



Standing Committee on Public Accounts

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**STANDING COMMITTEE ON PUBLIC ACCOUNTS
2001**

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The committee met at 9 a.m.

The Chair: — Good morning everybody. Let's begin our second day.

As we see by the agenda, we are primarily dealing with Education today in the morning and Post-Secondary Education for the afternoon.

I want to welcome all the new people; and Fred, I'd ask you to introduce your people first of all. And then Mr. Dotson from Finance, please.

Mr. Wendel: — Well thank you, Mr. Chair.

With me this morning is Judy Ferguson, who leads your work in Education and Post-Secondary Education. She'll be doing a presentation on Education in a few moments. Rod Grabarczyk, he does your work at Teachers' Superannuation Commission. Brian Atkinson, who you met yesterday. Rodd Jersak, who is with the committee each meeting to coordinate our activities. And Joanne Matchett, who also works in our education sector.

The Chair: — Thank you very much, Fred. And Mr. Dotson, I did not move you intentionally from Education to Finance; I believe I said Finance, and I apologize.

Mr. Dotson: — Thank you, Mr. Chair. To my left is Mr. John McLaughlin, executive director of the Teachers' Superannuation Commission, and to my right is Ms. Frances Bast, the director of finance and administration in the . . . within the Department of Education.

The Chair: — Good. Thank you very much. Okay, Fred, now we'll turn it over to you as far as presentation on the chapters that are involved.

Mr. Wendel: — Thank you, Mr. Chair.

Ms. Ferguson: — Good morning. Actually Roger . . . Rod Grabarczyk sorry — I work more direct with Roger so that kind of flows out — Rod Grabarczyk and I are going to share the presentation this morning. I'm going to start off. I'm actually going to present it standing so hopefully I won't be in your way. The ladies running the equipment, if they . . . if you see them wildly waving, I'll end up sitting down because they can't pick up my voice.

This morning we're actually dealing with several chapters — there's chapter 2 in our 1999 Fall Report, chapter 14 in our 2000 Spring Report, and chapter 3 of our 2000 Fall Report. And for the most part, chapter 3 of our 2000 Fall Report catches most of the recommendations and points and observations that we have made in the past.

So the focus of the presentation will be mostly on that 2000 Fall Report with catching up some of the gaps that are in the other reports.

So this morning I'm going to be covering the risks that the department faces on a very brief basis. I'm going to talk about the results of one risk, area of risk that we did some work on,

and that's reported in our 1999 Fall Report with some follow-up work in the 2000 Fall Report.

We are also looking at another risk currently so we'll give you an update on the status of where we're at with respect to that work. And then also talk about the audit . . . (inaudible) . . . conclusions that we have in this report.

In chapter 3 of our 2000 Spring Report — if you are following along, it's pages 172 to 174 — we set out the department's five strategic outcomes. And note that the department is furthering the goals and strategies and indicators to advance its plan.

We also set out the four main risk areas. And these were developed in conjunction with the department. If you go back to chapter 3 of our 1998 Fall Report, we discuss these areas in more detail.

And basically, what the four areas are is: to be successful the department must ensure the provincial curriculum reflects the knowledge and skills that people need; the department must provide leadership to ensure the expectations of a quality education system are delivered at a reasonable cost and are understood and are clear; they must ensure schools have equitable access to appropriate funding; and lastly, but not leastly, the department must develop and implement measures to address the diverse needs of children and youth at risk of doing poorly in school.

Over the last few years our office has been looking at those risks and the different aspects of those risks a little bit more closely.

One of the areas that we've been looking at and working with the department on is the area that links into the diverse needs of children. And really we recognize in essence these are vulnerable children. There are many reasons why children become vulnerable students who are likely to do poorly in school.

For example, they may live in poverty, they may be hungry, tired, and there may be few resources at home. They may frequently move from one school to another, and often from one school system to another. When you keep in mind, for the education sector, keep in mind there is more than one system that is operating within the province.

There is the provincial system, which the department is responsible for, but there's also the band school system in which there is an interplay. But the department does not have direct responsibilities for that. That's a federal government responsibility.

So one important reason that children, vulnerable . . . one important reason that children sometimes do not do well at school is that they don't attend school regularly. And as a result, they're likely not to complete their grade 12. Their chances of completing their grade 12 is less than children that attend school regularly.

We studied the leadership role of the Department of Education in this area. The department is responsible to ensure that the

education system identifies the vulnerable children and intervenes to help them learn. In particular, we looked at the role of the department to ensure the education system monitors school attendance and progress through school, of students who are vulnerable of doing poorly in school.

Monitoring is essential before this department can ensure that it knows all children are enrolled in school, knows which children do not attend school regularly, knows which children need help to learn, and knows the schools most likely to have children needing help to learn. And lastly, ensures those schools can offer services to vulnerable students.

We considered the department's ability to monitor vulnerable students and the increasing number of students who are vulnerable. We recommended that the department lead and coordinate its education partners to improve the way it monitors the movement of vulnerable students between schools and between education systems.

In 2000 we provided you with an update and a follow-up of that recommendation and the department's actions on that recommendation, and that's on page 169 of the 2000 Fall Report.

And we found that the department has taken action on this recommendation. It updated its research on monitoring systems elsewhere and it's working closely with Indian and Northern Affairs Canada to address accountability for vulnerable students. And it's responding to related recommendations in the Saskatchewan Education review, Directions For Diversity, and more recently in the role of the schools' report, task report.

We're encouraged by the efforts that the department has taken to date and we're looking forward to continued efforts in this area.

Moving onto another area of risk, and this one relates to the provincial curriculum. And if you recall earlier, I said the department needs to ensure the provincial curriculum reflects the knowledge and skills that people need.

The curriculum provides a basis for what students need to learn and when they are to learn it. Maintaining the curriculum is a responsibility of the department. All provincially funded schools must use the core curriculum. Some private schools and home-based educators also use the curriculum to guide their educational practice. First Nation band schools use the curriculum to ensure their students meet the requirements for the grade 12 graduation in Saskatchewan.

Maintaining means keeping the curriculum up to date, and also supporting the curriculum with adequate resources and monitoring its effectiveness.

Recognizing the importance of keeping the curriculum current, we decided that we'd have a closer look at this area. We're currently looking at whether the Department of Education has adequate processes to maintain the relevance of the required areas of study within the K to 12 core curriculum. What are the required areas of study? Language arts, math, science, social studies, health education, arts education, and physical education.

This audit will tell us if the processes that the department uses to maintain the curriculum are adequate. This project won't tell us if school boards are using the curriculum. Okay? So we're only looking at whether or not they're maintaining their curriculum to the level expected. Okay?

On pages 175 to 179 of chapter 3 of our 2000 report, what we do is we set out and briefly explain what would constitute an adequate process. And basically what they are is the criteria which we're using to measure or evaluate the department against in this area.

To develop these criteria, we reviewed international literature, reports of other auditors, and also received advice from an expert in the field. We've worked with the department in the development of these criteria and the department agrees with them.

And if you look at 179 of our 2000 Fall Report, there's an exhibit there and it provides sort of a one-page summary of the criteria which we're using. So the first criteria requires the department processes to determine what knowledge and skills students should develop through education. We call these essential learning outcomes. And the department needs to have ways to look ahead to see what students will need, not just now but in the future.

The second one requires the department to identify areas where the education system has difficulty in helping students achieve those essential learning outcomes. To make the best use of resources, the department needs to identify priorities among the gaps.

The third criteria is really about doing it — updating the curriculum, keeping it relevant. The department needs to do this through guiding the timing and the quality of its maintenance activities and making sure the system has sufficient resources to implement that new curriculum.

Throughout the criteria that I just mentioned, the department needs to make sure two things are happening. First it needs to manage the risks that go along with maintaining the curriculum, and it needs to make sure that it communicates with its key stakeholders at the many stages that it goes through in the maintenance of the curriculum.

We're using these five key areas to do the evaluation of the curriculum process, and we're currently at the stage where we provided the department with the draft findings and we're currently going through those draft findings. We expect to report the results of this project in our Spring Report, the upcoming Spring Report. And we're again quite pleased with the level of co-operation that the department has provided us with this particular project.

Moving on to discuss the audit conclusions and findings. If you go to page 180 of chapter 14 of the 2000 Spring Report, we set out our audit opinions. The first is that the March 31, 2000 financial statements of the school tax loss fund and of the correspondence school revolving fund are reliable. The second is that the department does have adequate rules and procedures to safeguard and control its assets except for a matter that I will discuss shortly, and the department does comply with its

governing authorities.

At the time of our report, we hadn't completed the audit of the learning resource distribution fund, revolving fund, for the year-end March 31, 2000, and for the Teachers' Superannuation Commission for the June 30, 2000 year-end. So Rod's going to talk about the June 30, 1999 year-end results. We are planning to include the results of these audits in our 2001 Spring Report.

In the chapters, there is one new recommendation that relates to the department. It deals with teachers' pension costs. Teachers' salaries and benefits are negotiated as a part of a province-wide collective bargaining process, therefore school divisions cannot be held fully accountable for them. The Department of Education is responsible for teachers' pensions. These pensions form part of the teachers' salaries and benefits for the services they render. Pension benefits accumulate each year a teacher works as does the cost of these benefits.

We note that the department does not include the full amount of the pension cost it incurs in its financial information. It includes those amounts that it pays out rather than the cost of the pensions earned by the teachers in the year.

The difference is large. Currently the department records in its records and reports teachers' pension and benefit costs of 118.5 million, instead of its actual cost of 149.9 million. The difference is 31.4 million for the March 2000 year alone.

This difference arises because the department follows an accounting policy set by Treasury Board. We think this accounting policy results in the department recording and reporting incomplete information on pension costs. We think inappropriate accounting . . . with inappropriate accounting it can increase the risk of improper decisions. We think legislators and the public need more complete information to understand the costs associated with pension expenses so that they can properly understand and assess the government's actions in this area.

We recognize that the department can't make this change alone. So in our recommendation we're recommending that the department be proactive and that they work with Treasury Board to adopt an appropriate accounting policy that properly reports . . . records and reports on pension costs.

I also want to provide an update on the status of a number of recommendations that this committee has dealt with in the past. In 1998 we made three recommendations to improve the education's . . . the education system's accountability. Your committee met and discussed these recommendations in 1999.

In the committee's March '99 report to the Assembly, you recommended that the department work with school divisions and stakeholders to improve the public accountability of school divisions with respect to the goals of education. Your committee also recommended that the department require school divisions to prepare financial statements following the CICA (Canadian Institute of Chartered Accountants) standards.

In chapter 3 of the 2000 Fall Report, pages 181 to 184, we provide you with an update on the status of the implementation of those recommendations. These recommendations are not yet

fully complied with. At the time of our report, the department was continuing to make progress on the first two recommendations: working with the school divisions to set public reporting requirements for school divisions; and set appropriate financial statements requirements.

The department is also making progress . . . is making the progress through its work on the K to 12 indicators program through the adoption of the performance management and accountability framework that the government had recently introduced in the last year or so; through work with the Saskatchewan association of school board administrators; and continuing discussions with other stakeholders.

More work does need to be done in this area and progress needs to continue. So we'll be working with the department and watching closely for continued progress in this area and report back to your committee.

With respect to the third recommendation which is improving the annual report, in our review of the 1999 annual report — unfortunately at the time of the audit the 2000 report wasn't available — the department hadn't made very many changes from prior reports.

We think with the adoption, and we understand from talking to the department, with the adoption of the performance management and accountability framework that the department is looking at and planning to make changes to future annual reports.

We look forward to those changes and we'll be looking for them.

At this point in time, I'd like to turn over the discussion and presentation to Rod Grabarczyk.

Mr. Grabarczyk: — Good morning, Mr. Chair, and members. I will provide a brief presentation on our audit conclusions and findings on the Teachers' Superannuation Commission audit for the year-end of June 30, 1999. My comments will be on the Spring 2000 Report commencing on page 193 and chapter 14.

On pages 193 to 194, we report that we found the commission's financial statements were reliable. We found that the commission had adequate rules and procedures to safeguard and control assets except where we explain otherwise in the chapter, and we found the commission complied with the law except where we explain elsewhere in the chapter.

The Tabling of Documents Act, 1991 required the Teachers' Superannuation Commission to table its June 1998 annual report in the Assembly by April 8 of 1999. The commission provided its annual report to the Assembly on April 29, 1999.

The commission tabled its June '99 annual report on time, but not its June 30, 2000 annual report. The commission was required to table these reports on April 4, 2000 and December 27, 2000, respectively. It tabled its June '99 . . . June 30, 1999 annual report on April 3, 2000, and has yet to table its June 30, 2000 annual report.

We recommend (that) the Commission should ensure it

provides its annual report to the Legislative Assembly by the date required by the law.

This is recommendation no. 1 on page 195.

On pages 195 and 196 we note, in 1997 the commission became aware that some school boards incorrectly reported pensionable earnings and days taught by retired teachers receiving a pension. The commission has addressed the first issue by establishing rules and procedures to ensure school boards correctly report active pensionable earnings.

The Teachers Superannuation and Disability Benefits Act was recently changed to require retired teachers receiving a pension who teach more than 60 days in a year, after the 1998-99 fiscal year, to receive a reduced pension. Prior to the change, retired teachers could teach up to 120 days before their pension was reduced.

The commission relies on information it receives from school boards about the number of days retired teachers taught in a year. This information has been found to be incorrect even after receiving revised information from school boards.

The commission needs to establish rules and procedures to independently verify the information from the school boards about the number of days retired teachers taught in a year. This will enable the commission to ensure the pensions it pays its retired teachers are in accordance with the Act.

We recommend that the . . . Commission establish rules and procedures to independently verify information it receives from school boards.

And this is recommendation no. 2 on page 196.

Management told us the commission plans to independently verify the information it receives from the school boards.

In summary, the chapters we've just discussed, we make three recommendations for this committee to consider. They are: the department should work with Treasury Board to adopt an appropriate accounting policy for pension costs; the commission — the Teachers' Superannuation Commission — should ensure it provides its annual report to the Legislative Assembly by the date required by law, and establish rules and procedures to independently verify information it receives from school boards.

That concludes our presentation.

The Chair: — Thank you very much, Rod.

As our format that we established yesterday, rather than go into questions of the two officials from the auditor's office, we'll turn now to Mr. Dotson or Mr. McLaughlin and ask for your comments or presentations or the like.

Mr. Dotson: — Thank you very much, Mr. Chair. I'll be very, very brief. We are pleased to be before you this morning. We are very pleased by the relationship we have with the Office of the Provincial Auditor. I think that I will, I would be pleased to quote to you from my copy of the auditor's report of a couple of

years ago where they said very, very nice things about us; our indicator's report. I'll resist the temptation for the moment but I have it right here and I'm always pleased to quote it. I never leave home without it.

With respect to vulnerable children and the tracking of youngsters who are at risk, I would just make this observation. Ms. Ferguson reported to you that the auditor's office commends us and is encouraged by our efforts and looks forward to our continuing to make further efforts in this regard.

I look forward, sir, to the day where I would be able to appear before you and talk about our results and not just about the efforts that we are continuing to make. It's results that we are after. I'm gratified by the acknowledgement of the efforts that we're making but I think the auditor's office and ourselves would both concur that the efforts, as noble and as intensive as they have been, have yet fallen short of the results that members of your committee and all of us would wish.

We are encouraged by the . . . We were pleased by the decision of the auditor's office to undertake an evaluation of our curriculum development and monitoring and implementation processes. We are, as Mr. Chair will know, in Saskatchewan we are enormously proud of Saskatchewan's core curriculum. And I've made this point in other forums and would make it here this morning; our pride in Saskatchewan's core curriculum is a pride in the province's curriculum, not in the department's curriculum, if I can put it that way. And I'm making the distinction.

It's our view that this is not the curriculum owned by or the product of solely Saskatchewan Education but is owned by and the product of all of the teaching profession, the school trustees, the professional administrators employed by school boards as well as the ministry, and it's in that vein that all of us are proud of our curriculum.

With respect to a couple of the other recommendations I'll just make this one . . . two observations, one on each.

We are moving forward on the adoption by school divisions of accounting standards and policies that would be consistent with the views of the auditor's office. The school business officials have developed a draft for our approval. We have approved it in principle this past winter, in December or January, subject to, as I told the school business official folks, I would approve it subject to further comments and review by the auditor's office. And we undertook to obtain those and have obtained them, and have sent those back to the school business officials for their further work.

So I'm very confident that within a short period of time we will all be satisfied that our school boards are reporting in a way that is satisfactory to the auditor's office.

Finally with respect to . . . I will make only one comment about teachers' superannuation and the pension regime, and my colleague, Mr. McLaughlin, may wish to make others.

With respect to the recommendation that we work closely with Treasury Board to change the accounting policies through which the department reports, or the government reports

through the department's financial statements on pension matters, I would simply underscore Ms. Ferguson's observation that we are in full compliance, absolute strict and complete compliance with the authoritative instructions that we have received from the Treasury Board of the province. And she acknowledged that and I underscore that point.

We pride ourselves on strict adherence to the policies of the Treasury Board, and in that case we are.

Mr. McLaughlin: — Well I don't have really anything more to say about the reporting of pension costs than Mr. Dotson just said. We do in fact comply with the instructions from Treasury Board as to how to report those things. And if we have an issue with that or if the committee has an issue with that, then I think it's something that has to be addressed with the Department of Finance.

With respect to some of the other matters, the tabling of annual reports of course we view to be a very important function. And I think Rod acknowledged that we were in compliance with The Tabling of Documents Act for the '99 annual report. And we've fallen a little short in '98 and we've fallen far short in 2000.

And I expect from time to time that we will continue to have difficulty complying with The Tabling of Documents Act, and there are a number of reasons for that. We don't make any excuses, but we would just remind you that school boards report on a September to June basis. The doors are usually locked on June 29 or 30 and there is nobody to talk to until about the middle of August.

