to try to put a Band-Aid on a problem, but it is a problem.

Has there been any thought given to taking the entire step and building a brand new — completely brand new — facility some place other than the current location of the Regina jail?

Hon. Mr. Prebble: — We did look in a serious way at another option, which was replacing everything but the 1998 . . . 1988 part of the Regina Correctional Centre. In 1988, 120 units were built on the site. And I consider those to be . . . you know, it's a good physical structure and I think provides good security for the inmates, a good line of sight for the guards who are there. So our correctional workers on site, I think, interact with staff much . . . they interact with inmates, rather, much more readily than is possible in the rest of the facility. So I consider the 1988 part of the facility to be very adequate.

So we never looked at replacing that, but we did look at the option of replacing the rest of the facility, parts of which were built in 1913 of course. And then the other part was built in the late 1950s, and that houses approximately 80 inmates. And in addition there's an auditorium and a kitchen and other common facilities for the institution. And we've invested, by the way, in the 1950s part of the facility fairly significant money in some

upgrades. For instance, we've invested in a significant upgrade to the kitchen in the last three years.

We've made it . . . We costed out replacing the 1913 and 1950s part of the facility and the cost was \$95 million. And we decided that that was too much to be spending in this particular area right now, given the other priorities that Saskatchewan people have with respect to health and public education and highways and the like.

We certainly do recognize that there will be an ongoing need to maintain and keep current on the 1950s part of the building, but the focus right now is the replacement of the 1913 part of the building. And it's my intention as minister to ensure that the 1913 portion of the building is decommissioned after construction of the new facility is complete.

Mr. Kerpan: — Further to that question, really what I was trying to get at is, have you thought, have you considered building an entire new facility from square one, from step one, at some other location other than the Regina facility? Some other location in the province.

Hon. Mr. Prebble: — Yes, right. Yes, other than Regina is what you're saying . . . Yes, thanks for that.

First of all we looked at . . . we ruled out the notion of investing \$95 million in a brand new facility that would replace everything that was built in 1913 and everything that was built in the 1950s. So once we ruled it out as an expenditure, we never seriously looked at the notion of building it you know somewhere else. We have done analysis with respect to the possibility of locating a very small portion of the new correctional facility elsewhere and have concluded that it would be not a cost effective investment.

Mr. Kerpan: — Will be there be allowances made in the new portion of the jail for additional new programming such as drug and alcohol rehabilitation programs, educational programs, work programs? I've had the opportunity to look at and visit many, many facilities over North America in the past ten years, since I've been involved in political life, and I've seen some very, very interesting and I think very worthwhile types of programs. Will you make allowances in the new facility for those kinds of things?

Hon. Mr. Prebble: — Yes. The part of the new facility will be used for programming purposes, and I think . . . you know I've had an opportunity, as I know you have, to visit the areas in the current Regina Correctional Centre where programs are delivered; and while there, I would say they're just barely adequate. And that will be much better served with an environment that would be more conducive to rehabilitation and will be much more conducive to staff delivering programs. So yes, I foresee programs being delivered in the new facility. And it's also our hope that we will be able to broaden the mix of programs that are offered over the years.

Mr. Kerpan: — My last question — and it's a thought that I've had since I visited the facility here in Regina. Is there any thought being given to leaving the old . . . the 1913 portion of that facility standing, and turning it into a heritage site, and/or a place could be used to make movies?

Hon. Mr. Prebble: — Well that thought has crossed my mind as well. And we will . . . you know we will listen to suggestions from the community in this regard, but I want to be very clear about the fact that I do not wish to see the 1913 portion of the building continue to be used for correctional purposes. I think the building is unsatisfactory for that purpose.

And for any other purpose that it might be considered for, there would be significant issues I suspect around building code, fire code, and so I would be hesitant about any other long-term plan for the building. But I mean we can have a discussion on these options. But at the present time, it's my intention to decommission the building, and I would . . . my leaning at this point, although that's not absolutely final, is that it would be bulldozed. But it may be that we can find some useful purpose for it. And the thought that you've had has crossed my mind too.

Mr. Kerpan: — I think there's an episode of *Corner Gas* just waiting to be made in there. Thank you. I'll turn it over to my colleague.

Hon. Mr. Prebble: — Thank you very much for your questions.

The Chair: — Mr. Morgan.

Mr. Morgan: — Thank you. Recently there's been advertisements for peace officers who would be working under the safer communities Act. Is any of the money that's allocated in the supplementary estimates destined for that purpose?

Hon. Mr. Prebble: — I'm going to ask Mae Boa if she could comment on that. I just wanted to be certain that we hadn't contributed in any way to the Department of Justice work in this regard, and, Don, I'm told that we have not. So these are Justice dollars that are going into the safer communities initiative. They're not Corrections and Public Safety dollars.

Mr. Morgan: — Yes, I just want to make sure that there wasn't any of that, but we'll have questions for that when that matter comes up.

In the material that was provided, there was reference made to crime reduction strategies in some of the major cities, notably Saskatoon, and there was an intersectoral approach being used. I'm wondering what other departments and agencies participated in that.

Hon. Mr. Prebble: — Right. We've worked together with the Department of Justice, first of all, in this regard. Secondly, we worked very closely with Saskatoon Police Service. Saskatoon Tribal Council has been a partner in this initiative and the city of Saskatoon of course. And then there have been other community-based partners. If you'd like a complete listing, Don, we would very happily provide it. But those are the anchor partners in the initiative.

Mr. Morgan: — My concern when we expend large amounts of money on this type of program . . . and I'm in support of this type of program, and I accept the fact and am fully supportive of it being an intersectoral approach. I would expect that, at a bare minimum, Social Services, Health, and Education would

be involved as well as the public and separate school systems, and that this would contribute to social workers in schools, probation workers in schools. So my concern is whether we've adequately targeted things.

And my understanding is that in Saskatoon there's roughly 1,000 children that are not registered or not part of the school system and sort of are outside of our control or our grasp right now, so they aren't under anybody's particular control. And is there going to be anything in this program that's going to address any of those issues?

Hon. Mr. Prebble: — Well certainly the question of education for youth is a concern that is being addressed both through the Regina auto theft strategy and I expect will be addressed in this strategy.

It's been my direction to the department that the whole question of children not in school, particularly children who are not in school and in trouble with the law, is of great concern to me and that I want to see a strengthened link between Learning and Corrections and Public Safety in terms of ensuring that children not only are in school during a period when they're in custody — which, by the way, if they're under 16 is always the case — but that their education is supported and encouraged after they leave custody and through the rest of their sentence. And then of course the next concern is that that continue beyond the community portion of their sentence. So it's of great interest to me.

Now I think we've seen in the last year, in the work that's being done with School^{PLUS}, some very good work between officials in the Department of Corrections and Public Safety and local school divisions and school principals and teachers and the Department of Learning — good work in terms of enhancing the linkages between correctional facilities for youth and a return to school afterwards. And it's our intention to continue strengthening those.

Now with respect to this particular project, one other thing that I should say is that in an effort to obtain additional information about children that are not attending school, our government has set up a linkage, basically, with the Department of Health whereby we're able to monitor the relationship between children that we know are under 16 and whether we can find those children somewhere in our educational system. And this will, you know . . . So we'll be able to identify, more readily than we've ever been able to before, when a child is not in school. And this piece of work is getting to be in quite an advanced stage. So I think within a year we should be well positioned to identify children that are currently not in school.

