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| Alberta | 26e | 2e | Remarques préliminaires à l’étude des crédits du ministère de l’Éducation | 25 avril 2006 | M. Gene Zwozdesky | Ministre de l’Éducation | PC |

**Mr. Zwozdesky:** Thank you very much, Mr. Chairman and colleagues in the Legislature, for this opportunity to present our estimates for the Ministry of Alberta Education for kindergarten to grade 12 programs and so on.

I want to begin, Mr. Chair, by just briefly introducing some folks who are here, who help serve the interests of K to 12 education in the province. Sitting in the members’ gallery are my deputy minister, Keray Henke; assistant deputy minister Mat Hanrahan; assistant deputy minister Lois Hawkins; Jeff Olson, executive director of finance and strategic services; George Lee, senior manager of corporate budgets, finance and strategic services; Brad Smith, senior manager of school budgeting and funding, finance and strategic services; and Bob McManus, assistant director of communications. Listening somewhere, with a brief eye ailment, is our director of communications, Kathy Telfer, and my executive assistant, Pam Boutilier, is working away listening in as well. I wonder if they would just rise and receive the warm thanks and welcome of the House for their outstanding service. Thank you, all.

Mr. Chairman, let me begin by explaining that the mission of Alberta Education is to show leadership and to work with our stakeholders to make sure that students attain the knowledge and skills they need for lifelong learning, work, and citizenship. Seven basic principles are at the centre of our business planning for Alberta’s kindergarten to grade 12 education system. Those principles serve to inform us that we are student-centred and that our highest priority is the success of our students, that every student has the right of equitable access to a quality education consistent with their needs and abilities, that we are collaborative, that we are innovative, that we are accountable to Albertans, and, finally, that parents and students have choices because the education system is flexible and responsive to student needs.

That’s the opening, Mr. Chairman, that will guide the rest of this afternoon’s discussion.

With that, I hope I am able to move these estimates at this time and continue on with the permission of the chair.

Thank you very much. In that vein, then, I would like to move specifically to the 2006-2009 business plan, which identifies strategic priorities that the government of Alberta supports in our three-year business plan. That includes support for the healthy development of Alberta’s children and youth, success for First Nation, Métis, and Inuit learners, preparing Albertans for lifelong learning, ensuring the financial stability and accountability of the kindergarten to grade 12 education system, and of course keying in on school infrastructure needs.

Albertans expect our education system to prepare our students to succeed in a future of unlimited possibilities, and with this in mind, Mr. Chair, I am both pleased and honoured to present these budget estimates and the business plan for ’06-07. However, before we examine the budget estimates in any great detail, I want to specifically note for everyone’s attention that there are seven programs that will be referenced in the budget this coming year. This aligns with the seven programs of the Alberta Education income statement. The breakdown of those different programs begins on page 135 of the budget document.

The budget estimates before us today will provide a 6.7 per cent increase, or an additional $330 million, in program support toward the K to 12 education system, for a grand total of $5.3 billion in the 2006-2007 fiscal year. Our voted estimates begin on page 133 of the

2006-07 government and lottery fund estimates book, and as questions come my way, I would appreciate it if people would mention a page number and perhaps, if it’s available, an element number, which will make responding to questions much more efficient.

Before we get into the nitty-gritty of the budget, I also want to explain that the Ministry of Education budget has two primary funding streams. The first stream is what we call voted government and lottery fund estimates, which total $3.82 billion and comprise about 70 per cent of our budget and which we will be voting on today. The second stream of funding comes from education property taxes, which total about $1.48 billion and comprise the remaining 30 per cent of our Education budget for K to 12. About $1.3 billion of that $1.48 billion resides in what we call the Alberta school foundation fund, which, as we all know, is governed by statute. The remainder, or about $169 million, goes directly from municipalities to those local separate school boards that choose to collect their education property taxes in that manner. When we combine the $3.82 billion in voted estimates with the $1.48 billion in education property taxes, it brings the total support for kindergarten to grade 12 education to the $5.3 billion for government’s ’06-07 fiscal year which I mentioned a few minutes ago.

Now, with respect to the programs. Program 1, ministry support services, is the corporate function of our department. Support to this area will actually decrease by $1.2 million, primarily due to funding for one-time initiatives for technology that were generously provided in 2005-06. Because they were one-time, they weren’t carried forward, so there’s an explanation for that decrease.