So in terms of us wrapping up our fiscal year, it is very difficult for us to do that when there are outstanding questions to resolve with school boards who reported information to us. So it is very difficult for us to complete our year-end processes before the end of August or the first week in September. By the time we get through the audit after that and compile the annual report and so on, it's likely that we're going to have some difficulties.

In a year where we have an actuarial evaluation of the plan done, which we do every two years, it becomes increasingly difficult because there is a fair amount of reconciliation that goes on between the records of the commission and the records of the actuary of record who maintains his own database of our people. And so we have to do a fairly extensive reconciliation which has taken, this time, a considerable amount of time.

And we can point fingers, you know, at the actuary or point fingers at ourselves as to who's to blame for that, but the simple reality is that the information that the commission was able to give to the actuary in years gone by was not terribly good. Now it's very good that they have some legacy data that we had some problems resolving.

So I think now for the 2000 report, I'm happy to say that we are now totally reconciled with the actuary. We should be able to finish that off and have it tabled within the next three weeks. And I hope that the reconciliation process won't delay the audit unnecessarily in the future. I fully expect that.

It's nice to have now a solid platform to push off of, you know. When you totally agree on the membership numbers between

the commission and the actuary, you then have something that you can move from relatively easily.

With respect to the reporting of service by retired teachers, we view that to be a fairly serious matter. It's incumbent upon the teachers who are retired to report to the commission, the fact that they've returned to teach. That's a matter of regulation.

And it's not really incumbent upon the school boards, I don't think, to look for independent verification . . . or for us to look for independent verification from the school boards. We're hoping that the education process that we did . . . I travelled around the province; spoke to all of the superintendents and directors of education around the province, encouraging them to comply with the directives of the commission to report these things in a timely manner. And I think there was a measure of recognition that they had to do that and I hope and believe that that's happened.

With respect to the rule itself, there's been some discussion about whether or not it should continue to be in place, given the shortage of teachers in some areas of the province. So there's discussion about changing that rule as well. Where that goes, who knows? But we're hoping that we don't have to do that rule for much longer because we don't believe that it's a pension issue.

Once people are entitled to a pension, it's deferred income as it's earned, and it is questionable whether or not it's proper for us to penalize somebody for returning to teach any more than we would penalize them for, you know, returning to flip hamburgers or something like that.

I think that's about all I wanted to say, other than we do in fact do very extensive checks on the data that's remitted by school boards. We have extensive programs that go through and match up the service that's reported with the salary that's reported and the corresponding contributions. Anything that's out \$5 we, you know, go after. So I think the committee can probably rest assured that the accounting treatment by the commission of these school board remittances is relatively good.

That's about all I have to say.

The Chair: — Okay, thank you very much. I want to thank the four officials from both the auditor's office and the department for your comments and explanations this morning. I think some of the questions and the slides that have been presented to us, I think, we'll pose some questions and get a better understanding of where we're going with some of the concerns that have been raised.

So with that I would open it up for discussion. Oh God, not Poplar again — Coronach boys are at it, Kevin?

Questions and comments?

Ms. Draude: — I'd also like to extend my appreciation for your presentations. I have a . . . I really appreciate the department talking about the risk areas. And the first one I'd like to talk about is vulnerable students. I know that Mr. Dotson talked about it and I know it's a concern for everyone.

He talked about the monitoring and knowing that there really wasn't any results as yet. Can you explain to me what you're actually doing trying to develop a system that will monitor the children?

Mr. Dotson: — Yes, Ms. Draude. There was a set of related issues here with respect to vulnerable children. Let me just speak about one off the bat.

Ms. Ferguson noted that we have in the province at least two discreet education systems — systems so called. We have the provincial system with our 790 or 800 provincial schools; Roman Catholic, Protestant, or francophone or public, the sort of schools that you and I ordinarily think of and for which our department is responsible. The schools down the street in our neighbourhood for which the provincial government, through our department, is responsible.

Independently, as she said, pursuant to the Constitution of Canada, we have band schools on some bands for which the Government of Saskatchewan and our department are not responsible.

Not surprisingly, and it's a good thing, there is an awful lot of back and forth. Many band resident children, their families elect to have them educated in town — at the town school. That's not uncommon, and on occasion those youngsters will move back and forth between reserve school and the school off-reserve in the town.

That happens not only in communities very near First Nations reserves — Mr. Chair would have some of those in his part of the province — but it also happens as well in Prince Albert, Saskatoon and Regina where we have band resident youngsters physically change residence — move off-reserve, into the city, perhaps attend school in the city for a while, move back to reside with their families on-reserve.

And it is that mobility — it is particularly that mobility — that is vexing to us because we can . . . first of all, it's not appropriate for us to seek to impede mobility. I mean, impeding mobility is not the sort of thing that we're in the business of doing — it's a free country.

But it's in our educational interests and in the educational interests of the youngsters and of the province that mobile students, who move from one school to another, move into a school that can have some good understanding of what the child's previous educational experience has been.

Have they completed grade 4? Have they completed grade 5? Did they struggle to get through grade 5? Do they have some learning issues? Some pedagogical issues? Some cognitive issues or developmental issues or behaviour issues that might warrant their requiring some complementary or supplementary supports to succeed in this new school environment?

Without a set of protocols between the provincial system and individual band schools, it is difficult for my neighbourhood school, for example — or yours — to know what has been the prior educational experience of a youngster who presents himself or herself in September 15 or January 15 and may have relatively limited family support to come and present the

youngster to the school.

I'm making this sound like it is a problem. It is a problem. The simple matter of a unique student identifier for each youngster entering kindergarten or grade 1 in the provincial system, or in the provincial and band system, would be a help. We don't have one. I could regale you with all of the many difficulties about, you know, privacy issues, compliance issues, and so on. What if the child shows up at school and doesn't have a number — do you throw them out?

Well I mean there's all sorts of practical issues around issuing a compliance-based, statutory-based, unique student identifier. Even if we had such an identifier — and we're researching that, and I think we're going to be moving forward on that front — even though, if we have one, that in itself will not . . . that is not the panacea. That is another source of data that will help us track the educational progress and educational experience of mobile youngsters.

Much more encouragingly what we are doing — strongly led by initiatives from our department, of which I'm very, very proud — is intensive work in community education. We have 41 community schools in Saskatchewan of which 10, I think, or 9 are in the North, and the other 30-odd are in . . . south of the northern administrative district line. Some of those . . . most of those in the south have pre-kindergarten programs; those are in neighbourhoods with high concentrations of highly vulnerable cohorts of youngsters.

We would wish to . . . The community schools program was implemented in Saskatchewan in 1980; it has been an outstanding success. It has been an award-winning success; we are enormously proud of it. We would wish over the next months and years to expand our community schools program — and I'll elaborate on what it is in just a moment — into rural Saskatchewan. We would like to expand it further into the North; we would like to expand it further in the elementary schools in our larger urban communities, North Battleford, Prince Albert, Regina and Saskatoon; and we would also like to expand it to the secondary level.

Thus far there are no . . . the only community schools in the province from 1980 until today are below the secondary level. We have some exceptional programs, like Nutana Collegiate in Saskatoon, or Joe Duquette High School, particularly Nutana, that is a beacon of success and a beacon of hope which can serve as a model for us to emulate — not transplant — but emulate and learn from elsewhere.

So you ask, what are we doing to monitor? The community education program, with its focus on neighbourhood community and family support and family connectedness, is probably the single most effective measure that we have to identify children. But I want to say children and families, because youngsters, particularly the younger youngsters, are not stand-alone social atoms, they are rooted in a family setting or a neighbourhood setting. And oftentimes a 7-year-old . . . in order to help the 7-year-old, you need to support the family as well as the child who presents himself at school.

And the community education program and the community schools are almost . . . I would have to say without a doubt, the

most efficacious way we have of monitoring and intervening in and supplementing, and complementing the educational experience of vulnerable children.

Ms. Draude: — I understand that you're saying that rather than using a monitoring device like a number, which a number of provinces are using, you're thinking of using the community school.

Mr. Dotson: — No, sorry, I didn't mean to make myself misunderstood. I apologize. It's not an either or; we are pursuing the development of a unique student identifier. A student tracking system is our, sort of, shorthand for that.

But in the meantime we are not . . . you see, all the student tracking system will do will tell us the name of the kids and some sort of basic data about them. In itself it does not constitute an intervention. It does not constitute an educational or social support for this child or this family.

So while we are doing the background work necessary to develop and implement a tracking system, at the same time on the action front — on that doing-things front — we are not waiting for this to get developed. We are also acting and intervening and supplementing. It's not an either or.

Ms. Draude: — You identified that part of the problem is the children that move from band schools back to the public school system so you would have to be working in conjunction with the bands and probably FSIN (Federation of Saskatchewan Indians) to determine if a monitoring system with a number is going to be acceptable. Have you made . . . Are you making any headway in that area and are they interested?

Mr. Dotson: — Yes we are. Thank you, Madam Member. Yes, of course. This would require the concurrence and participation on a fully . . . a full compliance or integrated way with each of the First Nations and whether or not the federation is competent to negotiate such an arrangement on behalf of its constituent bands. Not all bands are members of the FSIN. And we are also working with, through the FSIN but also through Indian and Northern Affairs Canada . . . I don't mean to . . . I need to be very diplomatic in my comment that I'm about to make here.

But the Indian and Northern Affairs Canada as the constitutionally mandated agency of the Government of Canada may have more authoritative clout or influence over exactly how bands conduct some of their sort of administrative or reporting sorts of affairs. So INAC (Indian and Northern Affairs Canada) may be able to work with its constituent bands to assist us in moving forward on an integrated number.

Ms. Draude: — So on a national level then is Native Affairs nationally . . . Are they looking at developing something that'll work in all provinces because obviously this is not just a Saskatchewan problem?

Mr. Dotson: — No they aren't. We don't really have a national public education system. Now I suppose if you and I were in Belgium and we looked back across the Atlantic at Canada we would sort of see a national education system but really in Canada we don't.

Ms. Draude: — We heard last fall that there was up to a thousand children perhaps in the city of Saskatoon that weren't in school and I know that's a concern for the department as well. So monitoring would help somewhat but what are you doing to address this situation, this concern?

Mr. Dotson: — We are supporting the local bodies in the city of Saskatoon who have taken, appropriately, responsibility for the issue within their own community. And this past year, we introduced a new integrated services funding program through our operating grant and it provides incremental provincial operating grant funding to school divisions that undertake an integrated services project with their health district or with their social services region and so on.

And St. Paul's Roman Catholic School Division in Saskatoon implemented a program with our financial support to locate so-called street children and identify their educational needs and provide alternative storefront or educational programming for these youngsters. And in the Battlefords, there is a similar initiative has been undertaken.

But both in Regina, in Saskatoon, and in North Battleford or in the Battlefords, these initiatives are integrated. It's not just the school division. The provincial department of Social Services feels it has an interest in some of these youngsters and the health district does as well. Unfortunately, too often, the city police and the Provincial Department of Justice feel that they have an interest in some of these children as well.

Ms. Draude: — Just one short follow-up question. Basically, what you're saying then is some of the recommendations of the role of the school are being tried in various areas, understanding that this may be the only way that we'll be able to keep these children or identify and get them in the school system. So does this thinly disguised implementation of the role of the school . . . (inaudible) . . . in some of these areas?

Mr. Dotson: — The interim report of the task force and the role of school was made public in December. The final report I think will be made public near the end of March. I'm not sure about the date, March 28th is my recollection.

And of course, we were very, very gratified by the ringing endorsement. It was almost as good as the endorsement from the Provincial Auditor, but not quite. The ringing endorsement of the interim report of the role of the school on Saskatchewan's community schools program and we have taken that to heart and intend to move forward in that regard.

Mr. Yates: — Thank you, Mr. Chair.

Mr. Dotson, my questions follow along the same lines as Ms. Draude's. We both sit on another committee that addresses this issue at some length and heard a significant amount of input from community organizations about the issue of children at risk. And as a result of that, we are likely, in our other committee, to make some recommendations as well on the issue of children at risk, specifically with those who are at risk of sexual exploitation but perhaps even broader recommendations about children at risk.

And my concerns . . . I'm going to ask you a couple of specific

questions which you may not have the exact answer, but you've been in government a long time and have some large, you know, broad general knowledge.

One has to do with the system to monitor whether children ever enter the system. When a child is born, unless he goes to school somewhere, day one, you don't even know he's in the system right now, in the education system. Would it be legally possible to use a system that, like our Health registration system, as a database to track children to make sure that we get those young children entered into school or have some process to follow up? Would that be legally possible in the parameters today? If not, why?

Mr. Dotson: — No, the legislation administered by the provincial ministry of Health, regarding the Saskatchewan Health identifier number, we're told prohibits the use of that Health identifier — I have my Health card in my wallet — prohibits the use of that for purposes of the sort that we're interested in or that you described.

But your point is correct, that when a youngster is born in the province, it is the statutory obligation of the parent to see that the child attends school. That's a legal obligation on the family. But if they don't, neither you nor I nor the board of education ever knows.

Mr. Yates: — Now a supplementary question to that is, with a simple change of legislation, could we legalize the ability to use that number for the sole purpose of ensuring a mechanism to follow up on the attendance in school? I'm not saying broad use.

Mr. Dotson: — Perhaps. I'm hesitant by the notion of a simple change in legislation. There is no such thing.

Mr. Yates: — I agree with you on that point.

Mr. Dotson: — With respect to questions of privacy, freedom of information and privacy, with respect to the security of my child's health record, vis-à-vis the security of my child's educational records, it is possible. It is possible in the 21st century, in the year 2001, for the province of Saskatchewan to implement a unique student identifier. Yes, sir, that is possible. Could it be done by a simple legislative amendment? I would hope so.

Mr. Yates: — Thank you. My next question has to do with your perspective on the coordination and ability of the various departments in government that have to deal with children at risk, whether you feel that . . . We've had many community groups come forward and talk about, from their perspective as an outsider looking in, the difficulty in the overlapping of responsibility between Education, Health, Social Services, at times Justice. Because these children are not usually at risk in one environment but are in contact and conflict with many different agencies of government.

And from the outside these agencies talked about the difficulty from their perspective in sort of all the dual responsibilities of different agencies, and whether or not the structure that we have as far as division sort of empowers, allows the Department of Education, to do the best they can for children in the existing

model. Or are there things you think that could be done differently?

Mr. Dotson: — Thank you very much. That is a profound issue and it is profoundly important. It has received increasing amount of attention in the last four or five years and is the subject of a great deal of learned and informed discussion in the final report, as well as the interim report of the role of the school task force.

May I just make a couple of observations? Thank you.

Children are whole. Children are whole, three-dimensional, or indeed if you take the temporal dimension, four-dimensional living organisms. I'm not being simplistic. They are not compartmentalized into this is my justice arm, this is my education brain, this is my social services belly, and so on.

Children are whole. They commit an offence against the law — it is the whole child that ends up in the courtroom or in secure custody. They get pregnant — it is the whole child who is pregnant. They suffer substance addiction — it is the whole child suffers the substance addiction.

And that youngster, male or female, pregnant or drug addicted or incarcerated, has educational needs, has emotional, social, and physical developmental needs as a whole person.

It is almost impossible in human affairs to structure large social organizations that themselves can be holistic. In order to be . . . in order to act, we almost have to act discreetly. We would not want teachers and principals, and Department of Education officials to feel responsible for the incarceration and secure custody of violent offenders. Somebody else has expertise and they know how to do that, and we don't.

Nor would you want people whose expertise is running a maximum-security institution necessarily to be the ones responsible for the educational well-being of 6, 7, 8, and 9-year-olds. Although sometimes one is tempted to, if you've had any 6, or 7, or 8, and 9-year-olds, you might think that that might be the appropriate thing to put them during recess.

With respect to the community organizations' frustration with the organization of government, I am empathetic; but I'm becoming increasingly impatient with some of the criticism and expressions of frustration. And I say that for this reason. The easy way to express this is: I am so frustrated here at the United Way in Regina or Rainbow Youth Centre, at the provincial government because Justice, Education, Health and Social Services, they never get their act together. Well let's just stop . . . let's just stop right there.

Do you mean the Department of Justice or do you mean the Regina City Police? I'm not sure you mean the provincial Department of Justice, okay. Do you mean the provincial Department of Health or do you mean the Regina Health District? Do you mean the provincial Department of Education, or do you mean the Regina Roman Catholic Separate School Division? Now if you mean Social Services, we only have one provincial Department of Social Services so they're probably guilty.

But, I'm not . . . but if we have a Roman Catholic, or let me use a different example, the francophone student. The francophone student, resident in Regina, who attends the Division Scolaire Francophone, French language school, his family is French speaking; are people concerned that it's the Department of Education and if this youngster gets in trouble with the city police. So when we talk about the frustration with the four provincial departments, I'm not so sure that that has been thought through.

We have local government; we have a city police department. We have RCMP (Royal Canadian Mounted Police) in Saskatchewan for a reason. We have locally elected boards of education for a reason.

Now we could change and we could do like New Brunswick and abolish school divisions, and have the provincial department — which I would just simply tell you, we do not have the capacity and would never seek it — to administer all the schools in the province. I wouldn't want it, and in my view that would be an affront to democracy.

As long as we have locally elected school divisions which levy a locally determined tax on their residents to administer their schools, and in the city of Regina we have a police department, of course we can do better integration. I would be the first person to insist upon that.

Are we doing enough to integrate services? No. Should we do much better? Yes. Should we have better protocol with respect to sharing information? If you're a social worker with a youngster on your caseload and the youngster comes to my school, couldn't we do a better job such that you and the probation officer might both tell me as school principal about some of the issues facing this youngster so my teachers and I could better deal with the youngster? Could we do more of that? Absolutely.