And I share your view with respect to the figures that you've given, Mr. Morgan. I think they're . . . I think we are looking at about 1,000 children in Saskatoon who are not attending school, and perhaps more.

Mr. Morgan: — I think it's an unacceptable number, and it's been like that for some years. And I don't put the blame entirely on your shoulders, but this is going to require an intersectoral approach, as you've identified.

But what I would want to know is how much money the other

departments and agencies are putting in and what kind of a joint strategy that's there, rather than what's taking place here.

So I guess my question will be, how much money is coming in from the other departments and agencies? And is there somebody, an overseer that's doing it, rather than just links to other departments or other agencies? Is there somebody that's assuming responsibility for young people that are at risk of crime, drug abuse, and other issues?

And, Mr. Minister, I want you to know that, over the next session, that's something that we're going to be putting your government under pressure to try and come up with a strategy that will deal with, across several departments, to try and find the initiatives and commit money — which may mean some of your officials losing some of their money to other departments — so that there's a committed, significant strategy towards dealing with our young people at risk because what's happening in this province now is not acceptable.

Do you know now what money is coming in from other agencies?

Hon. Mr. Prebble: — We can certainly provide that for you. I'm just going to consult with the officials that are here in case they are able to give you that information right now, and so if you can just wait for one moment.

Don, first of all, on the Saskatoon specific initiative around crime prevention, particularly focused on break and enter, we don't have the figures with us today that other departments are investing in that, but, we will get those numbers for you.

And secondly, what I am able to tell you today is that, on the matter of enhancing the linkage between youth custody facilities and ongoing continuation by youth in school afterwards, the Department of Learning, through School^{PLUS}, is investing about \$600,000 in that initiative. And I will get you those precise figures as well, but it's in the range of \$600,000. And I'll make sure that my officials provide you with the precise numbers.

Mr. Morgan: — There's a large amount of monies that are going into these programs, both by way of the supplementary estimates and by way of the regular annual budget. My concern is the lack of progress that we perceive to be making. So my question is, what measures of success has your department adopted, and what indicators of success or progress are being made?

I know the figure of 1,000 is a continually bandied about figure by public school divisions, by Saskatoon city police. So it looks like, insofar as that goes — and I realize that's somewhat outside of this — it looks like we've made zero progress on it. And I'm just wondering what measures you intend to . . . other than recidivism rates of the people that are participated in the program. So as taxpayers, we want to know that we're getting good value and that our dollars are being targeted at the programs that are most effective.

Hon. Mr. Prebble: — Well I think, first of all, I think what we can say today with respect to youth in custody is that every child who's in custody and is under 16 years of age is provided

with, I think, very good education while they're in a custody facility. I've had a chance to visit quite a number of the classrooms, and there are often four or five young people in a classroom, and they're getting probably more personal attention from a teacher than has ever been possible in the regular school system just because of the very small class size. Now this applies to youth in secure custody.

Youth in open custody are attending the regular school system of course. So my concern is with respect to what happens to those youth when they leave the custody facility. And I think our objective has to be to try to support as many youth as possible in continuing their education when they leave a custody facility, certainly not only during the period of their . . . the community portion of their sentence, which would be the last third, but also when they go outside the mandate of the Department of Corrections and Public Safety.

Now formally our mandate ends when their sentence ends. But I think clearly other departments of government, particularly the Department of Community Resources and Employment, would also want to continue supporting those young people.

Mr. Morgan: — Minister, that's exactly where my concern arises, that, you know, your mandate ends when those people are released. And what I'm specifically interested in is what follow-up is being done afterwards, what those people are doing afterwards. Are they working? Are they going back to school? Or what is the recidivism rate, and what's being done to track the success of those dollars.

I mean it's well and good to say, yes, we're trying to teach them; we're trying to do this. But what I want to know is, is the success of this method, the success of that so that we can target our dollars in the most effective fashion. And I don't know whether your officials track those things on a statistical basis or not.

Hon. Mr. Prebble: — My officials don't right now, but they have been . . . they've received direction from me. It's interesting we're talking about this because my officials and I have just discussed the same matter within the last month. And I've directed my department to ensure that we work with DCRE (Department of Community Resources and Employment) to track how students are, first of all, doing after they leave the custody institution and are serving the community part of their sentence. Are they still in school? And then to continue . . . and then to explore with other departments whether we can continue that tracking, you know, beyond the time that their sentence ends.

Now we have to bear in mind that the tracking system we've got in place right now is geared at children under 16 years of age because, once they reach 16, there's not a legal obligation for them to continue to be in school. But their ongoing attendance in school is something that government should be encouraging and supporting.

Mr. Morgan: — Well there may not be a legal obligation, but there's certainly a moral and a societal obligation. The more successful we are in educating those people, the better citizens they will be; the more likely they will become taxpayers. And so it shouldn't be a satisfactory answer for us to say we've lost

our mandate at age 16. We would want to know . . . As an opposition party and as representatives of the citizens of this province, we would want to know what's happening with those people afterwards.

We regularly are criticized by people in your party. Well why didn't you support this budget? Why didn't you support this vote, that vote? Well if you want us to support it, we want to know that the value in the programs is paying off and that there's specific quantifiable successes that are being there.

And I think a lot of the things that you are doing are laudable. But we have to know that, yes, this particular program is working, that after age 16 whatever percentage of them stay in school, that they become employable, or that they've gone back into trouble with the law elsewhere — whatever the issues are — so that we can focus our resources in the most effective way. So that's something we'll be looking for.

Hon. Mr. Prebble: — Yes, well I share your concern on this as you can tell, and I'm glad you've raised the issue. And I think that the fact that we now have a province-wide tracking system that is almost in place will very much facilitate this work.

Part of the dilemma up until now is that — for reasons of confidentiality, frankly — no one's had an adequate handle, either at the school division level or at the provincial level, on the whole matter of children not in school. And I think this tracking mechanism that the province has put in place will very much facilitate the work that we're both interested in seeing happen.

Mr. Morgan: — If you want to bring forth a piece of privacy legislation to assist you in dealing with it and to mandate some sharing of information between certain departments, watch how fast it gets third reading.

Hon. Mr. Prebble: — Thank you.

Mr. Morgan: — That's all I have.

The Chair: — Seeing no further questions then, administration (CP01), \$455,000. Agreed?

Some Hon. Members: — Agreed.

Subvote (CP01) agreed to.

The Chair: — Adult corrections (CP04), \$541,000, agreed?

Some Hon. Members: — Agreed.

Subvote (CP04) agreed to.

The Chair: — So Corrections and Public Safety, vote 73, \$996,000, agreed?

Some Hon. Members: — Agreed.

The Chair: — I'll now entertain a motion that:

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2005 the following sums: for

Corrections and Public Safety, \$996,000.

Mr. McCall: — I so move.

The Chair: — Mr. McCall. Thank you.

We'll just take a short recess while we exchange officials and thank you very much to the minister and his officials.

Hon. Mr. Prebble: — Thank you very much, Madam Chair. And I also want to express appreciation to my officials who have joined me today. Thank you.

Mr. Morgan: — We would like to thank your officials for attending as well. We appreciate it.

The Chair: — The motion that was on the floor. Are we agreed?

Some Hon. Members: — Agreed.

Vote 73 agreed to.

The Chair: — Thank you. We'll get in the swing of this again.