Program 2, operating support for public and separate schools, will increase by $185 million, or by 8.2 per cent, up to $2.45 billion. This money will go almost entirely towards increased grant funding for 62 school jurisdictions and 13 charter school operations. This $185 million increase represents only the general revenue fund portion of support to school boards. Another $1.3 billion in support comes from education property taxes, as I mentioned previously. In total, government and education property tax support to public and separate school boards increases by $194 million, up to $3.9 billion for 2006-07. This represents an increase of about 5.2 per cent for this fiscal year, not for the school year, which starts September 1, or five-twelfths of the way through our fiscal year.

Operating support for public and separate schools includes grant dollars for our renewed funding framework, which will be going into its third school year of implementation this September. This framework is very important to school boards because it provides them with both per capita funding and credit enrolment unit instructional grants that give locally elected school boards flexibility to meet local priorities. Plus, that renewed funding framework also provides differential or additional funding for cost differences that are beyond the control of an individual school board. These differences take into account factors such as large changes in enrolment, differences in the number of special-needs students, the requirement to operate small schools in remote areas, and/or higher costs of doing business as a result of geography, and so on.

Now, with respect to the school year, as opposed to the government’s fiscal year, base instruction grants will increase by 3 per cent for the 2006-07 school year. All other grants will increase by 2 per cent.

The Education budget also anticipates and will provide funding for increasing numbers of children with special needs and for students who require English as a Second Language programming whether they are Canadian-born or foreign-born. In fact, Mr. Chair, grant rates will increase in these areas by 2 per cent, and there is also an allowance for a 7 per cent increase in the number of children receiving early childhood services, ECS, funding for mild and moderate special needs, a 10 per cent increase in the number of children requiring program unit, or PUF, funding, and a 12 per cent increase in the number of students requiring instruction for English as a Second Language.

This budget also carries forward support for high-speed networking so that schools can take full advantage of the SuperNet and of the transportation fuel subsidy to address the continued high cost of fuel for school busing.

Under the banner of provincial initiatives where we actually specify where and how dollars may be spent, the budget also provides increased grants to school boards for our class size reduction initiative. That will be an increase of $16.6 million, up to $126 million in other words, which represents an increase of 15.1 per cent.

At the start of the class size initiative it was recognized that lowering the class sizes in kindergarten to grade 3 would be the most challenging task. Now that the 2005-06 jurisdiction class size reports have been reviewed, we know that all grade groupings are at or below the guidelines set out in ACOL, or virtually all of them are, with the exception of kindergarten to grade 3. By the end of the 2005-06 school year, which is rapidly approaching, all school boards were to have an average class size in kindergarten to grade 3 of 18.5 students. In fact, 38 school jurisdictions will not quite meet that target if something is not done, and this is a concern.

At the same time, we have also heard that some school jurisdictions are having difficulty continuing to meet next year’s guidelines due to challenges such as availability of classroom space and recruitment of new teachers. Therefore and because of these reasons, school boards will be given additional flexibility and a little more time to plan for and to reach the average class size guidelines that were recommended by Alberta’s Commission on Learning. That recommendation suggested that those jurisdiction averages be met in a five-year time frame. We have done our best to try and get them accomplished in the three-year window, but through my discussions with school boards, we encountered what some of their challenges were, so we’ve allowed an extension of time and flexibility to help address the situation.

For the 2006-07 school year funding will be focused as follows. One, all school boards will receive a 3 per cent increase to their 2004-05 class size reduction funding initiative to ensure that they can retain the 1,685 teachers they have hired over the past two years as part as our class size reduction initiative. Two, the 38 school jurisdictions that have averages in kindergarten to grade 3 above 18.5 students will in fact receive the funding necessary to reach a jurisdictional average of 18.5 for kindergarten to grade 3.

Obviously, this will require about another 250 teachers – new, additional teachers, I want to stress – who will need to be hired, and this budget will help provide the funds to help accomplish those new hirings. To ensure that school jurisdictions can attract and retain the 250 teachers required to get to that guideline of 18.5 students per class, funding will be allocated based on $70,400 per teacher. This, Mr. Chair, is the midpoint of the teacher salary grid.

This budget also provides a 6 per cent increase to another important area, which we refer to as student health initiative partnerships. We have 15 of these that provide integrated health, therapy, and emotional and behavioural supports for identified children with special health needs.