But as we think our way through this, I invite all of us to be mindful of what it is we mean when we express frustration or criticism with the four big provincial government departments. I apologize for taking so long, but you pushed a hot button there.

Mr. Yates: — Just one more supplementary question. We also heard of the success of Nutana in Saskatoon, and where everything seems to be able to work in a very integrated system and well for those students. Could you explain a little bit why it works there and why it might not work in other parts of the province or, you know, what's the differences?

Mr. Dotson: — Okay, sure. I will do both. I will explain why it does work at Nutana and why it is not copiable everywhere.

Nutana Collegiate on Broadway Avenue in Saskatoon has been innovative over the last half dozen or dozen years in providing alternative programming for children who would be likely unsuccessful in a mainstream city high school in Saskatoon.

Part of its success has been the extraordinary, exemplary in-school entrepreneurial leadership by a team of outstanding educational leaders. If you could clone the principal and the vice-principal and transplant those folks elsewhere in the province, that would be terrific. So part of its success is

individual vision and leadership and charisma and energy.

It has changed its school culture such that the teachers and the social workers who work in the school — there are provincial Department of Social Services workers whose offices are in the school — they have internalized the observation I made 20 minutes ago about the whole child and they take a whole child approach. They try to take a holistic approach to the issues confronting children. Now these are all adolescents; these are not young children.

And so some of the issues they have are issues with young offender sorts of issues, criminal justice issues. They may be employment related issues.

There is a day care. It's named after a former home ec teacher whose first name is Millie. Does anybody know the . . . Millie's day care anyway. And it's a day care there for the children of some of the girls who are students at Nutana. That's terrific.

And so there's lots of good things about Nutana. Why is it not easily copiable everywhere?

I believe in — and I would ask to be corrected if I'm mistaken about this — I believe that in Canora there is only one secondary school. Is that correct?

The Chair: — Yes.

Mr. Dotson: — In Saskatoon, there are about 10 or more. And the youngsters who attend Nutana are self-selected. They choose not to go to Marion Graham. They choose not to go to E.D. Feehan. They choose to go to Nutana.

And in Yorkton there are two secondary schools — the regional high school and the Roman Catholic high school. I don't know which of those two might be thought appropriately to be the Nutana in Yorkton.

And so when you have . . . Even in North Battleford, we only have two — the comp and the Roman Catholic high school. Now that doesn't mean . . .

So part of the reason for its success is that the youngsters have self-selected. I don't feel comfortable at Bedford Road. I don't feel comfortable at Marion Graham. Gosh, I think I'd be really comfortable and supported; my kind of people are welcomed at Nutana. And in a community with only one or two secondary schools, the opportunity for self-selection doesn't present itself.

But having said that, there are lots of lessons, lots of lessons that we can learn and we should learn from Nutana to the extent that we have actually hired in the department, on a part-time secondment basis, the principal, Mr. Mike LeClair, and has been working with us for the last six months, for much of the school year, on a several-days-a-month basis. I don't know how many days a month but on a . . . He still retains his principalship but is with us on an occasional secondment basis.

What we wanted him to do was help us communicate his successes to others. It's hard for us to communicate Nutana's success in Canora. It's a lot easier if Mr. LeClair does it because he's the guy who's done it and he can answer their

practical questions — how did you make this work, how did you make that work. Well I don't know those answers.

But he is . . . If you've never met the gentleman, he is an outstanding salesman and visionary for the success of his . . . for the well-being of his youngsters and for the success of his program.

Mr. Yates: — Thank you.

Mr. Wakefield: — Thank you, Mr. Chairman.

Your remarks are very interesting and they're very comprehensive and I think, somewhere in there, you've probably answered my question already. Let me put it this way. From my understanding in my area, which is in the Lloydminster area, northwest, the community school concept is working very well. I think there's been an allocation and it's been accepted, and I think there's a lot of credit should go to that particular program.

But in identifying vulnerable students — one of the suggestions here was identifying vulnerable students — we're finding, particularly in that area where there's a lot of transient people . . .

Mr. Dotson: — Exactly.

Mr. Wakefield: — . . . there's the inability to identify earlier. And I think you've touched on that a bit as well. But particularly in the very early ages. And there's programs that should be started, like early intervention, first steps, those kinds of things. And there's more and more demand put on the schools, whether it's community schools or the traditional schools, for corrective responses to the problems that can be identified there.

The problem I have is that the cost of these things is going . . . it's a very steep curve. And operationally, the cost of the schools in our areas there are virtually 100 per cent covered by local taxpayers, and they're finding it's difficult to put those programs in place because of that.

Is there any thought as to how, although valuable these programs are, is there any way that they can be accomplished other than locally tax paid?

Mr. Dotson: — First of all, I would just like to make a public acknowledgement of the school division in Lloydminster for its very successful early intervention reading program with its grade 1's. It won the Premier's Award of Excellence, which is sponsored by Xerox and awarded by the SSTA (Saskatchewan School Trustees Association), two years ago, for the success of that — a locally developed program, no money from us; they just did it themselves; their teachers love it a hundred per cent; and it's intended to improve the reading skills of grade 1 youngsters.

Intervention at the pre-kindergarten or kindergarten levels, programming, instructional programming, school-type supports are expensive because they are so labour intensive. You cannot have . . . You would not wish to have more than 20 youngsters in a classroom, have a teacher aide or a professional teacher.

You do the arithmetic, and it's the salary costs of the professionals involved with the youngsters that is the cost.

In parts of the northwest, school divisions have a very high assessment per student, perhaps within your own constituency particularly. But in other parts of northwestern Saskatchewan — I think of Meadow Lake or I think of Turtleford or a bit further east in Parkland or around Spiritwood — they have a much lower assessment per student. And that means that they are much less able, Meadow Lake, Turtleford, Parkland, are much less able, and Northern Lights, are much less able to raise local monies for any purpose — the three hours or supplemental programming or whatever.

As a consequence, as you will know, our provincial funding regime is such that we give proportionately much, much more provincial funding to lower assessment per student school divisions, like some of those I've named, than we do for example to Battle River, which is outside the city of Lloydminster.

Is there a way that we can . . . probably isn't a way we can reduce the cost. The cost of the programming will probably remain constant. I don't think we could intervene to reduce the cost.

Can we reduce the share borne by the local ratepayer? Yes, sir, we can, but only by changing the pocket from which the funds come to that of the provincial taxpayer. A larger share from the provincial treasury of course would mean all across the province a lesser share, and you know . . .

And I don't know what one penny on the sales tax is worth, but if you raise the sales tax by a penny, that would be a hundred million dollars or whatever it would be, and one could reduce property taxes in Lloydminster especially, by a hundred million dollars, for example.

Mr. Wakefield: — Only just a comment. I was fortunate to recently be involved in an exchange . . . a tour into the United States. And one of the state administrations were focusing very much on education and recognizing not only the early intervention but the development of students to adapt to the intellectual property kind of world that we're coming into.

They were designating up to 60 per cent of their state budget to education. Now it's not comparable to ours because there's other things covered in other ways. But it seemed to me that that was a commitment by the people of that state to try to get the students identified, trained, and developed for what they thought was the new environment that we're all going to have to live in.

I just put that in as a comment.

Ms. Draude: — I just have a couple of more questions on children who are considered at risk. And I know that especially the Native students that are going from one grade to another, when there is no consistency between the curriculum on the reserves and public schools . . . at least I don't believe there is. The provincial government doesn't have say on what the curriculum is, so it must be difficult for the teachers to do the evaluating and determining where the students are going to go

to. So maybe you have a comment on that.

Mr. Dotson: — May I? You're certainly right, Ms. Draude, that as you say, the province has no authoritative determining ability with respect to the curriculum taught in band schools. But Indian and Northern Affairs Canada — not us, but the federal government — requires bands to use Saskatchewan's curriculum. And in Manitoba, Indian and Northern Affairs Canada requires band schools to use the Manitoba curriculum.

And so we don't have . . . if you've got a youngster who has had a good experience in grade 5, up through grade 5, and halfway through the year moved from a band school to a provincial school, that tends not to be the problem because the band schools do teach our curriculum. Their teachers come to our workshops. If we do an in-service on the new elementary science curriculum, band teachers are invited, and do participate.

So it's the youngster who had an unsatisfactory school experience, either in town or on the reserve, either one, and moves in the middle of grade 5, one way or the other, that's where we would like to know more.

Ms. Draude: — The indicator's report from a couple of years ago — and I think there's probably been a more recent one — talked about the number of high school Native students that weren't graduating. The dropout rate was considerably higher.

I don't know if you have any later numbers, but I believe at that time there was only, like, 12 or 15 per cent of Native students graduating. Has that number changed?

Mr. Dotson: — I have the indicators report here; I'd have to look it up. But I can send that to you if you would wish.

Ms. Draude: — Okay.

Mr. Dotson: — But you don't need me to look it up to know that it's not satisfactory.

Ms. Draude: — Okay. And I'll . . . Go ahead, Mr. Harper.

Mr. Harper: — Thank you, Mr. Chairman. My questions today are along the lines of the provincial curriculum. How often do you review the curriculum to see if its meeting the needs of the general public as we live in changing times?

Mr. Dotson: — We call our curriculum evergreen. And part of that word means that it is constantly being renewed and refreshed. Saskatchewan is the only province in Canada that for the last 15 years has kept constant our curriculum philosophy.

In Ontario they've lurched back and forth and back and forth, and if you know teachers in Ontario, they can't keep straight from one year to the next what the new curriculum requirements are. In the province of British Columbia, I think on three different occasions at the beginning of the 1990s, there was a new curriculum philosophy.

In Saskatchewan we developed ours — I had nothing to do with it; I wasn't anywhere near the system — but the school trustees, the Saskatchewan teaching profession, the ministry of

Education in 1983, '84, '85 produced Saskatchewan's core curriculum philosophy and that has served this province extremely well.

We refresh and renew the curriculum by subject area periodically — every so many years. And we do so with the input and involvement of classroom teachers, of elected school trustees, and depending on the subject area, of professionals in the area. Like if it's health, it would be people from the health professions; and if it's physical education, it would be people from sports medicine and athletics; and if it's science, it would be people from the university's scientific community who help us keep it current.

Mr. Harper: — In light of the fact that we have a fast growing First Nations population here in Saskatchewan, and I would think that then we would see an increased number of the population of our schools being First Nations students, has there been any thought or is there any move in the direction of expanding the knowledge of the roles that First Nations people have played in the development of this country and of this province in particular, and perhaps instituting a cross-cultural opportunity for First Nations students and non-First-Nations students.

Mr. Dotson: — Yes. We have courses in the secondary level. There's many, many strands and components up to grade 9 in social studies for non-Aboriginal youngsters to learn about the contribution of Saskatchewan's First Nations and Aboriginal people to our community. And in secondary schools there are Native studies, Canadian studies, and social studies courses which focus heavily on that contribution. And we certainly encourage non-Aboriginal youngsters to avail . . .

There are many schools in Saskatchewan that are a long way away from the nearest First Nations or Aboriginal population. There are schools in the southwest or the southeast which are miles from the nearest Aboriginal residence. And we encourage those teachers in those classrooms to also share with their youngsters the contributions that you speak of.

Mr. Harper: — When you say you encourage this, is there certain guidelines or requirements for so many hours of teaching to ensure that this actually does happen?

Mr. Dotson: — Well you have to teach social studies for a hundred . . . but what you actually teach in social studies, no. There are certain topics that must be covered in any social studies secondary school course. But whether you choose to focus on the First World War or the Second World War, and if you choose to focus on the Second World War, whether you choose to focus on the incarceration of Japanese Canadians or the contribution that First Nations Canadians made to the war effort, is pretty much a professional decision left up to teachers.

Mr. Harper: — Do you sense that because of the growing First Nations population in this province that there will be an increased encouragement to have the First Nations history, cultural aspects of it, actually taught in the classroom?

Mr. Dotson: — Yes.

Mr. Harper: — Will it sooner or later become a requirement

that a certain percentage of the teaching time in that classroom will have to deal with . . .

Mr. Dotson: — The answer is yes. We are reluctant to be . . . perhaps we're too reluctant; I don't know. Our department has historically been reluctant to be overly directive with respect to the specifics of course content. And we have learning objectives and they're all set out, and I can refer you to our core curriculum Web site. I know some members may have actually accessed it. I can tell you how to find it and you can find what is expected to be taught, required to be taught. Right down to whether or not, when you're teaching secondary level social studies, we require the teacher when dealing with the issue of war and Canada's experience at war . . . whether we require them to teach the experience of First Nations Canadians and veterans in the First and Second world wars, we tend not to be that directive.

Should every Saskatchewan student be exposed to the history and knowledge about the treaties? Absolutely.

Mr. Harper: — Thank you, Mr. Chair.

The Chair: — Thank you, Mr. Harper. I have a number of speakers, Mr. Dotson, and we're just about at break. But I'm going to interject and I'm going to ask two questions, if I might, because Mr. Harper has prompted discussion on curriculum.

And I note just a couple of weeks ago we had — and I forget which university, whether it was the University of Regina or University of Saskatchewan — where a university professor commented that the curriculum, the math curriculum, was a good curriculum in the high schools but it was the math teachers that were inadequate and not dealing with the curriculum.

And you know, I've heard this before regarding the actual teaching of the curriculum. Does it occur? Who monitors that? Are you concerned with the statement made by the university? And how are you addressing that, if indeed there is a concern about the inappropriate teaching of the curriculum?

Mr. Dotson: — Yes, we are concerned. I'm aware of the comments by the professor from the University of Saskatchewan.

The term we give to this matter is curriculum actualization. And I think, Mr. Chair, that's a phrase with which you might be familiar.

My colleagues in the department, my professional colleagues in the department, are imminently capable and extraordinarily competent and able to develop world-class curriculum. And we do. But I don't employ any teachers and I don't supervise any teachers. And it's the Crystal Lakes board of education — to pick an example — that hires the teachers, assigns them to classrooms, assigns them to schools, decides how many resources to provide them with, and evaluates them, monitors them, and if necessary, disciplines them.

And I'm a long way away and my staff are, even our regional director in that area, is a long way from getting into those classrooms and monitoring how that teacher is teaching his

class.

We know — we know — that in more cases than we would wish, teachers are not teaching the curriculum as faithfully as we would hope. We suspect that that . . . We understand that that is most often the case in some of the larger secondary schools and less often the case in the elementary schools. And that may be, that appears to be because in some of the larger secondary schools teachers have been teaching the same subject and only that subject for a number of years. The new curriculum came but they sort of stayed off board — they stayed on the curb and didn't get on the bus — and now superannuation is a couple of years away, why should I change.

But the elementary and middle years curriculum, we have much more confidence, is being taught.

Sometimes the issues are our own fault. We do, periodically, curriculum evaluations. Like not student testing, not evaluation of the youngsters, but we do a formal evaluation of the curriculum. And we did one of middle year social studies two or three years ago and one of the things we discovered — it was our fault — that that curriculum material was just too voluminous. Teachers, too many teachers, many, many teachers were not teaching the 10th unit out of 10 units. The end of June came before they could get through all the material.

And it appeared to us, okay on reflection, maybe, you know, if you read the table of contents it looks really, really good — all the right concepts and all the right sequences and all the right learning objectives — but we were . . . the field experience appeared to be telling us that maybe our expectation for the amount of material that an ordinary classroom teacher could be expected to get through in the course of a school year was perhaps unrealistic. So that's something that we can correct.

Another thing that we can do, and we do, do, is evaluate learning resources and recommend high quality learning resources for teachers to . . . I mean, in a resource-based curriculum without a text book — unless you've got a range and array of appropriate, relative, interesting, bright, interactive, attractive learning resources for your youngsters — it's going to be tough to teach. And so in the department we do assume responsibility for evaluation of resources.

To sum up, are we concerned about curriculum actualization and the comments of the professor? Yes, we are. Do we have the right answer as to how to make every teacher in Saskatchewan a first-class teacher? No, sir, we don't, but we're working on it.

The Chair: — Just a supplement there, Mr. Dotson. I agree with you when we talk about whether or not the teacher teaches this particular style or that particular style and how the end product is resulting. And you will not have standardization. And as you indicated, the gentleman in Nutana, you would love to clone him but that's not possible and you won't have that.

The question that I think has been raised with many members is — by parents — is that they find that comparing collegiates, comparing schools, comparing communities, that a curriculum that has been understood by the teacher, has been attempted by the teacher, the knowledge that the student has obtained or the

experiences that the student has obtained are entirely different than another school within the province of Saskatchewan.

And what we're hearing from parents is they're saying, why is this occurring. And I know of teachers who I've asked, do you have a copy of the grade 10 curriculum on a particular subject? — No. Okay.

Now that raises a lot of concern for me as a parent, for me as a politician to see that indeed a system is not working to track this. Whether it's the board of education's fault, whether it's the principal at the school, whether it's the teacher, the local board of education — somebody is not monitoring it.

And I'm not faulting the department. But I'm wondering, as we've heard from Ms. Ferguson about tracking students at risk, tracking curriculum development, and ensuring that all of this is taking place — if we've got all of that happening and yet the end result we still have a university professor who says great curriculum but teachers aren't teaching it, something's wrong. How are we going to change that?

Mr. Dotson: — Well, first of all, I would ask that you have a chat with the teacher who told you he doesn't have a copy of the curriculum, and if you would please refer this teacher to the following two resources. It is available in French and English, in all grades, for all subjects, on our Web site.

Secondly we gave, free of charge, to every teacher in Saskatchewan, a CD Rom with the curriculum on it. And if members would wish one, I would be pleased to send them to your . . . through Mr. Chair, to the members of your committee, a CD Rom. And it costs us about . . . my colleagues didn't tell me they were doing this, they just sort of did it and I shuddered at the cost of this. And they said don't worry, Craig, it's only \$11,000. We gave them away for less than it would have cost us to send out a form asking if teachers wanted one and then sending them back.