Bill No. 11 — The Department of Post-Secondary Education and Skills Training Amendment Act, 2004

The Chair: — Before the minister introduces his officials and we get started, I just want to restate for the new members that have come for the committee that the questions must be relevant to the subvote program that we're discussing or the policy being funded, and there will not be wide-ranging debate on the whole department's estimates, etc. That was done in the spring. That was said at the beginning of the meeting and I'll just restate it for the two new people that have come.

So we're now on to Bill No. 11, The Department of Post-Secondary Education and Skills Training Amendment Act, 2004. I'd invite the minister to introduce his officials and give an opening statement if he so desires.

Hon. Mr. Thomson: — I thank you very much, Madam Chair. I am joined by a number of officials today. Perhaps I'll just introduce them as they come to the table. Seated to my right is our deputy minister, Bonnie Durnford, and seated to my left is the assistant deputy minister, Wayne McElree.

The Chair: — Did you have a statement you wanted to make on the Bill?

Hon. Mr. Thomson: — No.

The Chair: — Okay, so we'll have Bill No. 11 questions, or we'll go straight to the short title and go by clause actually.

Clause 1

Mr. Cheveldayoff: — I wanted to speak to the Bill here for a few minutes and a few questions for the minister.

First of all let me begin by welcoming the new deputy and congratulating her on her new position. Welcome. I'm hoping

that you're finding your position challenging and rewarding, as I'm sure you are.

We've had a chance to speak to this Bill; some members of our caucus on the opposition had a chance to speak to this Bill previously. As has been outlined before, it's largely a housekeeping Bill designed to combine two previously separated departments into one Department of Learning. And insofar as the Bill accomplishes those matters, the official opposition has no real difficulty with the concept.

But since the Bill pertains to the entire department, I do have some concerns about the entire state of post-secondary education in Saskatchewan. And I want to make a couple of comments and ask the minister a couple of questions — why certain things maybe weren't included in this Bill — and go from there. But we will proceed quite quickly because we know we're pressed for time.

As the minister knows, there's a tuition crisis in Saskatchewan right now. I would submit that the crisis is largely due to underfunding of universities by your government. The USSU (University of Saskatchewan Students' Union) and the university . . . the students' union at the University of Regina, they're alarmed about the rising rates of tuitions in Saskatchewan.

As you will know, a study has been recently done by a former NDP candidate, I guess, from Saskatoon — and I think the member from Saskatoon Southeast will know him well — Mr. John B. Conway. The study is very critical about the state of affordability of university education in Saskatchewan. And some of Professor Conway's findings include that Saskatchewan students pay more than 15 per cent above the national average for tuitions and fees. Professor Conway also states, in the last four years undergraduate tuition fees in Saskatchewan have skyrocketed 46 per cent under this NDP government, from \$3,784 on average to \$5,526. The study which is titled, improved access to more affordable education in Saskatchewan — and I have a copy of it here — says that university tuition fees have increased beyond what is reasonable and affordable for the majority of students or families in this province.

Does the government recognize this? Does the minister recognize this? And does he have a plan to address this concern? Does he agree with Professor Conway's findings?

Hon. Mr. Thomson: — Well, Madam Chair, as I think about how this relates to the Act, there are certainly a number of issues. First of all I think it's important to understand that the legislature does not give the minister the authority to set tuition fees. The minister does not have the authority to override the decision of the boards of governors or the administration of our universities. So in many ways what we are discussing is asking for my political opinion, as opposed to the member's political opinion, as opposed to those who actually are empowered to make the decision about tuition.

The position that the universities have taken and in particular the University of Saskatchewan has taken, through its board of governors, is to move to a policy that they call a national norms policy. Their objective is to have the tuition fees within that

university relatively equal to those of the national average across the country.

One of the consequences of this is that it means that the tuition fees for some colleges are certainly at the high-end in Western Canada, because what they are being compared to are institutions in Ontario and the Maritimes that have much higher tuition rates. This puts it out of step with neighbouring provinces. However it's the firm view of the university administration at the U of S (University of Saskatchewan), as I think the member knows, that this is an issue that they alone have the right to defend. The amount of funding is largely irrespective of their decision to move to the national norms policy.

Mr. Cheveldayoff: — Well, Minister, my question to you is whether you thought that the study done by Dr. Conway that outlines that the increases are beyond reasonable and affordable; that's what I was trying to get at.

Also what the study has pointed out is that enrolment in Saskatchewan universities has decreased 2 per cent between 1999 and 2003. Yet enrolment across the country has gone up by 20 per cent, according to another report that was co-authored by an individual that Madam Chair would know very well, her son Sean Junor. The Canadian Millennium Scholarship Foundation says that Saskatchewan is the only province where enrolment is decreasing.

I would submit that that's not a fact to be proud of, and Leah Sharpe with the Canadian Federation of Students says, that high tuition fees caused by government underfunding is driving students out of the province. And I quote:

Students are not going to stay in this province to pay the highest tuition fees in the country.

Now my question to the minister is, does he agree with this statement by Madam Sharpe?

Hon. Mr. Thomson: — I've had many discussions with the student union officials and have shared with them my view and our . . . I think what we share is common objectives within the system. I think it's important to note however that the numbers that we see in terms of enrolment within the province are not those that Professor Conway identifies; that in fact there are changes within the university system.

We're seeing fewer part-time students and more full-time students. And in fact our data shows that taking into account the '97-98 year at the U of S, there were 18,629 students. As of census day in '04, we have the U of S at 19,763, which is obviously an increase. The same holds true for the U of R (University of Regina) where we had enrolment at 11,687, and today it's showing at 12,820.

I have not had an opportunity to do a thorough enough review of Professor Conway's work to offer a reasonable critique as to why those figures differ. Our figures are based not on third-party work, but rather based directly on enrolments provided to us by the university. So there are a number of issues we'd need to look at.

The question of affordability of tuition and affordability, frankly, of university education that goes far beyond tuition is something we do need to address. Our student loan systems are 30 years out of date. They are harmonized with the federal program. The federal government has not expressed any interest to us in terms of wanting to move forward with those changes. They have instead gone around us to implement one-time programs that . . . like the millennium scholarship program that was targeted but not our first priority in terms of putting money into the system, although it did provide the federal government with the opportunity to hand out cheques.

It is unfortunate that we do not have a better coordinated system of student funding. And I think that is where we will need to move forward. It is a very Saskatoon and Regina centric approach to think that tuition is the single biggest barrier to university education. Clearly the living costs that students need as they move in from rural communities into our cities is really the biggest burden. And so what we have been trying to deal with through the implementation of Campus Saskatchewan, through expanded access in our regional colleges, is to make sure that students do not need to incur additional living costs to move into the cities to take their education.

There are a number of issues that we need to address, and in that regard we have established a working group to begin to address the issues around accessibility and affordability of education. And those will begin meeting with stakeholders early next month.

Mr. Cheveldayoff: — Thank you, Mr. Minister. You mentioned that you somewhat dispute Mr. Conway's, or Professor Conway's numbers. I understand through the media that he is standing by his numbers, and I'll let the two of you sort that out.

I want to turn to the topic of the tuition freeze that the students' unions are asking for and would like to get your opinion on it. I'm not convinced yet that the tuition freeze is the right way to go, but it seems to me that you're leaving students no other alternative with the underfunding that's happening at the universities. Now I know that you were once a students' union president, Mr. Minister, and the current student unions are asking you to take some immediate action. I'm wondering what plans you have in mind to address their concerns.

