

HANSARD

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COMMITTEE

ON

PUBLIC ACCOUNTS

Wednesday, December 5, 2012

LEGISLATIVE CHAMBER

Department of Education

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Public Accounts Committee

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[Mr. Graham Steele replaced Mr. Brian Skabar]
[Hon. Karen Casey replaced Mr. Andrew Younger]
[Mr. Keith Bain replaced Mr. Chuck Porter]
[Mr. Eddie Orrell replaced Mr. Allan MacMaster]

In Attendance:

Mrs. Darlene Henry
Legislative Committee Clerk

Mr. Terry Spicer
Assistant Auditor General

Mr. Gordon Hebb
Chief Legislative Counsel

WITNESSES

Department of Education

Ms. Carole Olsen, Deputy Minister
Mr. Frank Dunn, Assistant Deputy Minister
Mr. Alan Lowe, Senior Executive Director of Public Schools
Mr. Joe MacEachern, Director of Finance



House of Assembly
Nova Scotia

HALIFAX, WEDNESDAY, DECEMBER 5, 2012

STANDING COMMITTEE ON PUBLIC ACCOUNTS

9:00 A.M.

CHAIRMAN
Hon. Keith Colwell

VICE-CHAIRMAN
Mr. Howard Epstein

MR. CHAIRMAN: Good morning everyone. I would like to start the meeting this morning with an introduction of the members.

[The committee members and witnesses introduced themselves.]

MR. CHAIRMAN: Welcome to our guests and members today. I'm Keith Colwell, MLA for Preston and chairman. I will start with Ms. Olsen with a presentation.

MS. CAROLE OLSEN: Thank you. Good morning everyone and thank you for inviting me to speak again. I was glad to give you some information on skilled trades and virtual schools on my last visit to the committee, and I look forward to answering your questions on the Hogg formula today.

I think the team has introduced themselves, but I'd like to introduce the members of my staff that I have with me. Frank Dunn is the Associate Deputy Minister of Education, Dr. Alan Lowe is the Senior Executive Director of School Board Relations, and Joe MacEachern is the Director of Finance.

The Hogg formula is used to determine the amount of funding each board receives in the fiscal year. The government commissioned Bill Hogg, a former Deputy Minister of Finance, to independently review the school board funding in 2004 and recommend an equitable, fair, and transparent funding model. Funding at that time was allocated on an adjusted formula basis.

Mr. Hogg presented his recommendations in 2006. The funding model, which has been called the Hogg formula ever since, was formally adopted in 2007-08. It's important to know that the Hogg formula is an allocation model, which means the government determines the total amount of funding given to school boards in each fiscal year, then the Hogg formula is applied and the amount of funding for each school board is determined. To further explain the process, the total funding is determined and then the funding is run through the formula, which crunches the numbers using various factors to determine the school board's funding. Boards then get what's called profile sheets which outline their funding.

Over the years since the adoption of the Hogg model, the boards had expressed some concerns about the fairness of various components. Minister Jennex made a commitment in the 2011 Spring sitting of the Legislature to review the model. A new model would provide an opportunity to address inconsistencies in the existing model and reflect changes that occurred in Nova Scotia since the original model was developed.

As we all know, enrolment is declining. We have 30,000 fewer students today than we had a decade ago. This puts strains on the education system and on school boards. An updated funding model should reflect this reality and provide some protection for areas that are beyond the board's control. To do this the department held extensive consultation with school boards, the Nova Scotia School Boards Association, and Mr. Hogg to update the funding formula.

The formula was updated and a transition plan was developed. Follow-up discussions with school boards, both staff and elected members, were held to review the changes and the new formula, and the boards were supportive of the changes. I won't go into detail about every change, you will find a summary of the changes in your information binders, but I would like to point out some of the changes.

The formula needed to be updated to better reflect the current public school program and current realities. Changes were made to physical education, French and early literacy allocation and the technology funding education doubled.

Another change we made was to move a number of initiatives with targeted funding into the formula. The funding for Options and Opportunities, Literacy Mentors, Library, and SchoolsPlus moved into the model. We also made some changes to support small, isolated schools. For example, we enhanced the transparency of the funding model and better defined what a small, isolated school is.

We added a funding recognition of CSAP special cultural mandate. The formula now provides school boards with the additional funding for local board initiatives and programs that are not covered by the model. The formula also encourages boards to spend their money wisely and be as efficient as possible. For example, we made changes to the transportation section of the formula. The new formula allocates the funding required based on the number of bused students, the bus load and board density. The board will then fund 50 per cent of that amount and the province the other 50 per cent. But if the board can reduce its transportation costs, it gets to keep the difference and spend those funds in other program areas.