The Chair: — Some of those CDs were blanks, by the way, as well.

Mr. Dotson: — There's a new edition.

The Chair: — It was a little glitch.

Mr. Dotson: — Now we work with the subject councils of the teachers' federation — the math teachers' subject council, science teachers' subject council, middle years subject council — to enlist their support in putting on workshops for successful teaching practice with respect to particular curricular areas.

We give workshops. Our own staff give workshops typically on new curricula. We do the resource evaluations that I mentioned. At the end of the day though, in Saskatchewan and probably everywhere else in North America that I am familiar with, the teaching profession is probably the single . . . The teaching profession is certainly the single largest, least-managed body of professional employees in our society. And that's not a bad thing. That is because we treat teachers as professionals.

But it's difficult for me to think . . . I can think of no other large body of salaried employees in our North American society that

is so unmanaged. And that is the way that North American society has dealt with its teaching profession and organized its public schools over a hundred years. It's not necessarily a bad thing, but it's something that we need to take into account.

In a rural school division there is probably no out-of-scope management staff within 30 miles of many of the schools. In the city of Regina there is no out-of-scope management staff on-site in any school. We expect principals to fulfill a host of professional and leadership and mentoring and monitoring and coaching sorts of roles, but there is no out-of-scope manager on-site at almost any school.

The Chair: — I have a speaking list of Mr. Yates, Ms. Draude, and Mr. Wartman and that's where we will begin at 11 o'clock.

The committee recessed for a period of time.

The Chair: — Let's reconvene. And guess what, Mr. Yates, you're up.

Mr. Yates: — My question is to Mr. Dotson as well. It has to do with the issue of curriculum.

I don't know whether you've heard the news of the recent testing they did in the province of Ontario, standardized testing, to check whether or not students were in fact learning what they should have learned within the curriculum. And the news report that I heard had indicated that some 29 or 30 per cent of all students failed a basic standardized testing in the subject of English, and that another 30 per cent marginally passed.

And my concern is do we take or have any program or methodology in which we check whether or not our students are learning the curriculum as put out by the Education department?

Mr. Dotson: — Yes, member, we do. We have a provincial learning assessment program that tests students in grades 5, 8, and 11 on a province-wide sample basis. It's a sample test so we can tell the public — and we report on this — how provincial students are doing. It is not a census basis. It is not a high risk. Each child must take this test in order to pass. And the sample is a province-wide sample, and thus we are not able to . . . the data are not available and would certainly not be reliable on a community basis, a school basis, or a school division basis.

Some school divisions have testing programs of their own. And those are fine, if they are developed within Saskatchewan by our own teachers and our own school folks, because they deal with Saskatchewan's curriculum.

Some school divisions though — for ease, for cost reasons, and ease of administration — purchase a test that is produced some place else and that just may not fit our . . . it may be testing youngsters on things that our curriculum doesn't address. The answer to your question is, yes, we do testing and we report on it.

Mr. Yates: — Okay. A supplementary question. Do we do testing or any methodology of comparison between Canadian provinces to see that . . . where our, you know, standard of education knowledge base is in comparison to, say, a national

standard or average?

Mr. Dotson: — Yes, we do. Saskatchewan, like every other province, participates in the only pan-Canadian national testing program — the School Achievement Indicators Program — and that tests youngsters at age 13 and age 16. And it's on a rolling cycle of math, language arts, and science. Not all in the same year; one year it'll be mathematics, one year language arts, and one year science. And we report on that as well.

Mr. Yates: — Thank you very much. Just a further question, Mr. Chair, if I may. With our current continuous curriculum development and changing . . . which I think by the way is a very good idea to always keep our curriculum current. In your opinion, the subjects offered to students at various locations across the province — let's say at Val Marie, Saskatchewan or Leader, or Regina — is there an equivalent or equal educational foundation in each of the school districts in order that . . . Today a student with current teaching methodologies, basically with a teacher in front of the student, gets their core curriculum and other electives may vary significantly across the province. Have we spent any time looking at methodologies to — through distance learning or computer education — to get a greater number of electives available to students in a much broader, diverse parts of the province?

Mr. Dotson: — Yes we have, and yes we have made . . . we've worked in partnership with individual school divisions and their teachers to support the efforts that they are doing to develop online, Web-based instructional resources and courses. And we will be doing much more over the next months and year ahead.

I'd just make one observation. Your point is very well taken about the number of electives available . . . the array of courses of which youngsters may choose. The high schools in Moose Jaw are big high schools, and have a wide array of secondary courses for their high school youngsters. The children can choose among a pretty substantial menu of courses. In smaller secondary schools with fewer than a hundred secondary students — and many of our schools that offer high school have far fewer than one hundred 10, 11, and 12s — the staffing is simply not possible. It's simply not possible in a very small secondary school to offer a broad array of electives.

You may only have one student every third year who might want to take a course in economics or law or journalism or graphic design or whatever. Whereas at Marion Graham or Campbell Collegiate you can, every semester, you can have two full classes of youngsters wanting to take photography or graphic design and so on.

And for many years students in smaller communities have availed themselves of the government correspondence school. That's sort of the very successful but old fashioned paper and pencil correspondence course. It's still there. It's now being supplemented by Web-based secondary courses.

Mr. Yates: — Thanks very much.

Ms. Draude: — I have a couple of questions that I think maybe I'd like a response now from Mr. Dotson but maybe from Ms. Ferguson as well.

Two of the areas that were considered at risk is well the curriculum and the resources. And when we talk about the Evergreen Curriculum, a number of the school divisions I've talked to said one of their problems is as soon as there was a cut in resources they had to let somebody like their librarian go. And that is a very important part of being able to implement this resource-based learning.

So understanding that we need this to actually carry out the curriculum, I'm wondering what your findings were on this risk aspect of it.

And the other part is, Mr. Dotson's indicated that the curriculum was available on the CD (compact disc) and many of the school divisions also tell me even photocopying — the cost of the paper, the cost of the copying — gets to be prohibitive by the end of the . . . well, anytime during the year. So implementing the program is difficult when you don't have the resources — those two major resources — to implement. So I'm wondering if you heard it when you were looking at your risk evaluations, and what you're hearing?

Ms. Ferguson: — Well actually the focus of our work is actually the processes the department used to maintain the curriculum as opposed to the implementation of the curriculum. And so we didn't go that next step. So we didn't look to see, you know, are they using the curriculum and how are they using it and what their experiences are.

One of the things that we, in the course of maintaining the curriculum, one of the things that we're looking at is what information is the department getting in terms of those types of reactions to use that type of information to make the changes, or to confirm that the curriculum that it currently has on board, does it continue to make sense. So we limited our work in terms of that area.

We're not at the stage where we've finalized our findings there yet, so I'm not at a stage where I can share it with this committee. As I said earlier, we hope to report in the spring session, so hopefully the committee will be meeting later in this year and we'll be able to share our findings in more detail at that time.

Ms. Draude: — Thank you.

Mr. Dotson: — You will know, I think, Ms. Draude, that we have, since the early 1980s, had shared service areas. Do you know what I mean if I speak of shared service areas?

The shared service areas were implemented in the very beginning of the 1980s in rural Saskatchewan to be aggregations of five or six rural school divisions outside Regina and Saskatoon. And they were intended to give those rural school divisions the financial support and the management capacity to hire technical professional experts — speech and language pathologist, educational psychologist, and so on — that a small rural school division could not afford or may not need a full-time such person on its own staff, might not be able to recruit one, but working together they could share an educational psychologist and so on.

About four years ago, we enriched the provincial financial

support for the shared service areas to enable them each to hire an additional teacher/librarian/resource-based learning consultant.

What we're going to be doing in the coming period is reducing the . . . sorry, increasing the number and thereby reducing the size of the shared service areas all throughout rural Saskatchewan, outside of Regina and Saskatoon, in order that they can have smaller areas, fewer kilometres for these professionals to cover, and enrich resources so that we can share these fairly scarce, fairly expensive professional supports that our classrooms and teachers need but that a smaller school division may not be able to afford itself.

I just note in the indicator's report, I'm here on page 104, that in every year since 1993 — and this only goes back to 1993 — but in every year since 1993, the number of non-administrative professional support staff per 100 teachers has gone up. Every single year, from 1993 to today, the number of non-administrator, but professionals, to assist our teachers has increased as our ratio of . . . And that's a good thing.

Ms. Draude: — So are these teacher-librarians, are they considered teachers under the teachers' contract or are they support staff?

Mr. Dotson: — Teacher-librarians are teachers.

Ms. Draude: — The ones that are just . . .

Mr. Dotson: — Teacher-librarians are a teacher.

Ms. Draude: — Just the ones that are considered a librarian as such are they . . . what are they?

Mr. Dotson: — It would depend on the qualifications of the person and what the person is doing in the school environment. If they are teaching children, they're teachers; if they're not teaching children, they may not necessarily be teachers.

Ms. Draude: — So their increase in wages may not be covered then. Like I'm just wondering if they're permanent.

Mr. Dotson: — If they are not members of the Saskatchewan Teachers' Federation collective agreement, the provincial government does not involve itself in negotiations with respect to their pay regime. We're not involved . . . The provincial government is not involved the salary negotiations or pay regime for anyone other than members of the STF (Saskatchewan Teachers' Federation) bargaining unit.

Mr. Wartman: — Thank you. Two questions. First referring to page 121 of chapter 2, the statistics with regard . . . in the second paragraph, the percentages who withdraw from school. The first one refers to about 20 per cent withdrew from school before completing grade 5 and then about 60 per cent withdrew from school before completing grade 9.

Are we working from 100 per cent of Aboriginal students with both of those, or is the 60 per cent of the remaining 100 per cent when it comes to withdrawal of grade 9 — do you know?

Mr. Dotson: — I don't know. Well in both cases the statistic

being reported would be of the cohort that started, which constitutes 100 per cent.

Mr. Wartman: — Okay.

Mr. Dotson: — Now that, for the committee, that is in a community with a . . . it's in Saskatoon as I recall. With respect to a . . . It's not a province-wide sample, it was a community-specific sample in a community that had a particularly high mobility. I mean there's some communities in Saskatchewan where you don't have that; I mean that sort of mobility doesn't happen.

Mr. Wartman: — It says it was in Saskatchewan's provincially funded schools, '97-98.

Mr. Dotson: — Okay. Well then that's . . . yes, I think that still was a sample then.

Mr. Wartman: — Okay. So that would mean about 20 per cent of those who begin school complete grade 12. Is that a wrong assumption?

Mr. Dotson: — No. About 80 per cent of the children who enter grade 10, complete grade 12 within five or six years.

The sentence about Aboriginal ancestry, about 20 per cent withdrew from school before completing Grade 5 and about 60 per cent withdrew from school before completing Grade 9, is based on the research footnoted in footnote no. 3 which was not province-wide data. That means the people who did that research in . . . It was done for us at our request but it was on a sample.

Mr. Wartman: — Okay. Do you know offhand what percentage of those who had identified themselves as Aboriginal would complete Grade 12?

Mr. Dotson: — No.

Mr. Wartman: — No. Okay.

And a second question. With regard to vulnerable students, we're dealing here mainly with those who don't attend or pull away. I'm wondering about two particular categories. One would be the FAS/FAE (fetal alcohol syndrome/fetal alcohol effects) and the second would be dyslexic children. And I'm wondering what kind of program and emphasis there is for those children. Do we have programs for dyslexic children? How many would there be within the population? Not sure?

Mr. Dotson: — I don't know the number. I don't know if dyslexia is a clinical condition that warrants particular provincial government identification. I would have to check on that and I can do so.

Mr. Wartman: — Okay.

Mr. Dotson: — We have a number of clinical conditions — blindness, hearing impairment, and autism, and so on — that are sufficiently discreet that we record the number of youngsters with that particular clinical condition and there is funding provided. Whether or not dyslexia is one of those

designated clinical conditions, I don't know.

Mr. Wartman: — Okay. What about the FAS/FAE children?

Mr. Dotson: — There are two different phenomena here. One is a phenomenon of almost, almost random, clinical, physical impairment. Blindness, I know there may be hereditary elements of course, but blindness or visual impairment or hearing impairment, some of these instances may be the result of later-in-life traumatic episodes — accidents, car accident, or whatever. Others are conditions engendered at birth.

Typically they tend to have primarily physiological origins and not socioeconomic. Fetal alcohol syndrome and fetal alcohol effect are obviously clinical conditions with a direct physiological set of attributes. They are, however, overwhelmingly the product of tragic socioeconomic circumstances, far too often the alcohol abuse of women during pregnancy.

The consequences — that has to do with the cause — the consequences are disturbing, troubling, challenging, and far too often tragic for the youngsters who are victims of FAS and FAE. The earlier one can intervene in the lives of these youngsters, the more hope there is for them to lead happy and productive and mature adult lives. Diagnosis is not always easy.

Mr. Wartman: — Does our education system provide that intervention?

Mr. Dotson: — Yes, and particularly so in pre-kindergartens and in our community schools. But the provincial Department of Education does not have an FAS program such that in Canora we assume responsibility for identifying the young woman whose child is an FAS victim — no.

Mr. Wartman: — Okay. Thank you.

Ms. Jones: — Thank you, Mr. Chairman, and thank you for your presentation and your thorough answers today. I'm interested in the part about reporting pensionable earnings and the rule, as you refer to it, and your hope the rule will be changed.

Can you help me out a little bit with exactly what the case is when a retired teacher performs service to a school board and where the problem, at least from the auditor's perspective, seems to lie? Are we talking about retired teachers who come back on a contract basis mostly? Or are we talking about retired teachers who substitute?

I note that initially it was they had to report or they took a penalty if they worked more than 120 days in a year up to the . . . and then it was changed to 60 days in a year.

Mr. McLaughlin: — Right.

Ms. Jones: — So if they worked up to 60 days in a year there's no clawback. Is that a proper term, a clawback of their pension?

Mr. McLaughlin: — That's correct, yes. And it covers both contract teachers and teachers who work on a substitute basis. So any service by a retired teacher is supposed to be reported by

the board in their regular reporting to the commission. And it just requires them to report the salaries and the service that was rendered and the type of service that it is, whether it's substitute or contract.

In the first year in which you retire you are allowed to do 120 days. And in every subsequent year after that it's 60 days, and once you've exceeded the 60 or 120, whichever is appropriate, then you forfeit your pension for the remainder of the . . . or for the number of days that you exceed the 120 days or 60 days.

Ms. Jones: — In attempting to bone up a little bit on this, it says that it's in accordance with The Teachers Superannuation and Disability Benefits Act?

Mr. McLaughlin: — That's correct.

Ms. Jones: — So this particular provision is written right into legislation or is it in regulation?

Mr. McLaughlin: — It is right in the statutes itself.

Ms. Jones: — Okay. So you said that you hope . . . Am I referring to the same thing as you were when you talked about the rule?

Mr. McLaughlin: — Yes.

Ms. Jones: — You hoped that rule would be changed.

Mr. McLaughlin: — Yes, I mean there's some movement out there, some recognition that it's very difficult in some cases to get qualified teachers to teach specific subjects, and so where there's a maternity leave or something like that, small school boards invariably have difficulty filling a temporary position for the period of the leave. And so in those cases someone who is retired will often come and fill in, and don't feel it appropriate that they lose their pension.

And if you look at it from a pension administrator's point of view, which I try to do, what we're talking about here is deferred income, which is supposed to be payable for life, with the exception of this particular little clause in which we do penalize teachers who do return to teach. If they return to do any other kind of work they would be able to keep their pension and the income that they make from that other position.

So, you know, a lot of people feel that it's not an appropriate rule. And so there is a movement there, I think, to look at this thing seriously again in the context of the shortage of teaching personnel.

Ms. Jones: — So what it would require then is an amendment to the Act.

Mr. McLaughlin: — Two things. First of all it would be a negotiable item. And so there would need to be agreement between the teachers' federation and the other parties to the collective agreement — the SSTA and the Department of Education. And if that were to happen, then that would cause us to make an amendment to the legislation.

Ms. Jones: — Or to seek one.

Mr. McLaughlin: — Pardon me?

Ms. Jones: — To seek one.

Mr. McLaughlin: — Yes, to seek one.

Ms. Jones: — One further question in that regard. The retired teachers who return to work on either basis, contract or substitute, do they make further contributions from their wages to the pension plan if they teach and are in receipt of a pension?

Mr. McLaughlin: — No. They make no further contributions once they're retired. So they don't accrue any pensionable benefit either, which is an interesting sort of thing as well. One would think that if you were to suspend the pension and allow them to accrue additional service and then recalculate the benefits so that you've got the equivalent that you would have got otherwise, then that would be an equitable thing to do.

What we're doing today perhaps is not quite equitable. At least in a pension administrator's view it's not.

Ms. Jones: — Right. That was an important answer for me though, because I don't think you can have it both ways. I don't think you can continue your pension, continue getting a full salary, because there's always a reduction in . . . I mean it isn't a reduction but it's a contribution.

So I see your point. I mean, and I certainly don't disagree that a person who is in receipt of a pension should lose that pension because they're providing further service. But then I would see that they ought to continue contributing to the pension plan.

But it was important to me to understand that and I thank you for your answer.

Mr. McLaughlin: — Thank you.

Ms. Draude: — I'm conscious of the time and I do appreciate the discussion we've had. So I'm going to just ask a two-part question here and ask for your input.

I'm wondering with the evaluations that are being done, has there been an evaluation on student readiness to enter the workforce as assessed by employers, when we're talking about monitoring the risks and what's happening?

And I'm also wondering if there's been an evaluation of the correspondence schools.