Hon. Mr. Thomson: — I think it's important that the universities have stable funding increases to deal with their pressures. I think we need to have a more predictable mechanism for planning tuition and we need to make sure that that relates back to the affordability for students to be able to borrow and to repay those loans. Certainly one of the things that the NDP (New Democratic Party) government has done, that was not the case with the previous Conservative government, was to reinstitute bursaries and forgivable loans. This was a significant piece in terms of assisting lower-income students.

The problem with a tuition freeze as a mechanism to fix the accessibility issue is that it is a uniform mechanism. It's not a targeted one and it does not benefit any one particular disadvantaged socio-economic group more than the advantaged ones. Provinces that have tried tuition freezes in the past have not found them to be particularly successful. BC (British

Columbia) had a disastrous experience with them. Ontario is now trying an approach that is intriguing but I'm not convinced is going to be any more workable. I think as the member knows from his time on campus as a student about the same time that I was there, that there is a lot of debate even within the student population about the benefits and the affordability and the value of tuition.

What we need to sort through is how to come up with a system that's affordable and accessible, and we need to have better understanding of what that means. For instance, today we have more students in our universities than at any point in our history. There are more Aboriginal students in our universities than at any point in our history. We have a full new third university dedicated to the education of First Nations people. We see in every single category, increases in terms of the number of people participating from different groups, not the least of which is the fact that the university population now is primarily female based.

And this is the contextual information that I think we need to have a better understanding of. That when we talk about affordability and accessibility and making sure that access is there, that we understand exactly how it is that we encourage greater participation from groups that have been previously under-represented. We obviously also have to make sure that there is sufficient resources there to support ordinary folks that simply want to go to university, whether returning in later life or going directly in out of high school.

The policy that the University of Saskatchewan in particular has moved on with the national norms certainly has been a different direction than many of us grew up with in this province. It is a much different philosophy that President MacKinnon has than his predecessors in terms of making the U of S, and I think he calls it a preeminent institution, and the way that they want to deal with that.

It is a time of change and it is a time of debate, and I think that the universities have been attempting as much as possible to move that debate into the public. The problem with it is that it is a debate that government has limited ability to influence without using fairly significant new measures, whether that is a tuition freeze that would need to be legislated or whether that is some form of regulation that would also need to be legislated.

Clearly that legislation comes at the expense of the autonomy of the boards. And that is a debate that we would need to enter into on a number of different realms. At this point, we're not prepared to advance legislation to freeze or regulate tuition.

Mr. Cheveldayoff: — Okay, I would agree with you on what the universities are looking for, what the post-secondary education institutions are looking for is stable funding. But I would also say that a less than 2 per cent grant increase, as was given to the U of S last year, is not going to do that.

Now, Minister, you talked about the — again on the tuition freeze — the difficulty of finding the right mechanism to bring tuitions down, and that was reported in the media. What mechanisms are being considered? You're looking for the right one. Which ones are being considered right now?

Hon. Mr. Thomson: — Well certainly we are looking at mechanisms that include the possibility of regulating tuition, either through providing, as some provinces have, a direct freeze or providing for a mechanism that would allow cabinet to regulate the rate of increase, or legislation that regulates the rate of increase.

None of these are very precise mechanisms however, and I think all of which are fraught with difficulty. There is not a consensus across the country in terms of what is a good mechanism. And in fact when you speak to government representatives from provinces that have these mechanisms, they generally caution you against implementing them.

That being said, there's no doubt there's a political palatability to moving forward with legislation or regulation. What we'd need to think about is what the implications of that are.

Mr. Cheveldayoff: — Mr. Minister, I just want to wrap up here. But I want to draw your attention to an editorial that appeared in the *Leader-Post* and I'm sure you're familiar with it; it's from Tuesday, April 27 and it says, "NDP failing universities".

It outlines in great detail the shortcomings of your government in the area of post-secondary education — no academic health sciences centre, no U of R lab building, long drawn-out labour disputes, record tuition fee increases, \$6 million in renovations for the Department of Learning, computer glitches for student loans, universities forced into deficit financing. And there's more, but I think you get the point.

Now, Mr. Minister, no one is happy to see editorials like this — not your officials, not your colleagues, I would submit, and certainly not opposition members on this side of the House. But this is in fact a report card on your government in post-secondary education.

Mr. Minister, will you undertake to improve the government's performance in the coming year so we don't see editorials like this one?

Hon. Mr. Thomson: — Well it's an interesting, it is an interesting exercise that we go through in terms of dealing with looking at what indicators should be taken into account. For instance, I find it unfortunate that the editorial writers and indeed the opposition do not in fact give credit for the fact that this government more than any other in the nation provided for increases on a per student basis — a 12 per cent increase over the last decade.

There's no credit given, perhaps because of the geographic bias of the opposition, to the fact that we have doubled the physical space at the University of Regina. There's no recognition of the fact there's been a 500 per cent increase in research grants won by the University of Regina through juried awards or the fact that we have seen increases within our University of Saskatchewan; the fact that we have tremendous new capital facilities that only a decade ago were never thought of; the fact that finally after 15 years we have a new kinesiology centre at the University of Saskatchewan and one at the University of Regina; the fact that we have been seeing significant new investments into the research infrastructure that's helping attract

some of the best and brightest researchers and professors to our universities; the fact that the University of Regina has just gone through a major change in terms of its faculty and now sports one of the youngest faculties and is attracting people from across the nation to assist in terms of not only the research activity of this campus but in terms of making sure that we've got excellent academic skills. In terms of student services, in terms of research, in terms of academic program, this . . . these two universities are at a pinnacle and have not reached this state before.

In terms of the funding, is it enough? I guess you can always ask rhetorically, is it ever enough. There are always competing demands. The universities have set their course. I listened the other night to Professor MacKinnon speak at a community meeting here in Regina. And we talked about the fact that for the first time in the province's history there are 2,000 Aboriginal students enrolled at the University of Saskatchewan. And not simply in the traditionally expected fields of study; in fact throughout many of the . . . virtually all of the colleges.

These are the things where we see growth, where we see advantages for our province, and we see opportunity. And I don't buy into the negativity of the opposition on this point. There are challenges; there will be challenges. And we need to deal with those. But we need to balance out those competing demands. And that is what we have attempted to do. And I think that if you spend some time on the campuses and indeed talk to the students and the faculty and the administration, you'll find that they too understand that and are very supportive of the actions of this government in terms of making sure new capital is available and new financial resources.

Mr. Cheveldayoff: — Well a number of points, Mr. Minister. Certainly there's no geographic bias as you allude to from this member and I don't believe that you have one as well. But I don't think that was a fair comment.

My concern is that editorials like this are not good enough. It's a report card on your government, and I think we can do better. And I think that there are several areas that can be improved upon. You talk about a 12 per cent increase in funding over 10 years — that's 1.2 per cent per year. We've talked about it in this House. I don't think that that's good enough.

Mr. Minister, I just want to remind you that the Saskatchewan Party, during the . . . outlining our platform, had a commitment to universities. We made it a priority. And that's why I'm bringing this up at this time. We made it a priority to increase funding by 5 per cent per year for each year over a four-year term, a commitment that the Leader of the Opposition has now renewed through his paper on enterprise Saskatchewan. A policy that . . . or paper that I might say has been very well-received by post-secondary institutions in Saskatchewan — the university, SIAST (Saskatchewan Institute of Applied Science and Technology), and other institutions as well.