We discussed the new model with the boards and developed a transition process. Over the next three years we will gradually phase out the old Hogg formula and institute the new one. The transition to the new formula began with the current fiscal year. According to the transition planned, the impact on moving to the new formula was capped to prevent any change greater than -2.1 per cent to any given board.

As you can see, we've made changes to ensure there is a fair, modern and transparent process for school board funding. The revised Hogg formula more accurately reflects the actual costs of the education programs and services that are so valued by students and their families.

With that, I'll conclude my opening remarks and I would be pleased to take your questions.

MR. CHAIRMAN: Thank you. We'll start the first round of questioning with Ms. Casey and you have 20 minutes.

HON. KAREN CASEY: Good morning. Some of these questions we may have touched on earlier but just for clarification and for the benefit of all members, I may ask some repeats.

I want to go back to the decision to review the Hogg formula and I think it was timely and I'm pleased to see that review has taken place. It's my understanding that we're in transition and I guess I would ask, what is the date for full implementation of the new, revised formula?

MS. OLSEN: I would ask Mr. Dunn to answer that question.

MR. FRANK DUNN: The full transition to the new model will begin once the government is back to balance and the boards are no longer required to have a funding reduction. The whole transition to the new Hogg formula would be based on the principle of attrition, so as teachers retire in the system, boards will be able to transition to the new model.

MS. CASEY: The full transition, then, there is no date for that? It's pending a balanced budget, do I understand that correctly?

MR. DUNN: It would depend upon when boards are no longer required to make a reduction. We anticipate that from that point on it will take about three years for the boards to transition to the new model.

MS. CASEY: During that transition period - I know there are a number of things you've talked about changing the way the funds are distributed and I understand that some of those are moving programs from what we used to call targeted or restricted into non-restricted. Has that part of the change begun?

MR. DUNN: The move from . . .

MS. CASEY: Taking some programs and some funding . . .

MR. DUNN: Yes, yes it has.

MS. CASEY: Can you be specific as to which ones would currently be transitioned during this 2012-13 year?

MR. DUNN: If you can just give me a second. Maybe what I can do is get my colleague to find the list, but I can speak to the ones that I can think of right off the top of my head. I know that one of them is the O2 program, which was targeted funding or restricted funding. That was moved into the Hogg model, the way that program is funded now is, if you are a school that offers an O2 program, there's 1.5 FTE teaching allocation to that school. There's also an allocation of \$15,000 to that school and \$100,000 allocated to the board for coordinating O2.

I know the question is often asked as to why you would transfer restricted funding into the formula. Early in Bill Hogg's document, which is in your briefing binders, in his report to the minister in 2004, he talks about his financial principles and when he believes restricted funding should be moved into the model. One of them is tied around when a program becomes not a pilot program anymore, when it becomes a regular program within the curriculum. That would be an example of why O2 would have been moved into the formula: it's our view that it's no longer a pilot, and should be part of the regular funding that goes to the boards.

MS. CASEY: Thank you. If I could just ask for some clarification: once something has been moved into the formula, like the O2 - and I understand it's no longer a pilot in its program - what obligation does the board have to offer a program that is not restricted?

MS. OLSEN: I'd ask Dr. Lowe to answer that question.

MR. CHAIRMAN: Dr. Lowe.

MR. ALAN LOWE: Generally speaking, I think the restriction when programs are first introduced is when they are being introduced gradually and in a pilot kind of way in some boards and then in all boards and try to get consistency across the province.

Once those programs have shown their success and usefulness, they take on a life of their own. Quite honestly, the O2 program is a program that started from the grassroots and came up through the ranks that way and has been extremely successful. The expansion has been quite spectacular. The success and the testimonials for it have been such that also you have things like French immersion - another program that has become established and is just now an everyday part of the programs that are there.

Boards have requested that they be given the latitude to meet the local demands that they have, and at this point we haven't experienced any difficulty in programs like the O2 being consistent across the province.

MS. CASEY: Thank you. If I could follow up with that, I guess in an ideal world and with appropriate funding, boards would not have to make some of those difficult decisions that they are currently making. My concern is that, as you said, something that is not restricted does give the board an opportunity for some flexibility. Really, boards are setting priorities based on the funding that they have, so with limited funding, with less money coming to the boards and a board is looking at their priorities, is there a chance that something like O2 could not be offered by a board because they don't have enough money?