And then my last area is in the risk area with infrastructure. I'm wondering if the fact that you're predicting that there will be 30,000 less students in the system within the next seven years, that's entered into the whole evaluation of infrastructure needs.

Mr. Dotson: — Has there been a formal evaluation of the correspondence school or of student high school leavers preparedness for entering the workforce in view of the employers: the answer is no, to both of those.

We regularly, the provincial government, regularly conducts the same question on its omnibus polling. That's publicly available and we asked the public two questions that we've asked

consistently over the last four or five years. Are Saskatchewan students well prepared or not well prepared to enter the workforce? Are they well prepared or not well prepared to go on to post-secondary education? And those responses are accessible.

That is not an evaluation. An awful lot of people who were telephoned in that survey don't have — I need to be diplomatic in my language if I'm being recorded here — but do not have an informed basis upon which to make a judgment, if I may put it that way.

Our feedback, in Saskatchewan when I joined the department at the end of 1995, there was a chamber of commerce view that was being expressed that our students . . . that our curriculum in our schools were not preparing our youngsters well. For reasons which I don't understand, that concern has simply gone away. I have not heard that, member, for five years. Now I'm not saying the view is not shared by some employers; I'm sure it is.

If any of us has ever had the experience, the challenging experience of hiring a 17-year-old, they weren't perhaps always as experienced and mature and workplace-ready as one remembers oneself having been at that age.

But one of the tests I use is, are there concerns in this community that are brought through the minister's correspondence, or raised by members of the official opposition, or raised by the chamber of commerce? When my minister meets with the chamber of commerce, and I listen to those sorts of issues, and sometimes you get a cluster of issues over here but silence over there, and when I hear silence, and I'm listening, with respect to the effect of enrolment patterns on infrastructure, our school system is facing an enormous challenge.

We have lost students continuously over the last 20 years — 20 years ago, or 30 years ago, we had 243,000 students; today we have 184,000 students. And in any school division across Saskatchewan if you ask the folks how many grade 1's do you have in your school division, and how many grade 11's do you have, invariably they have more grade 11's than grade 1's. That is the demography of our province.

It is going to challenge the viability of some schools. Saskatchewan boards of education have closed 120 schools over the last 10 years, as their student populations have declined. And they make those decisions as their community . . . reach those decisions, however they reach them.

We're getting to the point where school closures is less and less of a reasonable option from an educational perspective. It's fine if schools are 8 kilometres apart; it's not so fine if they're 75 kilometres apart. And none of us would wish our own children or our neighbour's children to be on buses all day long, and that's not fit.

Will it pose a challenge on infrastructure? Yes it will. The former director from the Battlefords School Division implemented a program of decommissioning some space, some surplus space, in some of his smaller schools. It saved his board a lot of money. They used to have eight classrooms open, now they only need four. They've just boarded off and they no

longer heat the other four classrooms, for example.

We've actually put him on contract to go around to each of the regions in the province and share his experience for half a day, with the directors of education in that region. And if they want to hire him to do something for them, that's their business. We're not doing that. But I did think we should make his experience available to . . . I mean the school may be around for another 30 years, but it once had 12 classrooms open and now it only needs to have three or four or five. You can save a heck of a lot of money by maybe using one for a staff room, and one for an art room. Okay, you can still close three or four of those classrooms, and if you no longer have to heat it and worry about pipes freezing and so on, you may save some significant amount of money. So there will be infrastructure consequences.

Mr. Wartman: — I think I would like to move us along, if we can, to the recommendations that have been made. Are you ready to do that?

The Chair: — I'm prepared to do that. I just wanted to make sure everyone had the opportunity to ask their questions.

Mr. Wartman: — I'll step back for a second.

The Chair: — Okay.

Ms. Higgins: — Back to the superannuation commission, I'm just curious if you could give us some background as to why the 120-day or 60-day limit is placed on retired teachers coming back into the system?

Mr. Dotson: — That's a new provision that we put in the collective agreement with respect to the 60 days, in about 1997. And it was negotiated at the bargaining table at that time and would need to be negotiated differently if it were . . . There was a concern at the time that older superannuated teachers were coming in and taking jobs, as it were, from newcomers out of College of Education. And the youngsters were saying, there's no jobs for me because the superannuates are in here teaching the course that I could teach.

As Mr. McLaughlin points out, there is a different set of social concerns in 2001 than there were in 1996 or '97, and if we're going to change this, it's something we would need to bargain.

Ms. Higgins: — Good. Thank you.

The Chair: — Okay. With no further questions, I believe from the auditor's report, from the different chapters that we have before us, at least three recommendations, maybe four —and I say maybe because I refer you to page 132 and that's where we'd start — on page 132, which is of chapter 2 of the '99 Fall Report even though it isn't numbered, but there is a statement there that is in bold and it says:

We encourage the Department to take a leadership and coordinating role to improve the monitoring of the movement of vulnerable children between schools and education systems.

And I think that's where a lot of our questions and discussion have centred. And I'm wondering if the committee wants to

consider that a recommendation that we should deal with.

Mr. Yates: — Yes, we do.

The Chair: — Okay. Any questions about that recommendation, and if there are no questions, can we have a resolution?

Mr. Yates: — I'll move concurrence.

The Chair: — Move concurrence of the recommendation on top of page 132. Any discussion? Seeing none, all those in favour? Opposed? Carried.

The next resolution is part of . . . it's on page 181, which is part of chapter 3 of the 2000 Fall Report, Volume 3 and it's numbered as no. 1:

We recommend the Department work with Treasury Board to adopt an appropriate accounting policy that properly records and reports on pension costs.

Mr. Wartman: — Thank you. I think we've had this discussion yesterday to some extent in pensions and so I would propose an alternate motion. And I would move:

That PAC acknowledge the fact that the Department of Education is complying with Treasury Board policy and, according to that policy, the Department of Education is properly and appropriately recording and reporting on pension costs.

The Chair: — Okay, need a new resolution.

Now your first statement, Mr. Wartman said that we acknowledge — I think you used the word acknowledge — we acknowledge that the Department of Education is complying with Treasury Board policy. Right? Is that confirmed through the auditor's report as well?

Mr. Wendel: — They acknowledged that to me.

The Chair: — That was acknowledged? Yes, okay, I see confirmation there. And I know that you had indicated that, Mr. McLaughlin, that you do, and I think Mr. Dotson had indicated the same. Okay.

The motion before you:

That PAC acknowledge the fact that the Department of Education is complying with Treasury Board policy and according to that policy, the Department of Education is properly and appropriately recording and reporting on pension costs.

Discussion? Seeing none, all those in favour? Opposed? Carried.

On page 195 which is chapter 14, there are two recommendations in chapter 14. The first one on 195, no 1:

We recommend the Commission should ensure it provides its annual report to the Legislative Assembly by the date

required by law.

I think we have heard from Mr. McLaughlin this morning some of the concerns regarding the June 30, 2000 report and the fact that it probably is going to be available very shortly. Is this still a recommendation that the PAC committee would support or . . .

Mr. Harper: — Yes, I move concurrence.

The Chair: — Move concurrence. Any discussion? Seeing none, all those in favour? Opposed? Carried.

Recommendation no. 2 on page 196:

We recommend that the Teachers' Superannuation Commission establish rules and procedures to independently verify information it receives from school boards.

And we haven't had a question on that this morning. I don't recall too much discussion on that. And if I might, Mr. McLaughlin, could you indicate why board officials responded, I think you used the term, incorrectly . . . I think you said incorrectly, they responded . . . after being asked to supply information, it was still incorrect information. How can that occur and why did it occur?

Mr. McLaughlin: — Well I think there was some reluctance to comply with the directive and it was based, I think, more on the judgment of school boards that the individuals that they were employing had not ever exceeded the 120- or 60-day rule, as the case may be, and so why bother reporting them?

I think it was a problem of omission as opposed to a commission, if you like, and so I . . . Unless the auditor has other information in reviewing the matter, my understanding was that they did comply in cases where they were in fact exceeding the 120- or 60-day rule and didn't, in some cases, respond appropriately, initially, when asked to do it for people who had not exceeded the 120- or 60-day.

The Chair: — The final comment on the bottom of 196 indicates that the commission plans to independently verify the information it receives from school boards. Is that an accurate statement?

Mr. McLaughlin: — It was until I took it to my commission who suggested that perhaps it was unnecessary to do so given that we had taken other steps to educate representatives of SASBO (Saskatchewan Association of School Business Officials) and directors of education that they were required by law to do this. And it was the commission's judgment that asking every school board, which means over 100 employers, to have their auditors specifically send us a statement certifying that they had conformed to the directives of the commission in this regard was unnecessary and overly bureaucratic.

So the commission declined to do that. Subject to the Public Accounts Committee today telling us otherwise, we have not chosen to do that.

Mr. Wartman: — Given that explanation, I'm wondering if

those who are complying with the rule, and that is reporting those who have more than the allowed number of days, is there any necessity of having to report on those who are not going beyond the acceptable number of days? Do we need to have that information? Do we need to demand that the boards provide that information, if they are indeed providing it for those who have exceeded the days?

Mr. McLaughlin: — We actually still need that information because a person may be working for more than one employer. So the information that one employer has may not be sufficient to guarantee that the person's pension is reduced appropriately unless everybody reports the dates that the person works.

Mr. Wartman: — So therefore if I'm hearing that correctly, even though you've talked to your commission about this, that you would agree with the recommendation from the Provincial Auditor then that these reports be verified. Is that an accurate assumption?

Mr. McLaughlin: — I would say that in the normal course of an audit, the private auditors doing school board audits should be ensuring compliance with these rules. Whether they need to specifically report it back to us is, I guess, where I depart a little bit from the Provincial Auditor.

We're talking about, in total, about \$20 million in contributions coming in from school boards, and this is a relatively small number of transgressions I think. And you know, I believe that the education that we did of directors of education and school board officials was sufficient or should be sufficient that they will comply with this directive from now on.

The Chair: — I think this recommendation is two-part, Mr. Wartman. And I think we look at it, it says establish rules and procedures. And, Mr. McLaughlin, you've indicated that you've tried to do that with directors of education and SASBO officials to ensure that the requirement, as law requires, that that information be sent in.

The second part of this recommendation stating that there should be someone independent who would indeed still verify that. Right?

Mr. McLaughlin: — Yes, yes.

The Chair: — And I think that's the part that you're looking at saying we believe we have people educated and informed enough that they're going to follow the rules and procedures that we have in place to accurately report. But on the other side, your commission has said an independent verification is not what you think is necessary. Am I accurate?

Mr. McLaughlin: — That's correct, yes.

Ms. Higgins: — Thank you, Mr. Chair. Actually the word independently — I've underlined it — that bothered me, whether the auditor felt that it was necessary to go to an independently verified reporting of this.

And I'm also wondering what kind of constraint that puts on the commission and also what extra charges or costs would be associated with this for the . . . or administration costs that

would have to be absorbed.

Mr. McLaughlin: — Well it's difficult to quantify, you know, exactly what it would cost. It's one more task to add to a growing list of responsibilities, given the interests that everybody has in pensions these days.

I mean it's something that we would have to assign somebody to set up a registry, and we would have to mail out confirmation letters to each individual auditor. So that means finding out who they are and mailing them directly to the auditor presumably, and then tabulating the responses to make sure that they're correct.

Now whether or not this is a big enough issue for an individual, private auditor to really spend a lot of time on is another matter. I think, you know, in the course of an audit there are a whole bunch of bigger issues for them to be concentrating on. So I'm not sure that it would really satisfy the requirement of independent verification. We're talking about one or two people in every school board here. You know, maybe, maybe 10 — who knows? But it's a relatively small number of people that are affected here.

I mean I don't mind doing this, it's just . . . it's a question of, you know, at what point do you sort of say no to dotting every i and crossing every t. What's really at stake here is not very much, and I leave it to your discretion.

Ms. Higgins: — I guess the first part of the question, I also wanted to know from Mr. Wendel, if he felt that the steps that had been already taken, if they would address this problem.

Mr. Wendel: — Mr. Chair, this particular topic we put this in here because the legislature thought it important enough to reduce the number of days retired teachers could teach. So then the question is, what is it that is being done to make sure the law's being complied with? So that's what we're talking about.

And what the commission was getting was inaccurate information. They got information; they realized that was inaccurate. They asked for more information; that information was also inaccurate. So they needed to do something to make sure the information they have is adequate and reliable. So that's why we're making this recommendation.

Now as to whether auditors of school boards are looking to ensure compliance with this, my guess is they wouldn't be because they wouldn't be engaged for that purpose. My guess is they'd be engaged to report on the financial statements of the school board and that would be the end of their engagement.

Ms. Higgins: — Is it appropriate to move an amendment?

The Chair: — Not yet, no.

Ms. Higgins: — No?

The Chair: — Not yet. I have Mr. Wakefield and Ms. Jones up yet. Okay?

Mr. Wakefield: — My question I think has been answered on the basis of this thing, and it's a question about the costs of . . .

The Chair: — Okay, Mr. Paton wanted to get in on the comments, I think, prior to, and I'm sorry, Mr. Paton.

Mr. Paton: — No, that's fine, Mr. Chair. The only comment I wanted to make was kind of direct to the question that was just asked. And from my perspective I think that these boards that are submitting the reports are independent, and that's one of the issues that the auditor's trying to get across. I think the issue of verification may be important as well from Mr. Wendel's comments.

But the boards themselves are independent on this reporting and as Mr. McLaughlin said, what they've tried to do is educate the group. And I guess what the audit would do is . . . would ensure that that was happening. But these boards that are doing the reporting are independent on this issue.

Ms. Jones: — Well that raises more of a question then. And so are you asking for another — not you — are you asking for another independent verification if the boards are already independent? So you want the boards to verify it and then have somebody else verify that the boards gave the correct information? And then you want somebody else to verify that the independent verification was independently verified?

Mr. Wendel: — The recommendation goes back to what the problem was. The problem was they weren't getting reliable information to ensure this law was being followed. That's where the recommendation goes. So how has the commission satisfied themselves they're getting reliable information?

And what I've heard from Mr. McLaughlin this morning is he's got an education program. Well we'll assess that in the next round and see whether that results in then getting reliable information.

Ms. Jones: — Well I'm sure you know from my questioning that I have difficulty with the recommendation as it stands, so I think what I'll do is pass and wait for a . . . I think you were going to propose an amendment, Ms. Higgins?

Ms. Higgins: — I thought I was.

Ms. Jones: — Then I'll wait for your amendment until I make any further comments. If there's no amendment forthcoming, I may wish to comment further.

Ms. Higgins: — Am I misunderstanding the recommendation: procedures to independently verify information. So independently meaning the commission from the boards? So is the commission independently verifying boards from . . . or information from the boards? Or are we looking at the commission or the boards going to the added expense of adding this to an auditor's report who is independently verifying the information?

I'm confused. I don't know what we're looking for here with this recommendation.

Mr. Wendel: — I explained the problem. The problem was the commission wasn't getting reliable information from the boards. They had asked for information; it was incorrect. They got revised information; that was also incorrect.

So the commission has a couple of things it can do. It can make sure that it checks the board's information that it does receive, it could educate the boards to make sure they get the right information, or it can hire someone else to independently verify that information — they could do it a number of ways.

But they still need to verify the information. They're still responsible to know they're administering this Act, that it requires them to ensure that they deduct pension when somebody gets over 60 days with the substitute teaching or contract teaching. Somehow they have to be satisfied the information's reliable.

The Chair: — Mr. McLaughlin, would you care to comment on your education process and how you see, how you see this new implementation?

Mr. McLaughlin: — Well I certainly don't want to disagree with Mr. Wendel in terms of the importance of making sure the information is accurate. My only issue here, I think, would be that I believe that that requirement can be satisfied through an education process. And I'm a little bit concerned about loading up one more sort of responsibility on boards to report to us.

We have a tremendous amount of back and forth co-operation between ourselves and the boards, but we've also seen occasions where we've had some difficulty getting them to understand that they should do certain things. And I would cite an example.

Several years ago we were asked or instructed by Revenue Canada to issue T4-A slips to all the teachers in the province for the group insurance premium . . . the employer-paid group insurance premium, and it amounts to about \$30, you know, a year, in a benefit. Which, you know, it's strange in itself that the federal government would require us to issue a T4 for \$30.

But anyway, we thought that it would be best if school boards did this on our behalf, and there was a fair amount of dissatisfaction with that request. Some did it very voluntarily; some said absolutely no, I will not do it. There were several people who suggested that if we would pay them to do it, they would be happy to do it for us.

And I guess I put this one into the same kind of context. I don't, I don't think it necessary because I don't think that the amount of money that's at risk here is very large. And I think we've taken other measures through education to encourage them to comply. We certainly took them to task on some other issues as well.

And, you know, it's incumbent upon the teacher himself, as per the regulations, to advise us when he's returning to teach as well.

So there are two things there, I think, that are offsetting and I'm just hopeful that we will get the co-operation that I think we're going to get.

The Chair: — You must have been referring to an administrator who was nearing retirement.

Mr. McLaughlin: — Yes.

The Chair: — Ms. Draude, resolution?

Ms. Draude: — Yes I would like to recommend that we do not concur with this resolution because I believe that the school boards, now that they have been educated and they know the importance of it, I think that we could give them some time to see if it's implemented.

I don't want to add additional cost to the school boards if we can avoid it. So I suggest that we do not concur at this time, and if it ends up that Mr. Wendel comes back and says that there's still a problem, I guess it could be revisited. But at this time I don't . . .

The Chair: — Thank you. Discussion?

Mr. Wartman: — I'm not sure that I want to move to nonconcurrency on this because I think what I'm hearing is that there is importance in following these guidelines here. But I'm not clear yet as to what is meant by, what is needed by, independent verification.