Mr. Minister, are you prepared to match that commitment that was put forward by this party?

Hon. Mr. Thomson: — Yes, I too have read the Wall paper. And I'll tell you, as I look at it, I can tell that it is basically a rehash of your election platform as was identified. What we

have embarked upon is to keep our commitments — the commitments that the people of Saskatchewan elected us to undertake. That includes moving forward with the graduate student tax credit which is a new commitment that is being significantly expanded upon. We have moved forward and are continuing to move forward to meet growing demands in terms of the research, in terms of student aid, in terms of new bursary programs, and we are continuing to look for stable funding and to provide stable funding to our universities.

The member scoffs at the 12 per cent increase. I would simply point out what has happened with other provinces — British Columbia, 25 per cent decrease over that time period; Alberta, 28 per cent decrease over that time period; Ontario, 17 per cent decrease. It doesn't make 12 per cent look so bad.

And I think what we need to sort through is what is an affordable, sustainable way to move forward in terms of funding our institutions, recognizing that there are competing demands within that sector between institutional support, research support, capital support, student aid support, and direct support, secondary ancillary support to families and disadvantaged groups who want to access it. And that's not limited entirely to the universities. Additional funding into Campus Saskatchewan is a significant way for us to move forward to help reduce the cost and increase accessibility to our universities.

Support for our regional college system, which the opposition speaks very seldom about, is significant in terms of us making sure that people do not need to move in from rural communities to take post-secondary education.

These are all worthy of additional funding, and that's why we have not focused entirely our funding commitments on two institutions but rather made sure that the sector as a whole saw increases, including regional colleges and SIAST.

Mr. Cheveldayoff: — Thank you, Mr. Minister, I want to assure you that members on this side of the House and certainly myself, feel that the University of Regina, the University of Saskatchewan, and all post-secondary institutions in Saskatchewan are doing a good job. We just want to make sure that they are provided with the adequate funding to continue to provide the world class education that they are attempting to do.

We know that we have world class administrators that run the facilities in Saskatchewan, and we just feel that that's the best way to go about it, is making sure that they have the funds to enact the decisions that they wish to do.

Madam Chair, at this time I have no further questions on the Bill.

The Chair: — Okay. Any other further questions from other members? Seeing none then, clause 1, agreed?

Some Hon. Members: — Agreed.

Clause 1 agreed to.

Clauses 2 to 13 inclusive agreed to.

The Chair: — Then we will now have . . . Oh. Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan enacts as follows: The Department of Post-Secondary Education and Skills Training Amendment Act, 2004.

I'll have a motion then that this committee report Bill No. 11, The Department of Post-Secondary Education and Skills Training Amendment Act, 2004 without amendment. Mr. Hagel. Thank you. Agreed?

Some Hon. Members: — Agreed.

The Chair: — Thank you.

The committee agreed to report the Bill.

General Revenue Fund Supplementary Estimates Learning Vote 5

Subvotes (LR11), (LR03), and (LR09)

The Chair: — The next order of business is the supplementary estimates for Learning. I invite the minister to introduce any new officials he has if there are any. You have the same officials?

Hon. Mr. Thomson: — There are many, but perhaps as . . .

The Chair: — As they speak, okay . . .

Hon. Mr. Thomson: — . . . as the questioning goes on I'll introduce additional officials.

The Chair: — And again I would remind the members that we will be talking about the estimates, the new supplementary estimates and confine our questions to that.

Mr. Cheveldayoff: — Thank you, Madam Chair.

The Chair: — Go ahead, Mr. Cheveldayoff, sorry.

Mr. Cheveldayoff: — Thank you, Madam Chair. Mr. Minister, I want to direct my questioning to begin with to post-secondary education (LR11), the capital transfers. In the Supplementary Estimates it says:

An appropriation was provided by special warrant for Education Infrastructure Financing Corporation loans that were written-off in 2003-04.

Would you please itemize which assets were financed by the EIFC (Education Infrastructure Financing Corporation) that created this debt in the first place?

Hon. Mr. Thomson: — I am advised that we don't have the list with us, but I'll make that available to the committee.

Mr. Cheveldayoff: — Okay. Maybe the minister could just expand on why you chose to go this route, to pay off the EIFC and not choose another route.

Hon. Mr. Thomson: — I'll ask the assistant deputy minister to answer that.

Mr. McElree: — Thank you, Minister. A decision was made to dissolve EIFC on the advice of the Public Sector Accounting Board. And the decision, after EIFC was established, was for third party capital it should be expensed in cash. And therefore the EIFC loans that had been made, a decision was made to write them off and provide for the funding of those projects.

Mr. Cheveldayoff: — Okay. I've heard it speculated that the EIFC may not have had the proper legal authority to operate the way that it had. Is that speculation correct? Is there any truth to that, or can you shed any light on that?

Hon. Mr. Thomson: — No, there was not a legal issue concerning this. The difficulty was one of concurrence with the Public Sector Accounting Board's stated view of how this should work. And it is, as the assistant deputy minister has indicated, an issue between funding in full through a cash purchase basis versus accruing the cost or depreciating the cost over many years.

Mr. Cheveldayoff: — Okay. So will you be using the EIFC in the future to fund capital expenditures?

Hon. Mr. Thomson: — The EIFC has now been wound down.

Mr. Cheveldayoff: — Okay. So what type of funding mechanism will you be using? Will universities per se be expected to borrow large sums of money to undertake capital improvements?

Hon. Mr. Thomson: — We use a combination of methods. One is the direct cash transfer to allow them to deal with their capital expenditures. The second is to allow a degree of borrowing at the universities for projects, an example of which would be at the University of Saskatchewan recently. The parkade, the new parking facility, was a financed facility as opposed to one which the government provided a direct cash transfer for. And as I understand, the split is usually made around those ones that have a direct revenue capability to them. That tends to be what they tend to look for.

Mr. Cheveldayoff: — I want to turn my attention to SIAST for a second. I want to talk about the anticipated capital expenditures needed at SIAST.

I understand that there is now a critical space shortage at SIAST Kelsey Campus and it's reached a point where programs now exceed capacity and that, indeed, safety is an issue. I understand that SPMC (Saskatchewan Property Management Corporation) has recently done a review of the capital expenditures needed at SIAST right now and they have found that little has been done over the last 15 years.

Can you tell me what the anticipated capital cost will be to address the critical space shortage identified by SPMC at SIAST?

Hon. Mr. Thomson: — We haven't yet got firm cost numbers on that. It is true, however, that there are a number of capital pressures on the four campuses of the SIAST.

At Kelsey, there is certainly pressure for both additional housing needs for students, as well as for additional shop space to be built on. The exact cost of that hasn't been worked through the system yet, but it is a significant new cost.

Mr. Cheveldayoff: — I understand, from my information, that it's in the neighbourhood of \$35 million, the information that I was given. But I'll wait to hear from you when you . . .

Hon. Mr. Thomson: — As I understand, it's significantly less than that. It's about 20 to 25 million is what we anticipate the number to be.

Mr. Cheveldayoff: — Just for Saskatoon or for all . . .

Hon. Mr. Thomson: — Right. For Saskatoon.