MS. OLSEN: I think you're raising a very interesting philosophical question about the balance that the government has with respect to controlling the funding and restricting all of it. I mean, theoretically the government could allocate all of the money, but the government is choosing to go to a balance because we do have elected school boards that can make decisions in the best interests of their community, and the communities are different. So there is a balance between the restrictive or targeted funding and, as Mr. Dunn has already indicated, one of the principles that Bill Hogg had in terms of defining targeted funding was to give the opportunity to try some pilot programs to see whether or not they work, and then move it into the regular funding base.

So there is a continuum, I believe, of where we want to place the locus of decision making with the local board and the locus of decision making with the government - I don't know if Dr. Lowe would like to add anything more in terms of that decision making. Theoretically, in answer to your question, it might be possible for a board to say we don't have a need, we don't have a demand for O2 and they not offer it, but I believe that being responsive to the local communities, being responsive to the needs of students, in my experience, the boards wouldn't make that kind of decision to just eliminate a program of that value.

MS. CASEY: Mr. Chairman, I understand the philosophical question, but I also recognize the reality of what boards are facing, and they are making very difficult decisions. If there is a program that we value and that we want to ensure every student in the province has an opportunity to access, then it appears to me that to make sure that that does happen and that that opportunity is there, we restrict that funding and boards have to spend it for that particular program.

I don't know if you want to comment on that or not, but I can go on and give an example - and I think everyone knows what my example is going to be. It has to do with a tough decision that a board made to not offer library services. Library services - in my understanding the funding was not restricted, the board had that option and the board chose to put that money into classrooms. The department came in and said, no, no, you can't do that.

So I guess my question is if we're giving boards the authority and the responsibility and we're not giving them enough money to cover everything that they believe that their students deserve, and they make a tough decision, then it has to be, in my opinion, one way or the other, we let them do it and we leave them alone, or we target the money and we know where they spend it - could I ask somebody to give a comment about that?

MR. LOWE: In that particular example, I had attended some of the meetings where the board had set its priorities and one of the priorities that they had set was early literacy, for example, and they were trying to find as much money as they could possibly find in other parts of the budget to put into that area. In the debates that were going on, you know, the focus became very clearly on the top priorities that the board had. I think by the end of the discussion some of the consequences of that decision hadn't been discussed and hadn't been thought through. For example, it potentially could have been that the largest high school in Nova Scotia would have no library service, and there was a reaction from students and a reaction from the public at the time. So really I think the province going in helped the board to have that larger look at the big picture and the consequences of that action, and the board saw that there was another way that they could arrange the funding.

MS. CASEY: Mr. Chairman, I believe that I followed that very closely as well and I believe it was a matter of what you cannot offer, and it was a very difficult decision for any board to make. I guess my is, if we as a province, if we as a government, if we as a department, value a program then I'm concerned that we have taken a lot of those, what we consider to be valuable programs, out of the restricted and into the formula. I'll use another one as literacy mentors, something that we recognized we needed to have in order to help our students improve their literacy scores. I think, as I heard this morning, that literacy mentors have now been taken out of restricted and it is global, the decision is now with the boards, so I guess my question is, do you anticipate any loss of service to kids with respect to literacy mentors in our public school system as a result of that decision?

MS. OLSEN: I'll begin and I'll ask Dr. Lowe to supplement this. I think that the boards are making good use of the resources. You're right that the boards need to make careful consideration and priorities for their allocation of the resources. I believe that all the boards are continuing to have literacy mentors but the government has also introduced another program in terms of Succeeding in Reading and that is going to supplement the support to students in the area of literacy. I think it goes back to the broader question of whether or not the boards are in the position to represent the differences in their local communities and make the best choices for the allocation of resources. I mean that's one of their responsibilities. Do you want to add to that?

MR. LOWE: Yes. You know the Succeeding in Reading is a kind of model of mentors, if you want to use that word, because the reading specialists who are working with children, one on one and in small groups, are doing so along with the classroom teacher. For me the innovation in that program is that it is building capacity for the regular classroom teacher because the teachers are working closely with the specialist and they are working with the children at the same time. To me that is the most ideal kind of mentoring system that you have.