Like it seems to me that if the work that you have done to educate and to set some guidelines for the boards in terms of their reporting, if that work has been done, do you need to do, do you need to have their auditors provide that information to you? Do you need that level of independence or can you, within the rules and procedures that the commission sets, can you have a way of verifying?

Mr. McLaughlin: — Well I think that that would be possible. I mean we could, we could require, I believe, an audit but there's a tremendous expense associated with doing that.

And so there's more than one way to do this, I suppose. We could go out and do an independent audit of our own. We could require the board to have their own auditor certify that there's nobody who has worked a day in their school division who has not been reported to us. And you know we could set up a tracking list of all the employers. We would send the letters out to the auditor. We'd have to know who the auditor was, you know, in order to do that and then we would have to enforce compliance with getting that information back.

So you know there's a cost there to the board and there's a cost there to us. And I guess my point of disagreement with the auditor on this is whether or not the costs and the effort is really worth the money that's at risk.

Mr. Wartman: — Okay.

Mr. McLaughlin: — I think it would cost as much to administer this thing as we might lose in a year.

Mr. Wartman: — Okay. Given that, I'd have to say then that I . . . unless Mr. Wendel wants to comment, I . . .

The Chair: — Whether you had a comment to Mr. Wartman's question or concern?

Mr. Wendel: — Mr. Chair, I think there are things that the commission can do within its own shop to independently verify this information to the extent that's reasonable. Okay? So there

are things they can do.

They do receive the payroll records, I understand, from the school boards. They do know who the retired teachers are. So they could, on occasion, do independent checks on a random basis to ensure they're ensuring the accuracy of the information they get from school boards.

We had proposed an alternate. We could go to the school boards and ask their auditors to do that, but if that seems to be too expensive, that's fine. I mean, that's a management decision. But you still have to do something to know that the information is reliable, and it should be reasonable. It shouldn't be cost . . . it has to be cost effective, of course. But I think you have to do something.

Education is a good thing. You may want to randomly test the payroll records to the superannuates, you know, if you think there might be something unusual. There are different steps you can take to independently verify information.

But we wouldn't be making recommendations not cost effective. I think you still need to make that decision. But you need to do something.

Mr. McLaughlin: — If I can just respond to one thing. We don't actually get all of the payroll records from the boards. What we get is an extract from their payroll system which tells us who has been working and who is making contributions.

Now if in fact they've paid someone and there are no contributions associated with it, I doubt very much if the school board would send us that information. In other words, I think if you were to add up all of their payroll costs, there are probably people who are not teachers who are not reported to us and they probably would vet out those people who they don't choose to report.

So it's not a question of us taking a comprehensive payroll package and then checking it against our list of retirees to see if there's anybody on there who should have been reported. All we are going to get is the people that they choose to report to us. It's not a complete payroll extract.

The Chair: — Okay. Thank you. Mr. Wartman, any further comment? Can we go to . . .

Mr. Wartman: — No. I think I'm ready for the question.

The Chair: — Okay. The question is before you. Nonconcurrency — all those in favour? Opposed? Carried.

Are there any other recommendations? No? Okay. Perfect timing.

That takes us to the end and I want to thank the officials from Education for being with us and all of the people from your office as well, Fred. Thank you for this morning.

We reconvene at . . . (inaudible interjection) . . . No, that's not part of your package by the way. We reconvene at 1:30.

The committee recessed for a period of time.

The Chair: — Welcome back, we'll begin. Our session this afternoon is going to deal with Post-Secondary Education and Skills Training. And first of all, I'd ask Mr. Wendel to introduce, I think, one new person that we didn't see this morning. If you would, sir.

Mr. Wendel: — Thanks, Mr. Chair. Yes, with us this afternoon is Jamie Burrows. He's a new chartered accountant in our office this past December and he's here to observe.

And Judy's going to take you through Post-Secondary Education . . . (inaudible interjection) . . . Jamie Burrows.

The Chair: — Welcome, thank you. And Deputy Minister Yeates, welcome. And would you introduce your officials as well.

Mr. Yeates: — Certainly, thank you, Chair. On my right is Gord Sisson, who is the director of financial planning for our department; on my left is Lily Stonehouse, assistant deputy minister; and to Lily's left is John Janzen, who is the acting director of student financial assistance.

The Chair: — Great. Thank you very much. The chapter that we have before us in Post-Secondary is chapter no. 5 of the 2000 Fall Report, Volume No. 3. And we have, I believe, two presentations: one coming from the auditor's office and one coming from the Department of Post-Secondary, and that will be excellent.

So we'll begin with you, Judy, again. Thank you.

Ms. Ferguson: — Thank you, Chair. Good afternoon, members of the committee and officials.

As the Chair indicated, we're here to provide an overview of chapter 5 of our 2000 Fall Report. Unlike this morning, we are focusing on one chapter.

We're going to roll with the handouts here. This afternoon . . . I had broken my presentation up into two parts — one is to provide a quick overview of the risks that the department faces, and the next is to focus on the audit conclusions and finding.

With respect to the department — Saskatchewan Communications Network, student aid fund, and the training completions fund for the year-end March 31, 2000. And for the June 30, 2000 year-ends — it's SIAST (Saskatchewan Institute of Applied Sciences and Technology), Northlands, and Southeast Regional Colleges, the two colleges.

In 1998 we worked with the department to identify areas where the department needed to focus to reduce its risks and challenges. We set our discussion of these risks out in chapter 4 of our 1998 report in a fair bit of detail, and I would encourage you to refer back to that report.

In this chapter what we've done is we've highlighted these three areas. They are: first, to coordinate the efforts of the key post-secondary institutions to deliver post-secondary education and skills training effectively and efficiently; secondly, to ensure post-secondary education and skills training responds to the needs of the public and of the employers; and thirdly, to

ensure reasonable access to quality education and training opportunities to those in Saskatchewan.

We understand that the department is currently implementing a more comprehensive and systematic approach to risk management, and in the current audit we look forward to an update or confirmation of these above three areas.

On pages 204 and 205 of our report, we provide information on the revenues and the assets held of the various funds and institutions within the post-secondary sector. And I'd encourage you to look at that information because it gives you a better feel as to the size of the sector.

You'll note that currently the sector holds assets of almost \$900 million. Okay. So it's a significant size.

On page 208 of our report, we set out our opinions. First off, the 2000 financial statements for the Saskatchewan Communications Network, for SIAST, for the training completions fund, for the student aid fund, for Southeast Regional College, and Northlands Regional College are reliable.

Secondly, that the department and these agencies have adequate rules and procedures to safeguard assets, of its own assets and those of the funds, except for the matters that I will bring to your attention shortly.

Thirdly, that the department and these agencies complied with the authorities governing its activities except for the continued concerns of our office about the verification of certain information on student loans.

As we indicate on page 208 of our report, at the time of our report we had not yet completed the audit of Carlton Regional College for the June 30 year-end and our audit of the Apprenticeship and Trade Certification Commission. That would have been its first year audit for the March 31, 2000 year-end. We will be reporting the results of both of these audits in our 2001 Spring Report.

On pages 208 to 214, we provide you with an update on the status of the implementation of the recommendations that we made. These recommendations are not yet fully complied with. The first three recommendations you will find deal with the department's accountability. Your committee has met in the past and discussed these recommendations specifically in 1999. In your March 1999 report to the Assembly, you concurred with each of these recommendations. In this report, we note that the department is making good progress towards the implementation of those recommendations.

In the report, we highlight the department's work on the accountability for the Saskatchewan training strategy and its consistency with the accountability framework recently adopted by the government — the performance management and accountability initiative. We think the interpretation of this framework will greatly assist the department in developing clearer description of its key accountability relationships. You may wish to ask the department to discuss this framework further.

We also highlight the department's work in the development of a sector plan. This is an area that our office has been encouraging the department to move forward in for the last couple of years. The department is actively working on the development of this plan. At the time of our report, the department was consulting with its key stakeholders on the content of the plan. And again, we look forward to the department in making this plan public and reporting its progress against the plan.

Subsequent to our report, the department tabled its 2000 annual report. That annual report now includes its goals and objectives, which is a step forward from prior reports. Similar to other departments, the department has not yet finalized its key measures of performance and as a result, the annual report, the 2000 annual report does not report on such. We look forward to continued progress in this area to make the annual reports better accountability documents.

Our office also reports on the outstanding recommendation in relation to the student aid fund. Your committee has met and discussed this recommendation in 1999. In 1999 your committee concurred with this recommendation and it also . . . it previously concurred with this recommendation in December of 1996. So as you can see it's a recommendation that has been before the committee for a number of years.

In 2000 the department approved about 17,000 student loans worth about \$128 million, of which 58 million are for Saskatchewan student loans. The remaining amounts are for Canada student loans.

Loans made under the student loan program are subject to a large number of eligibility criteria. Verifying the loan information ensures only eligible students receive aid in the correct amounts. Also a number of the department's grant programs and financial assistance programs are based on the approved loan amounts. So there's an inter-relationship between the loans and the grants provided by the department and fund.

The department must continue to decide which applicant information they verify before approving the loan application and which information to verify at a later date. Sufficient and timely verification reduces the department's risk of incurring additional costs and of not complying with regulations, specifically the lender finance Saskatchewan student loan regulations.

In this report we note the department's continued progress in this area. If you turn to page 113, we identify the key information that the department does not specifically verify. And it's the third paragraph . . . the second paragraph on that page or the first full paragraph. The department does not yet sufficiently verify information with respect to whether students remain employed as full-time students throughout the school year; attendance of 90 per cent of the classes for students attending schools that monitor attendance; the number of dependants; their single parent status; receipt of daycare allowances, alimony, child support payments, and scholarship funds.

As we note in our report, the department has plans to undertake

further verification on some of this information. Due to the extent of the loan, the number of loans that are issued and the inter-relationship between the loans and the grants, we think this recommendation continues to be important and we look forward to continued progress of the department in this area and moving forward in verifying additional information.

Also in this report, we make two recommendations that relate to the labour market development agreement. Those recommendations were initially made in our Spring 2000 Report, chapter 4. As we explain on page 51 of that report, the department entered into a Labour Market Development Agreement with the federal government in February 1999.

Under that agreement the department assumed an expanded role in the design and delivery of employment programs and services in Saskatchewan for employment insurance clients.

Also under the agreement the department receives federal funding. In 1999-2000 the department completed its first full year for various labour market development activities. It received \$42.9 million as compared to \$8.4 million in the prior year from the federal government for these activities, and it incurred related costs of \$48 million as compared to \$12.6 million in the previous year.

For both years the department received the maximum amount available from the federal government for these activities as allowed for, under the program, in the agreement.

To retain these funds the department is required to provide the federal government with certain information and an audited statement of eligible costs incurred under the agreement. To provide the federal government with the agreed upon information, the department needed to track its costs and activities differently than it had done so before. This means that it needed to make changes to its information systems and how it went about doing its business.

In this report we report on the progress that the department has made with respect to the concerns that we made in that 2000 Spring Report. Although the department did make a number of improvements, we continue to have two main concerns. And they are that the department ensure its activities and its systems, identify and track all labour market development activities, and provide regular reports; and secondly, that the department work with the federal government to gain a common understanding on the eligible costs before the department prepares its budget and incurs related costs.

We think both of these recommendations are important so that the department isn't incurring costs or when it does incur those costs, it knows to the extent it will be recovering those costs from the province. And also we think it's important to make sure that its systems can provide sound, accurate, and timely information so that it has that information to make decisions throughout the year.

So in summary, we have two recommendations that are new to the committee. Those recommendations are on page 209 — and if we could turn to that page — and they are, as I just indicated, the ones that say:

The Department should ensure its systems identify and track all costs related to labour market activities and provide regular reporting throughout the year;

The second one being:

The Department should work with the Federal Government to gain a common understanding on eligible cost before the Department prepares its budget and incurs related costs;

That concludes my presentation.

The Chair: — Thank you very much, Judy.

Okay. We'll go directly into, rather than . . . The format we had been following, Mr. Yeates, is that we've had presentations or comments from both groups first and then we open it up to questions that could be directed to either the auditor's officials or your officials. So if you want to . . .

Mr. Yeates: — Okay. That's great, Chair. If it's okay, I'll come up here and just use the machine here, assuming it works. Assuming it works.

Okay, thank you. Thank you very much, Chair. Pleasure for us to be here today and talk about a number of issues in the post-secondary sector and specifically the issues that have been raised by the Provincial Auditor.

So what I'd like to talk about this afternoon is talk about the work we've been doing on accountability and sector planning within the post-secondary sector, and then specifically speak to the recommendations that the auditor's office have made on those accountability relationships on annual reporting, on the tracking of the labour market development agreement, and on verification of student loans.

So to start off with then, on accountability. I think, as you know, a government-wide accountability framework was adopted in December 1999. There's three key components to that: a set of planning activities; a set of performance measurement activities; and then a set of reporting activities, both public reporting and internal management reporting. So we've been working on all three.

Our department was one of seven initial pilot departments that took this on. And as we looked at this — and I should just say I was the person actually who worked on this project and I was in the Department of Finance and came over to Post-Secondary, so as you can expect, I'm a big believer in these kinds of systems — and as we looked at this in the context of Post-Secondary, our first conclusion was that we should take a sector-based approach to this work.

And the system really, the primary focus of it has been on departments but we felt this needed to be applied more broadly to our sector right out of the gate. Whereas when we were thinking of it when I was in the Department of Finance, we were sort of thinking departments first and third parties second. So we sort of jumped into this with our entire sector.

And really what are the reasons for that? Well I think there's several in our situation. One is a lot of the business, really the

majority of the business of this sector is delivered through third parties — the universities, SIAST, regional colleges, a whole host of community-based organizations that we contract with. So actually the bulk of what gets done here is done by groups other than the department.

So it's very important that we as a sector have a sense of shared priorities and work together on them. Related to that is getting more specific in terms of outcomes — what outcomes are we trying to achieve as a sector and what's the role of each of us, including the department, in achieving those outcomes.

We felt that as a sector we need to better understand the trade-offs between the different policy objectives in our sector, better understand the risks that are involved in some of the things that we're trying to do.

In addition, we felt that taking this kind of approach — knowing that all of this would become public eventually — would assist with public awareness of what our sector is doing because I think in many respects public awareness is fairly low. And would also serve — we believe optimistically — to increase public confidence in what the sector is doing. Because the confidence of the public is very important for us effectively carrying out our business.

And then lastly, we really wanted a more multi-year, longer-term approach. And historically with the budget it's tended to be seen much more as a single-year approach. And having a multi-year approach, better to be thinking in a longer-term plan of perspective that's needed for some of the objectives that we have. They can't be accomplished in a single year.

So in terms of implementing the accountability framework within our sector, we've started off focusing on a plan basically for the sector. We called it a sector strategic plan, and basically it's a series of goals, objectives, and then more detailed actions for us to undertake as a sector.

Now different parts of our sector already have reasonable planning processes in place from our point of view. SIAST and the regional colleges, for example, prepare a business plans and in SIAST's case, it's a five-year business plan. It's viewed and approved through the department and by the minister; the same thing with regional colleges. Our relationship, of course, with the universities is somewhat more arm's-length, but we're having more and more dialogue with them about what some of the provincial priorities are, vis-à-vis what they're doing as institutions.

Related then to the plan is developing a set of performance measures for this plan, and I'll come back to that in a minute. But because Judy emphasized, we feel that it is very important to have some way of trying to monitor it, measure it, what it is we are trying to accomplish as a sector.

And then lastly, enhanced reporting, which is essentially reporting on those measures and the plan, and recognizing that yes, measures are very important but that's not the only thing we would report on. There's a great deal of qualitative reporting that we need to do to sort of explain our environment and other things that are happening in terms of reporting. So basically

we're working on really all of these things at the same time, but the most effort at this point has been put into the sector plan itself.

So the approach we've taken is to have a collaborative approach with our sector partners, and we set up a steering committee last July. We have representations from the universities, each of the universities, SIAST, the regional colleges, the Apprenticeship Certification Trade Commission — am I missing somebody; no, that's it — ourselves, of course, ourselves. And we also have a working group that's carrying out a lot of the actual detailed work on behalf of the sector representatives. So that's been proceeding along for about nine months now.

One of the things that we've found as we've worked on this plan is that we have to continually reassess how to balance what we've conceptualized as four different factors in our sector. They're fairly similar to the risks, really, that Judy identified in their analysis — we've described it a little bit differently — and that's how do we balance access to post-secondary education and training services. How do we balance that with affordability so the costs of post-secondary, the capacity of our system, and the quality of the services that we provide as a sector. And as I'm sure you're all aware, we have challenges in all of those areas.

We have different groups of people wanting different levels of access to the system. Cost is an issue in post-secondary — cost to students, and to families, cost to taxpayers. The capacity of our system, you know — how big is it, how many spaces does it have in different types of programs, how do we balance that? And then what's the quality in terms of what it is that we are providing.

So we're getting into this discussion with the sector on a much more regular kind of way and it's a very helpful discussion for us to have with them.

In terms of, more specifically then, with respect to the Provincial Auditor's recommendations, these are the main recommendations that have been made with respect to accountability: a clearer description, developing a plan, reporting on the plan, improving our annual report, and having regional colleges improve their performance reporting to their boards.

So, just to take each one of these then in turn. What we've done through the sector plan is set out government's expectations for the groups we work with in the context of the post-secondary sector. And then we're asking SIAST, the regional colleges, and the Apprenticeship and Trade Certification Commission to align their business plans with the sector plan. And we basically are saying to them, when we review your business plan it'll be in the context of this broad sector plan.

And then we'll go through, maybe go back and forth a couple of times in terms of asking for some revisions to those plans, making sure they're well aligned. Of course, those business plans include a financial plan because it's coming after the budget direction that they've received. And then the reporting on those plans will be reflected in the annual reports that you see in the legislature.