Mr. Cheveldayoff: — For Saskatoon. Okay. I just want to turn my attention now to some comments by a former colleague of yours, Ms. Janice MacKinnon. She was quite critical of the new funding that has come to the department, that there hasn't been an increase in the Innovation and Science Fund which is under \$10 million, as the minister knows, and has been described as woefully inadequate.

She comments that areas such as research, expanding high-speed Internet, skills training, infrastructure, different things like that, should have had more focus. I think the biggest problem — and I'm quoting here from media reports — she says:

I think the biggest problem in the province is we need to have more taxpayers, so if there was one thing I would say was missing it was addressing this dimension in the list.

Would you agree with Ms. MacKinnon's comments?

Hon. Mr. Thomson: — I haven't had an opportunity to speak to Professor MacKinnon about her comments on this.

I would, however, note that we did increase by 20 per cent the funding available to the Innovation and Science Fund in the last budget. That \$2 million increase was significant and permitted us to move forward with the expansion of VIDO (Vaccine and Infectious Disease Organization) this year. It is a question of how we provide a balance between the research funds, the capital funds, and the university operating funds.

Earlier, the member was questioning me about taking the approach of the students who believe that we have . . . Contrary to Professor MacKinnon, the students would argue that we have been too focused on increasing research funding and have not . . . and should in fact look at decreasing or holding the line on that. We're trying to find a balance in terms of moving forward.

With respect to Professor MacKinnon's comments on looking for additional taxpayers, I know that when she was minister of Finance she certainly left no stone unturned to find more people to pay tax in this province. And I have no additional insight on how she thinks we should move forward with that, but you may wish to take that up with her directly.

Mr. Cheveldayoff: — Well I'm just hoping that you take the

same approach of leave no stone unturned to encourage people to come to Saskatchewan and become taxpayers and help fund our educational system.

I just want to turn your attention now to comments that were made by the Finance minister a couple of days ago in *The StarPhoenix*. The minister said that in regards to questioning, regarding these estimates, he said that there is a host of expectations with respect to capital at the universities that is under consideration.

Now I don't know what a host is but I would say it's quite a few. Could you outline maybe the top five or six considerations right now?

Hon. Mr. Thomson: — Thank you very much. As you've identified previously in your questioning, there is a pressure for the new laboratory building at the University of Regina. There is a pressure for an expansion of the vet med college in Saskatoon. There are two different pieces of funding we need to look at with the College of Medicine. One is to deal with accreditation issues; the second is to deal with expansion and the creation of the new academic health sciences building. There's ongoing maintenance pressures of these institutions. I have, because of their maturity in terms of the physical plant, have pressures there.

There are a number of additional secondary pressures I would identify that the universities have. There is a host of them. And that's why every year we provide new money for the universities to undertake their capital needs.

Mr. Cheveldayoff: — Mr. Minister, I think it's fair to say of the construction plans for the proposed academic health sciences centre and the laboratory building at the U of R have been vague since these projects were announced in September 2003, just a couple of weeks before the election call. The Premier said that it would take six or seven years to complete these projects, and you yourself have said they wouldn't get funded until 2007, 2008.

In light of the new-found wealth that you have received, would you be revising the timetable on these projects? The media have speculated that the announcement on these two facilities may be made in the next couple of weeks. Is that true? Can you confirm that today?

Hon. Mr. Thomson: — Well the two major projects of which you speak, the laboratory building and the academic health sciences building, have two different sets of pressures that need to be addressed in that. There's an ongoing discussion with the University of Regina about the scope and size of the laboratory building and how that might be scaled. The difference we're talking about is almost \$10 million in cost and there is some debate as to how we should deal with that. The current project I think is estimated to cost \$35 million and there is some debate as to whether it's driven by site and location issues or whether there's an opportunity for a lower cost option around 25 million. We haven't made any final determination about that.

With respect to the academic health sciences building, I can tell you one of the single biggest impediments to moving forward with that is the fact the College of Medicine remains on

probation. It's very hard to move forward a \$120 million project when the College of Medicine is on probation. And this is why our focus at this point remains on helping that college get off of its probationary status and to allow us then to move forward. So there are a number of accreditation issues that really do need to be addressed there, I would argue first, before we can secure the longer-term funding for the academic health sciences building.

Mr. Cheveldayoff: — So you're saying the media speculation is wrong then, that we won't see an announcement until that accreditation has been solved . . . accreditation problem.

Hon. Mr. Thomson: — Well in the same way that I don't write the editorials for the *Leader-Post* I'm also not in a position to . . .

Mr. Cheveldayoff: — No, I'm just asking you to confirm or deny the speculation.

Hon. Mr. Thomson: — Yes, that's my favourite question — confirming or denying that we're going to be making an announcement. We will be making announcements regarding capital in the coming weeks.

Mr. Cheveldayoff: — I just think that these announcements are long overdue. First announced in September of '03, we're looking at what, 15 months ago now and the university . . . the plans are in place, they're ready to go. They tell me all that's needed is political approval. So I put that to you.

Hon. Mr. Thomson: — Well the academic health sciences one is not at the same place as the laboratory building is. Unfortunately these are very different projects in different places in their development plans. There are a number of different capital initiatives that we could fund on the universities and that's what we are weighing out at this point. But we will be in a position to make announcements in the coming weeks about those capital decisions.

Mr. Cheveldayoff: — I just thought with us being on live television here that it would be an excellent opportunity for you to make those announcements here and we could go cut some ribbons tomorrow, but we'll wait.

Hon. Mr. Thomson: — Well I thank you for asking and giving me that opportunity, but I'm going to show a little restraint today and we'll certainly make sure that invitations are issued at the appropriate time.

Mr. Cheveldayoff: — Thank you, Mr. Minister. That's all the questions I have regarding these estimates, Madam Chair.

The Chair: — Further questions? Mr. McMorris.

Mr. McMorris: — Yes. Thank you, Madam Chair. I have a number of questions regarding K to 12 (kindergarten to grade 12) education and in the estimates here the issue around property tax relief as well as capital transfer. I think what I'll start with though is the property relief and how that plays out dealing with the, you know, certainly the topic in education over the last six months, of amalgamation.

You had talked about amalgamation being necessary before

we'd see any property tax relief. We're looking at property tax relief before amalgamation is going to be complete to a certain extent. So I mean I certainly have a number of questions but so do a number of my colleagues as they represent so many of the school boards that have been amalgamated over the last . . . well they just found out since Friday, I guess.

There's been lots of speculation, so what I'm going to do is turn it over to a number of my colleagues to ask questions that they're certainly getting from their boards. And I think part of it is due to the issue of consultation and whether they felt they got a fair hearing and a fair bit of consultation. It all directly goes back to property tax relief in the long run, because, as you said, amalgamation needs to be done before we can really move ahead with property tax relief.

So with that kind of as the underpinnings of the question that's going to be going on, I'll turn it over to my colleague from Martensville to begin with.

Hon. Mr. Thomson: — Madam Chair, if I might just offer this insight. First of all, I think it is a bit of a long bow to draw, but I have no problem with discussing amalgamation although it is clearly not directly associated with the supplemental estimates.

Second of all, the relief that is provided within these estimates is indeed short-term relief. The long-term property tax relief that will need to be accompanying amalgamation has yet to be decided on. But the relief that has been provided here is two-year relief, equal to \$55 million in each of those two years. I'm certainly willing to have a discussion with this committee about the property tax issues that are under consideration today through the supplementary estimates.