Just to say that you have a mentoring system isn't automatically going to be a panacea or a solution to different things but this close collaboration that we are experiencing in the Succeeding in Reading has really been quite effective in teachers building their capacity, if I could say it that way, the different strategies of intervention and generally speaking that kind of increase in capacity not only benefits the students they are working with who need intervention, it also increases their capacity to work with all students and generally that has an effect of raising the literacy, which is the ultimate goal of the mentorship program. We don't have all the results in yet but anecdotally we are certainly getting the feedback, the teachers are really appreciating the kind of thing that is going on.

MS. CASEY: Thank you, Mr. Lowe, and thank you Mr. Chairman. My next question, all educators and parents recognize that the complexities in the classroom are growing, they are huge, and we recognize the need to try to respond to all of the individual needs that come before us. I've asked the question of the minister, I've not been given an answer, and that is how many students do we have in our system who have identified special needs?

MS. OLSEN: I don't have that statistic with me. We could get you the number of students that are on IPPs but that's not all of the students who have special needs within our system. Dr. Lowe, do you want to add to that?

MR. LOWE: The other thing that I would say, as you know, we have a system that does not label service by labelling children. We have students who at particular times need different supports in our Student Services division. We can provide some figures as to the

service levels that we are experiencing - I don't have them with me today - in the various categories.

MS. CASEY: If that information could be provided, I would appreciate it. I will follow along though with the special education. I'm a little disturbed to hear the response about labelling, and of course we don't label our students, but somehow as a department, there must be some guiding principles or some guidelines or some data that allows you to identify a certain funding for special education. What are they?

MR. DUNN: I can speak to how the special education is funded in the formula. There is about \$137 million in the allocation model this year for special education. That is 100 per cent restricted so the boards are required to spend that amount. With the updates to the model, we have moved to a 2007 report on special education ratios and I can read the ratios for you. For resource teaching positions there is one FTE allocated for every 165 students; a special language one for 2,000; psychologists, one for every 2,500; program support, one for every 7,000; and TEs are allocated based on one for every 104. That would be based on the total enrolment that would be in the system.

MS. CASEY: So the \$137 million that went for special education for this year, did you use anything besides those ratios to come up with that \$137 million?

MR. CHAIRMAN: Order, please, unfortunately, Ms. Casey's time has expired. Mr. Bain.

MR. KEITH BAIN: Thank you very much for your presentation. I just want to go back to where we began. You mentioned that the Hogg formula has a lot of inconsistencies relating to today's world and I guess that's the purpose of making changes. The new formula won't take effect until the budget is balanced, so I guess what that means - we've seen cuts in the education system over the years and those cuts will continue if we're going to get a balanced budget, and boards and students will be the ones that will continue to suffer. I'd like to get your comment on that. How can you implement the new formula when the possibility exists that the funding that is out there - when the new formula comes into effect - is so low and the system is so dragged back that it's going to help?

MR. DUNN: I can speak a little to the transition. One of the reasons why we are transitioning to the new formula is because if we didn't it would cause extraordinary hardship in some boards. Our approach has been to look at the system from a provincial perspective and if you were to implement the full model changes immediately, particularly those boards that have seen decreased enrolment greater than the provincial average, it would have very catastrophic impacts on them. In particular reference, you mentioned Cape Breton-Victoria, the Strait board, to a lesser degree the South Shore board. So in the transition piece we actually ran the model and then there is a transition allocation to those boards to ensure that the impact is not so great that it would have very negative effects on those boards. So that's the reason for the transition piece in the model.

MR. BAIN: So is there assistance - we'll use the Cape Breton board for an example, I guess, it's the one that I'm most familiar with. The Hogg formula - the original Hogg formula, I'll reference it that way - was to help boards like that, that were faced with declining enrolment greater than the average. Indeed, as you say, Cape Breton and the Strait Regional School Board were two that experienced the highest decline in enrolment.

In this transition period, you say there's funding available for the transition, but is the department offering assistance other than financial to the boards in making that transition? Is there a working between the department and the boards to aid in that transition? Are the bureaucrats available to the boards, or are the boards on their own in the transition phase?

MR. DUNN: I can speak to the question at a high level, and then maybe the deputy would like to add. We work with the boards on a multitude of issues, and this would be an example, a very collaborative approach. I know that I've had some discussions with the CFO at the Strait board with regard to ways that that board may transition to the new model. I guess to answer your question generically, we would offer whatever support we can, other than monetary, to boards at any time on any issue.

MS. OLSEN: I just wanted to pick up on what Mr. Dunn has been saying. We meet regularly with the officials from each of the boards. I meet regularly every month with the superintendents, HR directors, finance directors, and program directors, and a lot of that information is shared. Sometimes one board will go in and help another.