I mentioned that our relationship with the universities is different from the other parts of the sector, but there are some important things that we're doing with them right now. We are engaged in a discussion of the respective mandates of the University of Saskatchewan and the University of Regina. As you probably know, both of those universities have what are referred to as open charters. That means they have the ability to set the programs and so on as they see fit. They do not require the government's approval to do that. And this has been the case for a long, long period of time in the history of this province.

So we are having discussions right now, perhaps about having it more clearly defined, and specific mandates for each of the universities. As you can imagine, there's a fair bit of sensitivity in those discussions as you talk about the role of each university, but they are very important discussions to have.

We have also implemented a new funding system for the universities. Since about the mid-1970s we have had a funding system that basically provided a fixed share of whatever pie was available to each university. And we have now implemented a cost- and activity-based funding mechanism. So that's a big change in the way we do the funding. It does create some incentives for the universities and that's been an important piece of work for us. And this has been the first year that we've implemented this new funding mechanism.

We've also been encouraging the universities, along with the auditor's office, to improve their reports to the legislature. And as we get into this planning/performance measurement/reporting kind of cycle, what we expect we'll be seeing is reports from the universities that are much more based on the context of the sector plan and a set of performance measures for the universities. So that's where we would like to end up. And this is what we're working our way through at the moment.

In terms of coordinating sector planning, another recommendation really as I've already mentioned, the sector plan is under development. We hope to be publishing it in the next while; that will be pending a government decision on publication of these plans.

And you know we're well aware that this system has to evolve over time. And we're trying to be quite careful about how we go through it and be quite thoughtful about the kinds of measures and so on we choose, because these things influence people's behaviour and you want to be careful about how you do this. And I would say that we've really had excellent co-operation from the institutions. The group has worked very well together on this, on this work, and we've been very pleased with what they've done so far.

In terms of improving our annual report as a department, Judy mentioned that in '99-2000 we included the goals and objectives from the sector plan. And what we plan to do in 2000-2001 is report on our progress on those goals and objectives, and ultimately will include the performance measures.

The performance measurement work is underway right now. We do have a draft set that we've developed with the sector,

and we hope in the next couple of months that those will be finalized and that there'll be a reasonable degree of consensus on the types of measures we should be using.

So at the same time, of course, we're also encouraging our institutions to do the reporting on this kind of basis as well.

In terms of the regional college performance reporting, we are just in the process of rolling out a new student information system that automates the collection of data on students. This really is a huge step forwards for this system because trying to do a lot of this analysis without a good database, an automated database, is really very time-consuming and very difficult. So we're just in the process of doing it now. We're rolling it out in sequence to all of the regional colleges.

At the same time we're looking to have colleges improve their business planning and their reporting to us, and publicly. And of course again that will include developing performance measures at a regional college level.

In terms of the Labour Market Development Agreement, the auditor's office has made a number of recommendations, and by and large of course we agree with what is being recommended here. There are some questions about how readily some of these things can be done.

The LMDA (Labour Market Development Agreement) we just started in January 1, 1999, so it's . . . we've basically got two years experience now. And I should just emphasize that we are providing what's referred to as the Part II services under the Employment Insurance Act. The federal government, through HRDC (Human Resources Development Canada), is still determining eligibility for employment insurance, and that is where we run into some complexities.

They determine who is eligible for benefits; from that we provide these Part II services as they're called. And we run into issues continuously about who is eligible, who is not. That changes over time. People's eligibility runs out, etc., etc., new people come on. So it's kind of . . . It's a complicated tracking back and forth between our two, between our two systems.

But we are implementing an information management system that will make this a lot easier. We've had some compatibility difficulties here, and we're really looking to be able to track employment insurance clients throughout our entire system. And this is basically complete now for all of our delivered services, except student loans, and it will be implemented for our institutions — SIAST, regional colleges, and student loans as well.

We also implemented a quarterly reporting process for the LMDA, which will summarize activities and expenditures, and we think that's an important step, important step forward.

We are of course working to maximize federal revenue, Judy mentioned. We've done that in the past two years. We are spending more here than we're eligible to claim from the federal government. The federal government has capped the contributions to provinces for these services. So we are spending, we estimate, about \$6 million more than we're currently receiving back. And we are lobbying, along with other

provinces, to increase the ceiling on federal funding for these services. The demand is high for these kinds of services.

And we believe we have achieved earlier clarity than we achieved last year in what's eligible for program costs. We have to update this annually. It does involve some negotiation with the federal government. Just as an example, we're currently negotiating with the federal government on what are eligible accommodation costs under the LMDA. And work like that sort of goes in and out, year in and year out . . . and also working on facilities' costs and information technology costs as well. So it's going to continue to be an issue for us really as we continue to negotiate with the federal government.

In terms of student loan verification, we have a, really a balance to maintain here in our view about providing timely financial assistance to students with an appropriate level of verification. When Judy listed the list of issues that you know can be verified, it's a long list of issues. And as we all know, all those circumstances change everyday. So we could re-verify this every other day if we wanted. Clearly that's not practical.

So we're trying to figure out what's the best balance, what's the cost benefit on some of this verification. Because if we do too much of it, we will generate a lot of overpayments with students. By definition you have to be relatively poor — if I can put it that way — to get access to student loans. And if we're chasing after people with overpayments, it really provides a disincentive to them to attend post-secondary education and training. So we worry about that a little.

But we have implemented a number of recent changes. We're using an electronic checking process with the universities to verify enrolment and course-load levels in terms of full time versus part-time with both of the universities. So that will take care of that.

We're also auditing the compliance to private vocational schools for attendance and if students have been discontinued. And we're doing random audits of things like daycare allowances and support.

So this is something we will continue to work on to try and make sure we have the right balance here on verification. We'll continue a dialogue with the auditor's office of what an appropriate balance is on these issues.

So to sum up then, in terms of the main components that I've talked about, the sector plan is a work in progress. We're very pleased with the progress to date. We think this is very good and will be very useful for the sector.

We've got good co-operation in implementing this new accountability regime in all of its components, and we believe we've made relatively good progress on the recommendations that the auditor has made to us. Thank you.

The Chair: — Okay, thank you to both Ms. Ferguson and Mr. Yeates for your presentations. And I'd open the floor to questions or comments of either of the individuals from any of the members.

Ms. Draude: — Thank you for the presentations. Mr. Yeates, I

appreciated your going through the accountability framework and talking about performance measurements. And you talked about balancing the competing priorities of access, affordability, capacity, and quality. But the part of it that I was waiting to hear you talk about — and it's probably there but maybe it's just not spoken about — is, is there really a plan to determine the effect of this process on the outcome? And I guess more specifically, are our students more employable? Are we meeting the expectations of the workplace because after this is all done — after the process is all gone through — really at the end of the day what matters is, are the students more employable? So how are you looking at that? How are you going to determine if you're actually meeting those expectations?

Mr. Yeates: — Well I hope what we'll see down the road is the kind of performance measures that'll address exactly those questions. And one of the discussions we've been having is the use of, for example, graduate employment rates as a measure for our system. As you may know, SIAST carries out an annual employment survey of graduates to track employment rates and to ensure sort of the relevancy of their programming. So that will certainly be a major measure of success for our sector.

What we're trying to focus on is what are the key outcomes that we're looking to achieve as a sector and how would we measure that. And the one you've identified is one of the top ones certainly.

Ms. Draude: — Are you going to be meeting with the employers of different sectors to determine if we're missing the boat in some area?

Mr. Yeates: — We have, we do have quite a bit of interaction with employers. SIAST, for example, has a whole series of advisory committees in each of their program areas with a very heavy employer industry involvement that provides input and so on on curriculum and on the skills of graduates who are coming out the other end of the program.

The universities have that to a lesser extent. They have it more with the professional programs. As an example there's a lot of linkages from the professional colleges into a lot of the professional associations. The same kind of dialogue is taking place.

But it is a continuing challenge for our sector in terms of responsiveness, and one of our objectives is to improve the responsiveness of our sector to the labour market and to employers.

Ms. Draude: — Thank you.

Mr. Yates: — Thank you, Mr. Chair. My questions, I have two questions. I'll start first with the student loan program. And I'd like to start by complimenting the student loan program for their efficiency. Whenever I brought issues to the program, they've done an exceptional job in dealing with those concerns. So I think that's, you know, meritorious for your particular program in the last couple of years.

I'd like to talk a little bit about some of the concerns that people raise when we're out talking about a student loan program, and

one of them being the levels that are determined for access to student loan programs — the financial levels. There are more and more parents out there finding it difficult to afford to put their kids into post-secondary education, and finding that there is a group of people out there that sort of fit into . . . they can't afford it themselves yet the student loan programs don't provide access to their children. And I'm just wondering if there are any discussions going on between the federal government and provincial government to look at re-evaluating where those levels should be?

Mr. Yeates: — Certainly, I can speak to that. That issue has been raised with us and we have raised it with the federal government, as you probably know. We use the Canada student loan eligibility guidelines for determining income levels in terms of access to the program. And this is an issue really right across the country — of course it's not just unique to Saskatchewan — and so we have raised that with Minister Stewart of Human Resource Development Canada and it's also part of the discussion we're having amongst Education ministers and deputies.

And so this whole issue of financial accessibility is an important one and something that there is work going on nationally to assess it. And I expect, you know, we'll see some outputs from that in the next year or so.

You'll notice the federal government has made some tax-related improvements. They have increased the education tax credit and they are also talking developing individual learning accounts as a way to help actually primarily adults who are going back to school, similar to an RRSP (Registered Retirement Savings Plan) kind of idea.

So there's a lot of different ideas being floating around, but one of them is the eligibility levels for students loans. So yes, that is an issue and there are discussions going on.

Mr. Yates: — I have one other question along that line. You have a number of students graduating from high school every year that for one reason or another, even if the parents are able financially to provide assistance, ultimately refuse to or are not willing to provide assistance to their children for post-secondary education. And again we use the current federal guidelines for those types of issues. Has there been any discussion of those types of problems at the national table?

Mr. Yeates: — Specifically for the rules in and around who are classified as dependants?

Mr. Yates: — Dependent children, yes.

Mr. Yeates: — Not specifically on that issue, but I would maybe just go back to the principles of the student assistance programs, and one of the key principles is that the program is intended to supplement family resources. It's not a last dollar financing program for access to post-secondary. And that's very clear; government's been very clear about that, that this is not a last dollar financing program. It is to be a supplement to family resources.

And therefore, on issues such as you raise, the program really isn't designed to deal with that kind of issue, and in fact, some

would argue that it should not, you know. Because otherwise what it will do . . . the potential effect is that in fact it'll decrease family involvement and responsibility in helping to save and finance post-secondary education.

Mr. Yates: — And my final question on this issue is, in the worst case scenario, if we fail to, for whatever reason, verify . . . or can't verify a piece of information on a student loan, would it not be that we would help some young person go to school that maybe earned more money in a part-time job than they should have? Would that not be the worst case scenario? Because there's no appeal on the side of giving money; there is on the other side, I guess.

Mr. Yeates: — Yes, I mean, I guess the worst case scenario — if I can use that language — is that somebody receives benefits they're not entitled to. Now, you know, you can argue it's for a good purpose, that they're getting access to post-secondary, but clearly we would be concerned if that was happening in a systematic kind of way.

So we do, you know, we do have to, as I say, I think, assess what's the appropriate balance on these things. We want poor people to have good access to post-secondary education, so as a policy objective we say, yes, that is very important. People should get all the benefits they are entitled to — no more, no less, you know — and so what's the best system that we can have for ensuring that takes place.

You know, there are some cost benefits we have to assess in how far is it worth doing the verification as I mentioned. So we want to strike the right balance in doing that.

Mr. Yates: — Thank you.

Mr. Wartman: — Okay. With regard to post-secondary education and job training programs, what kind of process is involved in developing partnerships? For example, if forestry or oil industry look out and they see that in the labour force there are not enough skilled people, what kind of processes are involved in that? What kind of funding arrangements do you make in that type of a partnership? And are there specific focus set on Aboriginal youth in terms of developing those partnerships, given the changing demographics?

Mr. Yeates: — Okay. I'll take a run at that, member.

Well there's a few things that we do that I should identify for you. One is, both SIAST and the regional colleges undertake a needs assessment every year. And that's an assessment based on discussions with employers about what are emerging labour market demands in each area of the province, and that's then matched against the kind of programs and the capacity of the programs that they would have, both in the regional colleges and on the SIAST campuses. So that's a fairly broad-brush kind of approach.

Then as a department, we sponsor what we refer to as sector partnerships. And this is where there's a sector that's got an interest in working collectively with us and with the training institutions, primarily SIAST here, in a specific area of industry. So forestry — actually is the example you mentioned — is a very good one. We have a forestry sector partnership at

the moment.

We typically provide some seed money to help this process along. Industry typically makes a contribution, and we undertake joint planning.

We assess labour market demand that's coming down the pipe and employers identify that, the kinds of skills they're looking at. We then match that against the capacity that SIAST has and then, say, the curriculum and often it may require change in the kind of program that we have available. It has in the case of forestry.

And then we look at trying to gather together resources to put on the kinds of training that's needed. Now that could include a whole variety of things. It could include a SIAST-based program, it could include work-based training that the employer might be responsible for. But we could help them with a variety of other kinds of options.

So we have about 20 of those sector partnerships underway or in varying stages — some of them very traditional industries, some of them growing industries like forestry, some that are emerging like aircraft maintenance engineering, things like that. So we get that whole gamut of work that we do. We have employers right across the, right across the economy.

On the supply side — if I can put it that way — where we're dealing with specific target groups like Aboriginal youth and Aboriginal students, when we're in having a discussion on sector partnerships we'll also include a discussion about, all right, what's some of the likely supply of this kind of, you know, labour. And that then tends to be a more geographically based discussion. And often we'll set targets for Aboriginal participation.

And again, that is the case with forestry. Because it's in the North, there's a various obvious connection to increasing employment for Aboriginal people. So that's part of the plan right from the beginning. And then the Aboriginal partners are brought into that discussion to help make it happen.

And probably the most successful partnership we've had is one that's several years . . . underway for several years and that's the multi-party training plan for mining. In the mining industry they had a target for 50 per cent for Aboriginal employment. They've exceeded that. It's been a very successful collaborative process in terms of working together.

So sort of maybe to summarize it, we've got the sector work we do, we've got the work that SIAST does at a regional and a provincial level, regional colleges working at a regional level, and then the department . . . The one other piece is, the department also collects what we refer to as labour market information which is there's work that's done nationally on projecting demand for different occupations.

It's not a complete science as you can imagine, but it does try to look at the kind of data we have and then goes through a whole series — like hundreds of occupations — and tries to make some projections. We try to use that information, to feed it back to SIAST, and use it ourselves for planning with respect to program development in the province.

Mr. Wartman: — Is there a formula for the funding of the partnership arrangements? How much the department puts in? How much the partner might put in?

Ms. Stonehouse: — We look for involvement by the private sector and by the partners in the process. Every partner pays for their own participation.

The department has a limit of \$50,000 available, and our funding usually supports the actual planning activity, the research related to that, and the planning activity related to that.

I might just also say that we require Aboriginal participation at the table with all our sector partnerships, including the Aboriginal institutions. So in addition to bringing them into the planning as Neil has described, the institutions themselves are also at the table and can develop their programs and services in line with demand.

Mr. Wartman: — One other question on that line is with regard to the breadth of the training. And I think of a program that was raised in the late fall in terms of oil field workers and the training for those workers, where there is significant need of new skills development, new employees to be developed. Is it broader than just the focused area of the work? Would there be some . . . And recognizing that there are a number of people, and we are seeing the statistics this morning, again those who identify some of their ancestry as Aboriginal who are dropping out of school before completion of grade 9, and would there be some basic education along with the particular job skills training that would be a part of this?

Ms. Stonehouse: — That'll be specific to each partnership or each sector or each region. And in some cases in the multi-party training plan — and mining is a good example — where the difficulty is getting people up to speed so they can benefit from skill training, there's a very high, basic education component.

In the training which the department supports there is always a link to credit. And by definition that link tends to ensure a broader approach and a quality approach to training. However we don't insist that people get the whole credential the first time they get engaged in training.

So in the oil field example, for example, they may get the specific skills that the employer needs right then to hire them, but they'll have credit for that so they can build on that. And over time they may achieve a certificate or then a diploma. So the credit transfer is built into our program.

Mr. Wartman: — And also, and again, it's with a reference to that specific industry where you've got kind of a unique cycle each year in terms of when rigs can move and so forth, would the timing of courses be built around that as well?

Ms. Stonehouse: — Yes, and again to the extent that we get the employers engaged in the planning process we're able to understand that and do a better of job of scheduling. Probably the best example in the oil field area is the work that we've done through Southeast Regional College in the southeast part of the province. And they actually have what they call an institute, where the employers in the region are directly involved in the planning with the regional college. And they

time their programming directly with what the employers need in that case.

Mr. Wartman: — Thank you very much.

The Chair: — If I might, before I go to Ms. Draude, I want to follow up on Mr. Yates's question regarding some scholarships. There have been concerns raised, I think, by many parents regarding first of all the bursary as awarded as part of the Saskatchewan scholarship program, and then the millennium scholarship that came into being and was then complementary to the Saskatchewan one.

The first question is, when a student receives a bursary on the . . . for the Saskatchewan portion, which is loan and bursary, is the bursary taxable and is each student issued a T4 or T4-A or whatever's necessary by . . . for Revenue Canada purposes?

Mr. Yeates: — That's a good question for Mr. Janzen.

Mr. Janzen: — I thought it would be. Yes, the bursaries are taxable and they are issued a T4-A.

The Chair: — Okay. Is the same thing occurring now with the millennium scholarship in that the money, technically I guess, didn't go to the student even though it was applied against the bursary that the student had originally been granted, so therefore there still is a combined T4 now that would be a T4 part for the Saskatchewan bursary part, and a T4 for the millennium scholarship part?