In terms of the larger discussion around the amalgamation, I am prepared to entertain those questions today, or in the future, or in the spring as the Chair sees fit. But I would hate to see the property tax relief estimates tied up in a protracted discussion around amalgamation. That being said, I'm quite prepared to answer the questions.

The Chair: — Mr. Heppner.

Mr. Heppner: — Yes, thank you. And thank you to the minister for saying he is prepared to discuss some of the issues around amalgamation. When the idea came out, tax equity I believe was one of the terms that you used, substantially in that area, and I'm wondering if you would want to just bring us up to date as to how effective you feel the plan that did come out some time after you mentioned that, will address that tax equity issue.

Hon. Mr. Thomson: — I should note, Madam Chair, that I've been joined by Don Sangster, who is executive director of school finance and has helped to design the restructuring that we've undertaken.

There are a number of different factors that we take into account when we look at equity, not the least of which are how we move forward with more uniform mill rates across the province based on the principle that people with relatively similar values of their property should pay relatively similar amounts of tax. I think that that's a basic sense of tax fairness

that today is not built into the system, but through this restructuring will be.

The second issue we have looked at is how to get a more equitable fiscal capacity within our school divisions around the assessment per pupil, which is a key factor that we use to determine the amount of money provided through the foundation operating grant. The approach that's been taken by the task force, the boundaries that they have drawn, will allow us on a regional basis to move forward with more uniform mill rates, although there will still not be strict uniformity across the province, and there's much greater uniformity within the assessment per pupil ratios.

Mr. Heppner: — Okay, you mentioned that the uniformity wouldn't be there totally at this point. Do you have any specific numbers that you can kind of provide us with as to what percentages there might be, where there is still substantial differences?

Hon. Mr. Thomson: — Today we have a variance on property taxes of mill rates as low as 6 and as high as 24 in the province. And what we need to see is on a regional basis where we'll end up. I fully anticipate we will end up without any new infusion of money into the system as it's configured today, with mill rates somewhere in the 17 to 21 range. It would be nice if we had a single uniform mill rate across the province but I think the regional approach that we're taking is probably more workable, and a fairer one in the longer term.

Mr. Heppner: — I believe most people in the province, with the exception of maybe some of those that were at the very low end of the mill rate that you mentioned, have no concern with a little bit of equity. The fact is I think most of them would like a lot of equity in that area. I'm wondering why you didn't consider having the province collect the tax and being 100 per cent equitable rather than going through a lot of contortions that amalgamation of any sort will cause and still not achieve your goal.

Hon. Mr. Thomson: — We did consider this actually at some length in January. I have to say that this was my preferred option, was to move forward with an Alberta model where the property tax is all paid directly into the provincial treasury on a uniform mill rate and then spent back out on some equitable form.

The difficulty with it . . . I should also note that that was one of the recommendations, at least as it pertained to commercial and industrial rates, that was provided by Ray Boughen. The difficulty as we got into it, was how do we move forward in that direction and how do we do so in a way that still respects the autonomy of our school boards and recognizes the regional nature of the system.

One of the concerns that was certainly brought home to me when I was meeting with boards in the southwest part of the province was a concern that oil revenue or the assessment from the oil sector would be centrally pooled and would leave the impression that money was being pulled from the rural areas into the cities. The regional pooling mechanism avoids that because it shares on a regional basis that wealth. And I think that that's a fair approach with the way that we look at

Saskatchewan; we think about those resources being shared on a regional basis. We think Saskatchewan is largely a number of regions.

And so while we need a certain degree of sharing that the province can provide through its funding, I wanted to make sure as we did this that we still had the resource . . . the local assessment, whether that was farm land wealth or oil wealth or industrial wealth, shared on a regional basis as opposed to entirely province-wide.

Mr. Heppner: — As you're probably aware, the Sask Valley School Division is in my constituency, and the fact is they're larger than my constituency — correctly put, my constituency is inside the Sask Valley School Division.

The Sask Valley went through an amalgamation some time ago. I think it was in fact more or less the flagship for the government of that particular time, and one of your predecessors worked very closely, and they basically jumped through all the hoops in exactly the order that that government wanted them to. I'm also aware of the letter that they have sent you or your department with regards to the present amalgamation moves.

I'm wondering did you look closely at the Sask Valley amalgamation process, which followed exactly what your government wanted it to do, to see how much money it cost and how much savings that it actually accomplished?

Hon. Mr. Thomson: — Well we did in fact have a good discussion with Sask Valley, with Sask Rivers, with Qu'Appelle Valley, that served really as the three largest amalgamations that the province had undertaken and saw the benefits of it. Sask Valley of course is a supporter of amalgamation and, I think, understands the benefit of being able to provide additional resources into instruction.

There is some sense, and I read this in the papers, that the money that was spent on those amalgamations was in fact lost because we've now decided to move with the provincially facilitated amalgamations. I don't share that view. In fact, I think that the amalgamations that were undertaken by Sask Valley, by Sask Rivers, and Qu'Appelle Valley in particular, point to the benefits of this. And the fact that they are all willing again to move forward in this process, I think, speaks to the benefit of it.

Mr. Heppner: — Okay. I would question that last statement — not the fact that you didn't get a letter from them and that they're on side — I would suggest that's a whole lot more political than it is practical because I still live in the school division and know just about everybody on the board on a first name basis, as well as having worked with all the people there. And that's why I say I think it's a whole lot more political than practical, because the cost of that amalgamation — there wasn't supposed to be any cost basically.

It cost them a whole lot more than any estimates. When it's said and done now, there are no savings that are being experienced by that. And so even though the amalgamation may achieve some form of tax equity — and I would agree with that — I think to sort of say that that amalgamation, just to make them

somewhat larger, isn't going to accomplish that other part specifically. But no sense arguing that one a long time because I think that's more political than it is anything else.

The question I do have: in the new organization, are there going to be any chairs given to certain groups on the boards?

Hon. Mr. Thomson: — I'm sorry. Can you just elaborate on that?

Mr. Heppner: — Okay. In Sask Valley right now, there are certain chairs that are given to certain groups. This is your chair; it doesn't matter whether you represent 2 per cent or 20 per cent of the group. You, as a group, you have a chair at the board.

Hon. Mr. Thomson: — The task force has provided us with subdivision boundaries within each of the boards that takes into account 10 members on each of the new restructured divisions. The subdivisions are based on population variance of about 25 per cent. I mean, difference.

Within some of these boards, there are historic relationships that will be respected. For example, within the Meadow Lake division, they currently have one seat that is in place for the Flying Dust First Nation. That seat will continue to exist under the amalgamation.

I think the same is true with Muskeg Lake within the board that, whatever we . . . Part of the difficulty is we haven't named these and so the board that you're speaking of will have one seat reserved for the Muskeg Lake First Nation. However it will be added on to the 10. So in this case, that board will have 11 seats on it, which is the same in Meadow Lake.

Mr. Heppner: — Okay. That basically covers the questions that I had for today.

The Chair: — Mr. Hermanson.

Mr. Hermanson: — Thank you, Madam Chair, and thank you, Mr. Minister, and officials. I've received a great deal of correspondence — some of it directed to you, and I've been copied from the riding that I represent — specifically concerned about the high cost of funding education through the property taxes in the area that I represent. And as a result of underfunding K to 12 education through the 1990s — and I believe the total is over \$350 million shortfall from the average spending at about 1991 — I have a number of zero grant boards. Simply to make up the shortfall in reduced provincial funding, mill rates were raised to cover the cost of education to the point where the entire cost of education is covered on a property tax base.