Funding for the AISI project will also increase; that is, our Alberta initiative for school improvement. That increase will be 2 per cent, and it will go up to $71 million for local innovative programs and projects. Mr. Chair, these projects include things like professional learning communities in schools, early literacy, math skills, and stay in school programs that support student learning. I might stress that this money will fund the first year of a new cycle of three-year projects for this highly successful AISI initiative.

Program 3, which is support for teachers’ pensions, will increase by 6.3 per cent, or by $20 million, up to $339 million. Of that amount, $152 million will address government’s responsibility for the unfunded liability of the Alberta teachers’ pension plan, and $187 million will go towards government’s share of the current service payments.

Under current legislation, Mr. Chair, government is responsible for two-thirds of the unfunded pension liability for teachers and for one-half of teachers’ contributions for current service; in other words, for service earned as a teacher after 1992. The increase, of course, is due to higher contribution rates that were implemented in September 2005 as well to teacher salary and grid movement increases and, finally, to additional pension costs associated with hiring more than 250 new teachers starting this coming September under the small class size initiative.

Program 4, which is program delivery support services, is a program that provides help for delivery and development of curriculum standards, governance, achievement and diploma testing and rewrites, technology support to develop and deliver print and electronic learning resources for teachers and students, and, finally, for corporate administration such as financial reporting and budgets. This program will increase by 1.1 per cent, or by $667,000, up to $59.7 million.

I should point out, Mr. Chair, that about one-half of this program is related to ministry salaries. The increase will support negotiated salary increases for staff. The other half of this program is related to bringing in expertise for assistance, such as contracting teachers to mark diploma exams or to assist in curriculum development and so on.

Program 5, quickly, is basic education programs. In this envelope we provide support for teaching and learning resources, and we provide technology support, such as high-speed networking connectivity. Support for this program will decrease by 5.5 per cent, or $4.5 million, due to a $6 million projected decrease in sales of learning resource materials and a $0.5 million decrease for one-time funding provided last year related to student transcripts, that will not be required this year. This is offset by a $2 million increase to support high-speed networking.

I also want to clarify, Mr. Chair, that last year our Learning Resources Centre experienced exceptionally high sales volumes due to a special agreement we have with the B.C. government for learning resources. In fact, we saw $6 million in one-time sales toward the very end of the year as a result. This was an initiative where the B.C. government provided one-time funding to their school boards in 2005-06 for textbooks and learning resources, which they ordered through our Alberta Learning Resources Centre. We do not expect that same level of sales from B.C. again this year, and that accounts for the bulk of the decrease, for those members who were asking or were wondering about it.

Technology support for high-speed networking will actually increase under this envelope by about $2 million, up to about a total of $8 million.

Program 6, Mr. Chair, provides support for Alberta’s accredited private schools, private early childhood services operators, and for designated special education private schools. This program will increase by 5 per cent, or $6.4 million, to $135.5 million. I see that the time is ticking away on us quickly here, so I’ll just jump to program 7. I’ll come back and answer questions in more detail on program 6 if anyone wishes. Program 7 provides support for school facilities or infrastructure, which, I think everyone here would know, was officially transferred April 1, 2006, to Alberta Education from the Ministry of Infrastructure and Transportation. Therefore, funding for school facilities now resides entirely within Alberta Education’s budget, and there are three envelopes there: one for school construction or school capital, the other one is for infrastructure maintenance renewal, and the third one is for plant operations and maintenance. Perhaps we’ll get into some discussion as to those amounts in specifics; however, suffice it to say that the total amount being transferred from the Ministry of Infrastructure and Transportation over to the Ministry of Education will be about $734 million this particular year.

Mr. Chair, I’ll just conclude by stressing that with the money that we’re getting into Education under the infrastructure banner from Infrastructure and Transportation, we will conclude 21 school capital projects this year. In other words, 21 new projects will be completed. We will also have built and placed about 109 modular classrooms, and together we’ll be providing more than 10,000 brand new spaces for Alberta students.

We’re very proud of our education system. We’re very proud of our teachers, of our students, of our administrators, of our trustees, and together we will continue providing the best education system in all of Canada as we strive to become one of the best in all of the world.

I will look forward to some lively questions and answers now, Mr. Chair, and I would just remind hon. members to please cite a page number and an element number if you could. That would help facilitate speedier answers.

Thank you for your kind attention.