Mr. Janzen: — Yes, that's right.

The Chair: — No wonder people are confused.

Ms. Stonehouse: — Do they get two T4s?

Mr. Janzen: — No, they get one T4 because we issue the T4. We're only required to issue one T4 for the taxable benefits that we give a particular student.

The Chair: — Do you indicate on the T4 whether or not . . . what the breakdown is then of the part that is Saskatchewan?

Mr. Janzen: — No, I believe, I believe it's just one number on the T4-A.

The Chair: — So that would be inclusive of the scholarship . . . the millennium scholarship and the Saskatchewan bursary portion.

Mr. Janzen: — That's correct.

Ms. Draude: — Okay. I have one question about the student loan as well. You talked about the eligibility, but I think . . . I get a lot of calls about the amount of money as well, students finding it difficult to survive on that amount of money.

And their question to me is in their . . . this is a loan, most of it's not a grant, so I'm borrowing money, and I'm paying interest on it so like why am I jumping these hoops? So I always have to think well maybe there's a lot of people not paying it back or is that amount of money . . . is the amount of

cases that aren't paid back, is that increasing or is there any effort to see if this amount can be increased?

Ms. Stonehouse: — If you consider all the bursaries and forgiveness and debt reduction that Saskatchewan provides through the student loan program, for every dollar that a student receives in loan, we're providing 42 cents in some kind of grant. So that they end up only having to pay back whatever that is, 58 cents on the dollar.

Because of that, it is costly for government as a program, because it's not a pure loan. And again, the reason for that is that the program is focused on those most in need and we are attempting to ensure that the debt that they do incur by the end of the program is manageable — so trying to keep the debt within a manageable range — and we use these debt reduction measures. A bursary is a good example to do that.

Mr. Yeates: — If I can just add. We do expect with the expanded bursaries that we've implemented in the past couple of years, that average student debt levels will start to decline, which we think is a good thing and it will make repayment easier. Students who are entering now are getting more . . . a greater proportion of their loan is forgivable and so the average debt level will start to go down.

Ms. Draude: — Of course, we're all in favour of that. We don't want our kids leaving with a debt load equal to a mortgage.

But at the same time I have cases that come to my office where people can't continue their education because they can't get what they consider to be a loan. And in lots of cases that they say, at least lend me the money and I will pay it back again, whether it's . . . I'm not asking for a bursary on all of it, I'm just asking to be able to take the classes that I need.

So I'm probably not the only one that's brought this to your attention and I think it's something that has to be looked at, because there are children, students, mature students too, who just can't get the education that they want just because of the cost.

I have one last question. Should I do it now or . . .

The Chair: — Yes, please.

Ms. Draude: — Okay. And this is to do with the labour market board. And I know that many sectors are talking about working with different departments, and I'm following up on Mr. Wartman saying how are you . . . are you working with different groups.

I had one organization tell me now inter-sectorial collaboration is the term — that is a key word. I'm wondering, do you work with the employment supplement through Social Services? And is there some time when people are eligible for that program that they would be better off or could they find their way into the skills and training part?

Mr. Yeates: — Well we do a lot of work with Social Services, and a significant part of our clientele are people who either are, or were, in receipt of social assistance.

We have what's called a provincial training allowance which takes people off social assistance and puts them into training for basic education essentially, with a view that they'll be able to then advance further from there.

Our department increasingly is providing more and more income support to provide people access to training. You know, we're getting up to about 20 to 25 per cent of our total spending is on some form of income support to provide people access to education and training, and that's grown dramatically over the years.

So we do a lot of work with Social Services. We're just going to be starting up next month actually a couple of key pilot projects with Social Services — one in Yorkton, one in Regina — to try and work with people who are coming in the front door at Social Services, and try to get them either into some kind of education training or employment program before they ever get on social assistance.

So we're trying to be more proactive and move things more towards the front end. And it is a major area of activity for our department. As you may, as you probably know, we have taken over the former New Careers Corporation services. That's been absorbed into our delivery system now. So our current employment services offices throughout the province are providing services not only to EI (employment insurance) clients but to social assistance recipients, the general public, and so on. So we're doing more and more of that kind of casework.

Ms. Draude: — So are you planning to do an analysis of that immediately so you know how effective this is with clients?

Mr. Yeates: — Yes, we'll be, I mean . . . We are developing performance measures to sort of measure and track this and try and . . . The better system we can get for tracking people as they go through our system — you know, with a common student number, you can see where people are at and where they go through different parts of our system — that allows us to do the kind of evaluations and tracking that you are talking about.

And so that's coming. I think we're getting there. You sort of need a big information system to allow us to track people, and historically we've had information systems that are just based on each part of the sector. They haven't been that well connected.

Mr. Wartman: — Following up on the last question reminded me of a situation I ran into about a year and a half ago.

A woman who was just past 30, had been on social assistance, single mom with three children. Being just past 30, the oldest child was able to help look after the little ones. She wanted to get some post-secondary education and had it in her mind that being over 30 she was not eligible for any of the support programs to help her go further in her post-secondary training. Is that accurate?

Mr. Yeates: — Well over 40, yes. But no, I mean anybody, anybody is free to apply. That's applying for a program that's eligible for student loans. So that could be anybody of any age. You'd meet the income tests that we have, and away you go.

The Chair: — One or maybe two questions, back to the scholarships. The changes that were made last year to create a credit, the \$350 credit for graduating students, how will that be applied to students with loans, and students without loans?

Mr. Yeates: — If I can speak to that, Chair. It's basically, if you've looked at the Saskatchewan tax form — I was working on my taxes on the weekend — and you'll see on the Saskatchewan tax form on the pink, there's a line there for the Saskatchewan post-secondary graduate tax credit. So basically it's a deduction from your Saskatchewan tax payable. So it really doesn't have anything to do with your loan or bursary, per se. If you've got a Saskatchewan tax liability, it'll reduce your liability by \$350.

The Chair: — If you do not have a tax payable?

Mr. Yeates: — Then you can carry it over for up to four years until you do. And because you're getting it when you graduate, you know from a recognized program, we felt that was giving people a pretty reasonable period of time to get into, you know, more stable, longer-term, longer-term employment. So you can just keep carrying it forward up to that four-year period.

The Chair: — Okay. And the changes to the interest charged? There's been some confusion and I'm unsure how to answer that when students call. What kinds of things have occurred regarding employment and how soon interest is now the responsibility of the student rather than the government?

Mr. Yeates: — The interest begins immediately upon graduation but students have the option of not beginning repayment until after six months. And that basically aligns our benefits in the same manner as the federal program. That's how Canada student loans work. We are a bit of an anomaly with that and so we've got the same program rules now between the two programs for that, for that item.

And I should emphasize, this sort of explains part of the reason we were doing this, is we are in the midst of negotiations right now with the federal government to fully integrate our two programs and we'll be the first province to do this. We expect to have an agreement within a month or so and this will basically line up all of our program policies so that they're the same. And for the student it'll have the appearance of one student, one loan.

And as you've referenced, I think this is a very confusing program for consumers. It's complicated. You know it's administratively cumbersome to implement. So we are actually very pleased we're going to reach this point.

Students will be able to access sort of the services here, you know, electronically, 1-800, and so on. And from their perspective, it'll just appear as one loan and we will deal with the federal government at the back end to split out the Canada versus the Saskatchewan costs.

So in doing that, it's been very important that our benefits are the same, where everyone just gets confused again about what applies to what.

On the upside, we will be improving our benefits for debt

reduction and interest rate relief reduction as well. And those will be major, major benefits for people who are having difficulty in repaying.

The Chair: — Thank you.

Mr. Wakefield: — Thank you, Mr. Chair. And I'm thinking now of particularly the labour market part of it, because it's such a transitional and a mobile part of our society, particularly in areas that are economically doing quite well in attracting those kind of people, is there any effort to operationally coordinate or have the objectives coordinated with other provinces, so that the flow of labour can go each way?

Mr. Yeates: — Yes. There is work going on between provinces in improving the mobility of workers.

As you may know, Saskatchewan has agreed to, as have all other provinces, to chapter 7 of the Agreement on Internal Trade. And basically we're working through all the occupations in the country to come up with what are called mutual recognition agreements which recognize credentials that have been obtained in one province, as they apply in another, without people having to get recertified. We've had some significant barriers for labour mobility between provinces, and I think, arguably, unnecessary barriers to mobility.

So that work is coming along. A lot has been done. There was a target date of July 1 of this year to have all of that work completed. I think most of the work will be done by that period of time. I think not all of it, but the vast majority of it. So that'll be big, big steps forward.

Same types of discussions have been going on with respect to the apprenticeship trades and making sure that we use one common standard, basically called the red seal standard, for apprenticeship trades. And that's being put into place across the country as well. So the occupations go all the way from physicians to apprentices, so it is the whole range of the labour market that's being addressed here.

And this will be a big step forward really for the country, because there's been a lot of frustration for individuals not having their credentials recognized in another jurisdiction.

Mr. Wakefield: — I appreciate that because I think there is an economic benefit here as demands change back and forth.

I just have one other question, Mr. Chair. When a new training institution comes on stream, do they have to put a performance in place before they can be recognized in terms of assistance for training?

I guess I'm thinking of, an example would be the Studio Saskatoon just setting up and not only needing some assistance maybe in getting started but for student loans who . . . and this is a very unique opportunity for . . . Do they have to have a certain time frame that they have to be able to demonstrate that they have a program in place before they're considered? How is it worked?

Mr. Yeates: — Yes, they do. You've essentially described it. Basically it's a one-year program . . . a one-year waiting period,

or graduating a first class. And basically we're looking for them to have a credible program. We're looking at the initial employment rates of their graduates. And then, assuming that is satisfactory, then they're made eligible for student loans.

We don't provide any direct operating funding, but the student loans has that effect by making the students eligible. So in the context of Studio Saskatoon, actually we worked with them very, very closely and assessed them very closely and, as you may know, recently in fact, they were granted that status. But that's basically how the system works.

Mr. Wakefield: — And I appreciate that consideration because it's so unique.

Mr. Yeates: — Yes. We're optimistic; we'll see what happens. But this group, for other members, are affiliated with Sheridan College in Toronto that has done extremely well in having people work for Disney and so on. So it'll be remarkable if we can accomplish this in Saskatoon. But, yes, there's great hope for this, so we'll see.

Mr. Yates: — I have a question for the department. I'm not sure whether you track this but there's always controversy in the media about the in- and out-migration of post-secondary graduates in the province and on an annual basis. First off, do we track this through the Department of Post-Secondary Education? And secondly, if we do, what has the net effect in the last number of years been of the in- and out-migration of post-secondary?

Mr. Yeates: — Well it's tracked mostly through special studies and surveys that are done by SIAST and the universities and Statistics Canada — it's part of the StatsCanada work as well — so we do track it in those kinds of ways.

And the migration actually of post-secondary graduates, by and large, is a lot less than, a lot less than people think it is. There's a lot of publicity around specific occupations and so on. I think that's always been the case; I think it actually always will be the case. We've had a very mobile workforce, and as we know people from Saskatchewan work all over the country and all over the world, and conversely we've brought people in from all over the country and all over the world. So I think that's been the case for a long time and will continue to be.

In the past couple of years from the data we have — I don't have it with me — but the interprovincial migration has actually been less than it has been say over the 10-year average. It's been less in the past couple of years.

Mr. Yates: — In that out- or in-migration, have we been a net benefactor or have we had more people come to the province than leave? Or do we have those types of stats?

Mr. Yeates: — Yes. Historically we are a net exporter of people and I believe we still are, but it's very close to being zero, to being a wash between the two — people coming in and people coming out.

Mr. Yates: — Okay.

The Chair: — Any further questions? If not, could we then

turn to page 209. And as pointed out by officials from the auditor's office as well as in Mr. Yeates' presentation to us, there are six recommendations that are contained at the top of page 209 of which four have previously been dealt with by PAC committees of the past — that is the first three and the last one — so we won't be dealing with those four.

We will be dealing with the bullets that I identified as no. 4 and no. 5, and those are new to the PAC committee for consideration.

So the fourth one, or the fourth bullet, which I will call recommendation no. 1 is that:

the department should ensure its systems identify and track all costs related to labour market activities and provide regular reporting throughout the year.

Mr. Harper: — Yes, I move concurrence with the recommendation.

The Chair: — Okay, move concurrence. Any questions . . . (inaudible interjection) . . . Yes, okay, I'm sorry. I didn't know where that came from.

Ms. Jones: — Regular reporting throughout the year. To the auditor? To the legislature? To whom?

The Chair: — That would be interpreted I guess by the department.

Mr. Yeates: — Yes, we're proposing or thinking of quarterly reporting and that information would be available to the auditor. And we'll use it, sorry, for internal management is what we will use it for.

Ms. Ferguson: — That's the intent of the recommendation is the reporting within the internal management process and also the reporting responsibilities between the department and the federal government pursuant to the agreement too. So it's the two aspects, as opposed to the regular reporting to our office. I don't think there's any precedents for any reporting to our office, per se. It's to other organizations.

The Chair: — Good, thank you for that, Ms. Ferguson.

Further questions? Okay, resolution to concur with the recommendation. All those in favour? Opposed? Carried.

The second recommendation is that:

the Department should work with the Federal Government to gain a common understanding on eligible costs before the Department prepares its budget and incurs related costs

Any questions of that recommendation or clarification needed? Ms. Stonehouse, do you have a comment?

Ms. Stonehouse: — I made a comment to my boss.

The Chair: — To your boss, not for our use?

Ms. Stonehouse: — The issue for us is the timing when we

prepare our budget, and the timing when information is available from the federal government, and the opportunities available to negotiate eligible costs. And it's unlikely that we will be able to have a common understanding before we prepare our budget, but we're working very hard to have a common understanding before the fiscal year begins.

Mr. Yeates: — The other issue, Mr. Chair, and not wishing to prolong the discussion unnecessarily, but some of these costs we would incur anyway. Because what we've developed using the LMDA funding is a generic service system that does deal with the EI clients but it also allows us to deal with the general public, social assistance recipients, and so on — client groups that the federal government is not paying for.

So when we have an office here in Regina and we incur certain costs to set it up, a portion of that we can recover against the federal government. But we would have the office anyway.

The Chair: — Question?

Mr. Harper: — Do you have any problem with the wording of the recommendations as they're put forward here?

Mr. Yeates: — No. I mean we certainly agree with the intent of the recommendations, yes.

Mr. Harper: — You don't have any problem with the wordings. You wouldn't recommend a change in the wording just to further reflect your feelings?

Mr. Yeates: — Yes. I think, as Lily has mentioned, that I think probably the wording before the department prepares its budget is likely not attainable. I think before the fiscal year begins is more realistic. I mean our budget's prepared in October, September, and we are . . . so that wording would be better. Yes, before the fiscal year begins which I think would probably meet the intent of the auditor.

The Chair: — Can I ask Ms. Ferguson for a comment first?

Ms. Ferguson: — That would be fine. And yes, it would meet the intent of what we're trying to put forth.

The Chair: — And I have Mr. Wakefield and then Ms. Jones.

Mr. Wakefield: — I guess mine was based on semantics too, Mr. Chair. It almost would appear that the department should work with federal government. It almost sounds like you haven't been up to this point. And I was going to refer to the same kind of thing that Mr. Harper had talked about. The intent I have no problem with, and then probably we all don't. I'm not sure that if this is reported back, we get the right intent in the report, that's all.

Ms. Jones: — I'm used to not being able to speak to motions and then make an amended one but . . . that's a different movement.

I think it ought to be reworded because I don't believe that we should set ourselves up for failure, to say we're not complying with our own recommendation. So can I try something out?

The Chair: — Sure, let's hear. I think the consensus is we're looking for a wording of a philosophy that we all agree with, including the department.

Ms. Jones: — Okay. The department will continue to work with the federal government to gain a common understanding on eligible costs before the fiscal year begins . . . Yes, before the fiscal year begins. Does that work?

The Chair: — I was wondering about the words, to assist the department in preparation of its budget, and forget about the incurred costs and all that other thing.

Ms. Jones: — Well I think though, as . . .

The Chair: — Do you still want that?

Ms. Jones: — I'm not really stuck on it except that as was previously stated by Mr. Yeates, I mean that's only a small portion of their budget . . . of the department's budget, the federal component. So I'm open to suggestions.

The Chair: — Run that by us again.

Ms. Jones: — The department will continue to work with the federal government to gain a common understanding on eligible costs before the fiscal year begins.

The Chair: — Just as a suggestion, instead of will, it should be a should.

Ms. Jones: — Okay, it should continue to work. Because I don't want it to sound like they haven't up until now.

The Chair: — Okay, yes.

Ms. Jones: — Should continue to work, okay.

The Chair: — And I think the concept, as Ms. Ferguson has indicated, is what they're looking for and I think that's what you're looking for.

Ms. Jones: — Is that okay?

The Chair: — Okay. So we have a fourth choice which is a bit of a modified recommendation that you've heard. Any further questions on it? All those in favour? Opposed? Carried.

Thank you very much. That's the end of the two recommendations, new recommendations.

Any further questions of the officials of Post-Secondary? Because it now being near 3 o'clock, we may be able to shorten the day because Post-Secondary was scheduled for the entire afternoon but we've walked through two presentations. I want to thank the officials from the Department of Post-Secondary . . .

Thank you to your officials, Mr. Wendel, as well, from the auditor's office.

I think the meeting will stand adjourned until call of the Chair and in discussion with probably Mr. Wartman as Acting Chair

. . . or Acting Vice-Chair, and then we'll see how things evolve through the session the first week. Right?

Good. Meeting stands adjourned. Thank you.

The committee adjourned at 2:55 p.m.