Can you assure me that, as a result of the increased funding through these estimates, that a considerable portion — and I emphasize, a considerable portion — of this money will go to zero grant school boards?

Hon. Mr. Thomson: — Sorry, are you speaking of the rebate, or are you speaking of new provincial funding?

Mr. Hermanson: — You have announced that there will be

additional revenues as a result of equalization, going to reduce property taxes. It would seem that, since the zero grant boards have had an undue proportion of the burden of funding education over the last 10 or 12 years, that a significant portion of this additional funding for education would go to offset that very harmful and onerous burden of funding taxation entirely on the property tax base.

Hon. Mr. Thomson: — There's quite a debate within the working committee on how to distribute the property tax money. SARM (Saskatchewan Association of Rural Municipalities) takes the approach that the money should be spent and targeted to agricultural and residential landowners only. SUMA (Saskatchewan Urban Municipalities Association) takes the approach that we should provide it across the board, including to commercial and industrial properties. There is a debate within the working group as to whether it should be provided on a percentage basis or whether it should be provided on a dollar basis, a flat dollar basis.

We haven't made a decision yet about this. This is one of the reasons that we have booked the money for this budget year but have not yet announced a program . . . is trying to work through what the implications are. It is my view and that of the government that we need to have obviously meaningful relief. And we need to understand where that relief is best provided. We also believe that it should be provided across the province, that the boards that are zero grants certainly need the relief as well. And this is one of the reasons why we have decided to structure it as a direct property tax relief package as opposed to putting into foundation operating grant funding. For example if we put the 55 million into foundation operating grant funding, zero grant boards would see none of that.

Although that is the position of the school board association, that they think the money should be going into the foundation operating grant, we have made the decision it will go to some form of direct property tax relief that ratepayers in zero grant boards will be eligible for. Within which classes of ratepayer has not yet been determined, and part of that is complicated by the disagreement between SUMA and SARM on how to move forward with this.

Mr. Hermanson: — But given the fact that you will be I guess having the final say on how the tax relief comes . . . and it's not a lot. It's only I think — what? — \$55 million a year over two years. And then we don't know where we go from there. And that's rather frightening as well.

What can I say to my school boards? I'm getting pressure from the Chairs of school boards like Rosetown and Eston-Elrose and others that are zero grant boards. What can I tell them? Can I tell them that there will be a significant amount? Are you going to redress some of the injustices of the past — I guess is what I'm asking — in the allocation of these additional funds to reduce the burden placed on property taxpayers?

Hon. Mr. Thomson: — Well the recommendation coming out of the working group is that we provide some form of direct rebate to taxpayers, not to boards. And so this will address the — as you would call it — the tax burden, but will not address the issue of either the 60/40 split or the zero grant status. So it doesn't affect the foundation operating grant piece, but it does

provide some property tax relief to ratepayers. Ratepayers within zero grant boards will see relief.

Mr. Hermanson: — They are representing taxpayers when they express this concern. You know, just use Eston-Elrose as one example. It's a primarily agricultural school district with fairly highly assessed land, middle to good quality land, and yet the average incomes for farm families in that school district is zero and in many cases is below zero. So not only are they funding 100 per cent of the cost of education, but they are seeing negative family farm incomes over the past number of years.

Part of the reason why they have zero farm income is because they pay 100 per cent of the cost of education in their school district. That's why I'm asking you, you know, for what you're going to do about some of these taxpayers who pay not 4 or 5 but sometimes 7, 10, \$15,000 a year — some even more — in funding for education in their school district. What can I tell them that you're going to do specifically with the \$110 million that you've allocated over the next two years?

Hon. Mr. Thomson: — Well you can assure our ratepayers there will be property tax relief, and it will be provided in a form that is directly available to ratepayers. This will not be provided through the foundation operating grant system into the boards of education.

Mr. Hermanson: — Yes, I understand that. You've said that about three times, but I've asked you, will you redress the injustices of the past because it was because of the underfunding over the last 10 or 12 years that they have paid more of the share of the funding for education than others in Saskatchewan. Are you going to fix that, or are you going to leave that unaddressed with your allocation of these funds?

Hon. Mr. Thomson: — These funds will not address that issue. However the foundation operating grant review will speak to fixing the way that we handle the equalization program within the education sector.

If we were to leave the system as it was today, I'm advised that we would need a quarter billion dollars worth of new investment simply to bring Estevan rural into a positive grant situation.

Regional pooling will reduce that amount of money that's needed to deal with that as all boards move into a positive grant status. What we will need to continue to look for is uniformity within the mill rates and the ability for us to, as we bring new money in, make sure it's equitably distributed across the province.

I think we understand . . . I certainly understand the concerns of both Eston-Elrose and other zero grant boards. However, within that west central region, we also know that there are boards like Kindersley that are in a lot more difficult situation and more dependent upon government grants, and so this is a complicated mechanism to move forward. The 55 million this year, the 55 million next year we have decided will be directly targeted to bring down the tax bills as opposed to dealing with the — as you would describe it — the historical inequities in the funding levels.

Mr. Hermanson: — Mr. Minister, you raised the issue of inequity and the need for reasonable pooling. After the restructuring is complete, the school board that will be, you know, within my riding and beyond the boundaries of my riding will within a year still be a zero grant board. So you've really accomplished nothing, and they will still be funding 100 per cent of the cost of education, and that burden will continue to grow if there is inflation which we expect in the funding of education. So looking at slightly longer term, how are you going to fix . . . You know, the short-term fix is for one year in my particular area, maybe longer in other areas. You've still got a huge problem here. You've still got injustices in the way we fund education in Saskatchewan.

Hon. Mr. Thomson: — The west central area and in particular this new school division will find itself in positive grant status for some time to come, in part because of the shift within the 2005 reassessment and the changes that are being made to the way that pasture land is dealt with. So that's part of what we're dealing with. And obviously the longer term answer is that we need to make sure there's more money available. And that's our intention . . . is to commit to make sure that these boards all stay in positive grant status.

Mr. Hermanson: — Just one very last short question. Apparently when Mr. Sangster, I believe, was in speaking with boards in my area, he indicated that the provincial funding for education in the new larger board would be about \$4.2 million less than the composite amount. Now that was before the change in the . . . the inclusion of I think Davidson and that area. So in other words, there'll still be a shift of several million dollars of provincial funding out of the area that I represent into other areas in the province if funding is kept, you know, at . . . is distributed in the same general way with the same foundation grant. Are you going to fix that as well so that there's not a shift of funding for education out of my area and into other areas of the province?

Hon. Mr. Thomson: — I can't speak specifically as to how we will deal with each individual division. But the objective is to come in with a new foundation operating grant formula. It's right now very complicated to predict out where it is. There's some 14 or 17 different factors. So that is one of the commitments we've made, is to deal with the foundation operating grant which has basically served out its life as a useful tool.

Mr. Hermanson: — Thank you.

The Chair: — Thank you very much. Being as the clock shows it's after 5 o'clock, we'll adjourn the meeting, and I look forward to the minister and his officials returning to continue the questions. Thank you.

Hon. Mr. Thomson: — Thank you.

The committee adjourned at 17:04.