We always offer whatever assistance we can, but many of the issues that are talked about are strategies to solve the kind of problems that you may be addressing, so that information sharing is very clearly supported. If we get a request for specific assistance, we would send people in, absolutely, to help the board.

MR. BAIN: Thank you for that. If I could, I'd like to change to small rural schools, and discussion that has taken place on that. I believe that the budget has allowed for some extra funding recognizing small rural schools throughout the province. There was a committee formed, I believe in the Spring, to study small rural schools, who would, in turn, make recommendations to the minister - am I correct on that?

MS. OLSEN: I'm not aware of any committee that was formed to deal with small isolated schools, but during the revision to the formula, we made changes that are very specific to small isolated schools. I'd ask Mr. Dunn to explain those changes.

MR. DUNN: To back up a little bit, the original Hogg formula that was established in 2004 had an item called a small school supplement. That essentially was \$150,000 for any school that had an enrolment of 100 students or less. The idea of that supplement was that it would help rural schools. When we talked to Bill Hogg, he was, you know, quite

candid in that it didn't actually work out the way that he had intended, because there were schools with 100 students or less in metro Halifax.

So we looked at a new model for small isolated schools. Essentially what it is, if you have an elementary school with 120 students or less and there was no corresponding elementary school within a 30-minute bus ride, they would be allocated one additional FTE for teaching and all their square footage in the school would be funded; if you are an isolated junior high with under 40 students per grade - so that would be 120 students in the junior high school - with no corresponding junior high within a 30-minute bus ride, you would be allocated one additional FTE and all your square footage would be paid; and similarly to the high schools - if you were an isolated high school that had under 150 students and the bus ride was 45 minutes to the next nearest high school, they would be allocated three additional FTEs and all the space would be provided.

In addition to that, when we had conversations with the boards, the boards told us very emphatically that in some cases there are high schools that may not be considered small, they could be considered medium size, where they would have between 150 and 300 students, and what we heard was there is a critical mass of teachers who are required to deliver the curriculum and that boards were having difficulty in ensuring that the proper allocation of teachers was made to those medium-size schools. So what we did was we also added a piece to the model that if you had a high school that was between 150 and 300 students, whether it was isolated or not, it would receive two FTEs. For a high school that had between 300 and 500, they would be allocated an extra FTE - the space would not be covered, but they would be allocated the FTEs.

The whole principle around changing to the small isolated school provision is to acknowledge that there are schools in Nova Scotia that, strictly from a geographic perspective, boards are required, they need to stay open, there's no other option, and the acknowledgement that to keep those schools open requires additional funding. So that's really the changes that were made for small isolated schools in the model.

MR. BAIN: Thank you for that, and I guess maybe I made a mistake when I said a committee was formed. I probably should have said there was a working group set up and I think the minister asked for recommendations as a go-forward for small rural schools in the province. I know that Paul Bennett was one of the people who was on that committee, and Kate Oland in Baddeck is another one, but it was a working group. I know that they have presented to the minister - they met with the minister, if I'm not mistaken, on the 15th of May.

At that point I think they asked for a written response from the minister concerning some of the discussions that took place and the go-forward - but in speaking to one of them just a week and a half ago, there has been no form of response received. So I'm just wondering if you could check that out, whether or not there is this working group that has been - it's a group of volunteers, okay, they were set up to make recommendations for the

retention of small rural schools and the programming that would take place because of their location and geography and everything else, but my understanding is that this group has met numerous times, made a recommendation - or had discussions with the minister, I'm not going to say they made recommendations, that wouldn't be fair to the minister or to the group, but they had requested a response and they haven't received one as yet. So if that could be checked out, I would appreciate it.

MS. OLSEN: I would ask Dr. Lowe to speak to that, but we will check it out and get back to you.

MR. LOWE: I myself have not seen the report so I will check that out.

MR. BAIN: That's great, thank you. I want to talk briefly about some of the budget cuts that have taken place. We realize that a lot of it is based on declining enrolment, the biggest portion. I want to ask the department, when those cuts are taking place, two boards within the province, we see that senior management within the department is increasing in that length of time. I think between 2009 and projected for 2013, there is going to be an increase of about 150 senior management. Would somebody like to comment on any of that?

MS. OLSEN: I'll begin and then I'll ask Mr. Dunn to elaborate. When the budget restrictions were given to school boards a couple of years ago, there was a targeted amount that had to be reduced in terms of administration for the boards and there was also a targeted number of consultants that needed to be reduced at the school board administration. It was anticipated that those FTE reductions would take place over the three-year period.

My understanding is that all the boards have been working to reduce the dollar amount that their administration is costing as well as reducing the central office staff.

MR. DUNN: I can't comment on the 150, confirm or deny that. Just to follow up on the deputy's comments, the administrative reduction, which the boards were asked to take, was a 15 per cent reduction in administration and that reduction was to occur in the first year, back to balance, so that would be 2010-11. All boards did make that 15 per cent reduction.

There was also a further reduction, which directed the boards to reduce their number of consultants in half over three years. Most of the boards actually reduced their consultant complement in the first year because by doing so they could address both the 15 per cent and the cutting the consultants in half.

The 15 per cent administration has been completed and I would need to confirm, but my best guess would be that most boards have achieved their half of the reduction in consultants or are very close to doing that.

MR. BAIN: I guess one of the hardest problems for me to grasp is the fact that we have a formula that's being readjusted - is that a fair way of saying that the existing Hogg formula is being readjusted to suit the times? Is that what's being done, in reality?

MS. OLSEN: I would certainly say that it has been tweaked or we have taken into account some of the observations that it wasn't working as effectively as we might like and we've already referenced the small schools as opposed to the small, isolated schools, so, yes, I would think that's an accurate description of tweaking the formula to reflect our current reality.

MR. BAIN: I guess the problems exist that it's not going to really come into full effect until a budget is balanced - right? The cuts are going to continue to boards. I wonder how much of an allowance is made into future budgeting if they are saying, okay, we have to balance the budget here but at the same time we don't want to hurt our education or make our education system suffer any more than it has to. What's happening in that bridging that is taking place? I don't know if that's clear or not.

MR. DUNN: Maybe one way that I could answer the question, Mr. Chairman, is talk about the changes that were made to the model that specifically addressed administrative costs or board costs. The previous model allocated a flat \$125,000, plus \$100 per student for board governance. When we talked to boards, most of them told us that that was an excessively high allocation because the costs to operate a board, or the governance piece, really is not tied to the number of students, it's tied to the number of board members. The more board members you have means more travel and it means additional stipends, so what we did was we actually changed the allocation for board governance so that it's now \$22,000 per board member and \$1 per student, so it reflects the truer costs for operating a board.

On the regional management support component of the model, which really talks about the administrative capacity of the boards, the old model and the new model are identical; they have not changed. There is a lump-sum payment that is allocated to all the boards - \$1 million and then there is \$100 per student allocated. So as enrolment declines, you will see the allocation for regional management and support, or the administrative component of the board operations, also decline.

MR. BAIN: Thank you. I still have a couple of minutes, Mr. Chairman?

MR. CHAIRMAN: One minute.

MR. BAIN: I mentioned before about senior management increasing; in 2009 there were 733, and we'll go to 2012 - 729 - a decrease of four, but it's projected to be increased by another 21 per cent. So I guess my question would be, why is it prudent to increase senior management expenses while cuts are being made on the front line - if that number is correct, if they are increasing and there are teachers being cut.

MR. DUNN: That would be a question that I would have to look at the numbers and get back to the member - I'm not aware of the senior management numbers increasing in the boards.

MR. BAIN: Okay. If that could be checked, I'd appreciate it.

MR. CHAIRMAN: Order, please. Mr. Bain's time has expired.

Mr. Whynott.

MR. MAT WHYNOTT: Thank you very much. It's good to have you here. I just want to begin by making a quick comment. As we all know, school boards have recently had their elections and I appreciate the hard work that the boards have done in the past and will continue to do into the future.

One of the kinds of unique situations in the constituency that I represent is that when we talk about that enrolment number of 30,000 students going down over the last 10 years, in the area that I represent the population is actually increasing. So when I've had the opportunity to talk to parents, teachers, and to students, that didn't resonate with them, the fact that schools are getting smaller because we see portables, we see - in fact one of the schools I went into early in September the principal said they had 33 kids show up on the first day of school, not registration day, but the first day of school.

It's difficult for boards to plan for that when you don't necessarily know that the students are just going to arrive. I think what's important to note is the date for the cut-off - I think it's October 30th or September 30th - September 30th - to readjust enrolment numbers, for more teachers, for more support staff. Then speaking to the principal a month later, said everything worked out fine because of that delay in the final allocation for students. That's unique in our area and I think that the province has moved forward with hiring another 75 teachers, and my understanding is most of them being in the Halifax Regional School Board, the majority of them. Seeing that and being able to reduce the number of kids in a class is a positive thing and when we saw there was an issue, we fixed it, and I want to commend the department for working with the school boards to make that happen.

On the other side of things, I understand that there was a small rural school that you speak of where there were two teachers allocated in school who were supposed to have 40 kids or so and only 15 showed up because over the summer those kids had moved, and the families had moved. Obviously in Nova Scotia we have a vast difference when it comes to a small rural school versus a large urban/suburban school, so I just wanted to make that comment.

So, as we've heard in the past, we have 30,000 fewer students in our system than we did 10 years ago. Can you talk about - Mr. Dunn, I think - how much funding has gone up over that same period of time?

MR. DUNN: The funding over that time period has gone up about 40 per cent. I don't have the - I could get the number for you, it's here in my binder somewhere, but it's about 40 per cent.

MR. WHYNOTT: So it has gone up by 40 per cent and we have 30,000 fewer students. I find that interesting because obviously over the past 10 years funding has just continued to go up even though we have less kids; in my mind that doesn't necessarily make a whole lot of sense. Was the whole idea of having Mr. Hogg come in and do a formula to address that?

MR. DUNN: No. Mr. Hogg would have come in to look at how the total amount of funding would be allocated. If I could maybe use an analogy, when we talk about the size of the funding to the school boards, it is really the budgeted amount, and the analogy I use is if you think of it as a pie and from that pie you have eight school boards, which are allocated a piece of that pie, and the allocation, or the piece, is not always equal. So Mr. Hogg came in to develop a formula, or to review the formula, which allocates the size of the budget to the eight school boards.

MR. WHYNOTT: So when the deputy talks about an allocation model, that's exactly what it is. So, what was the budget this year, \$1.2 billion?

MR. DUNN: The total budget for the department is \$1.2 billion. The funding to school boards is just shy of a billion dollars.

MR. WHYNOTT: So a billion dollars and then cut it up into a pie and move forward. So in the report from Mr. Hogg, on Page 16 he talks about projected enrolments for the coming years, this was submitted in 2004. So 2005, 2006 and 2007 he has projected numbers, do we know if these projected were on par with actually what happened in those years?

MR. DUNN: I can speak to part of that and the maybe I can ask Mr. MacEachern if he wants to comment because he would have been at the department then. I know that our current projections for enrolment in the last couple of years have not been that far off. In the model we project enrolment based on a five-year rolling average so our projection is always a year - and I'll use the word "arrears," but a year behind. One of the reasons for that is it allows boards a bit of flexibility and a bit of breathing room as they move to having lower enrolments. That works well for all boards with the exception of one, and that's the CSAP board, which is the only board in the province which is actually seeing its enrolment grow.

We will be adjusting the way we calculate enrolment projections for the CSAP board. The way that we will do that is we will subtract the number of Grade 12 students and add the number of pre-Primary or - I can't remember, Dr. Lowe would know the actual term for those students, but they have a pre-Primary group of students as well in their system. That will more accurately reflect the enrolment for CSAP, which is important because the main driver of the model itself is the number of students in the system, because that is how the bulk of the allocation of FTEs is determined.

MR. JOE MACEACHERN: At the time, I think Mr. Hogg would have used statistics from the department, so he would have been using statistics generated by the department. Historically, the numbers have been fairly close, but when the model went live, we would have used the actual enrolments in any particular year. If the member wants, we can certainly go back and look to see what that prediction was versus each of the specific years.

MR. WHYNOTT: That would be great to know. Thank you.

Ms. Olsen, can you confirm that per-student funding has gone up in Nova Scotia?

MS. OLSEN: Yes, we can confirm that the per-pupil funding has gone up.

MR. WHYNOTT: Back to a population question - do we know when we will see a plateau and we'll stop seeing decreases in our system? I assume that we at least know that for the next couple of years.

MR. MACEACHERN: I believe the last set of data that I saw indicated that we're probably in that plateau stage now, and it would probably taper off within a six-year window.

MR. WHYNOTT: One of the things I want to move into is, also in the report from 2004, it talks about P3 schools. In there it indicates that we have 43 P3 schools. Is that right?

MR. DUNN: Thirty-nine.

MR. WHYNOTT: Thirty-nine. Has that number gone down? I think it does say 43.

MR. DUNN: I don't believe so. There were originally eight P3 agreements struck and then another 31 with three developers, so I believe the number is 39.

MR. WHYNOTT: Okay, I'll take your word for it. Can you confirm how much we spend annually on leases for those schools?

MR. DUNN: There is a line item in the departmental budget. It's in the vicinity of somewhere between \$25 million and \$35 million - somewhere around \$28 million in leases on a yearly basis.

MR. WHYNOTT: I assume some of the contracts are due soon. Is that correct?

MR. DUNN: Most of the contracts expire in 2019 or 2020, but in advance of those contracts expiring, the government is required to advise the developers of what their intention is around the school. Essentially they have three options. Government can strike another agreement with the P3 operators and lease the schools; we could buy the schools outright; or, if the circumstances dictated, we could walk away from the school as well. Each agreement, so each of the 39 P3 schools, is a separate decision. It is not a blanket decision so government can choose to have any combination of three options with the 39 schools.

MR. WHYNOTT: I've been pretty clear in the House when I speak about this deal and I think even the Auditor General, when he did his audit, was pretty clear that it was a bad deal for Nova Scotians. At the time I think it was short-sighted of the government of the day, and just to confirm, how much will it cost? So if we were just to buy them all out, how much will it cost the province?

MR. DUNN: It would cost, if we were to buy all 39 schools out, just short of \$230 million.

MR. WHYNOTT: So the government will have to make that decision and will have to make that with the fiscal lens that we have right now in Nova Scotia, which is that we have an aging population who needs more health care, in particular long-term care. We have great horizons, you know, some great things happening in Nova Scotia, great opportunities, but the fact that it could cost us over \$200 million is basically a delay in those costs - and let's not forget that these are 20-year-old schools, and I just want to make sure we get that on the record as well.

I want to go back to the question, Ms. Olsen, in your opening remarks you mentioned some of the changes that happened in the Hogg formula, in particular around physical education and technology funding. Can you reconfirm those changes and what do those changes mean?

MS. OLSEN: I'm going to ask Mr. Dunn to reflect those changes but I know for a fact that there was a compulsory credit, for example, in high school that was introduced and so the formula would have to take that into account.

MR. DUNN: There is a document in the members' briefing binders which summarizes the changes. I can run through each of those fairly quickly and some of them we've already talked about, so I'll go over those fairly quickly.

MR. WHYNOTT: That would be great.

MR. DUNN: The first one is around governance and we already talked about the fact that we changed the allocation of governance more to a per board member as opposed to a per student member. On the regional management and support, really the one change that I will note here is that prior to reviewing the Hogg formula, the South Shore Board and the Tri-County Board were not allocated the base \$1 million that the other boards have allocated, and the reason for that was at one time they were amalgamated into one board and over time that morphed back to two boards. They had a shared service model for Finance and HR.

Eventually the HR piece went back separately to each board and so when we reviewed the model, our thought was if you're a board, you're a board, and you should be allocated funding similarly to any other board. So we reinstated the allocation for both boards so all eight boards are allocated regional support or regional management and support funding, on a consistent basis.

Just on the instructional and school services, and that's really - I describe it as the engine of the model. It is how teaching FTEs are allocated to various boards and it's quite detailed. It actually goes down by the type of course that was offered. So we reviewed those allocations to ensure that the allocation was proper and some things have changed in the curriculum since 2004, specifically around elementary school French and physical education. The allocation of FTEs for those two programs was insufficient, so the numbers for physical education went from one teaching FTE for every 500 students to one to every 350, and French went from one for every 500 to one for every 225 students.

MR. WHYNOTT: Can I just stop you there quickly? When that change was made, that was in the last couple of years? So we have seen more physical education instruction in Nova Scotia over the past number of years - more FTEs are teaching physical education then?

MR. DUNN: Based upon the curriculum - I'm looking to Dr. Lowe, maybe he can fill in on the changes with the physical education. I know that the physical education had changed with the last previous government, had increased the number of hours of physical education that was required for elementary students in the run of a week. I'm not quite sure on the changes to French. Dr. Lowe, I don't know if you would know that?

MR. LOWE: I'm not sure of the question.

MS. OLSEN: What changes in the curriculum or the hours of instruction in French?

MR. LOWE: I don't have that.

MR. WHYNOTT: All right, that's fine. The last thing I do want to talk about - I think Mr. Dunn you mentioned earlier about special needs funding and I think you said \$136 million in the last year?

MR. DUNN: It was \$137 million.

MR. WHYNOTT: Is that an increase year over year?

MR. DUNN: It would be an increase year over year.

MR. WHYNOTT: And what is that increase?

MR. DUNN: Joe can get that for you - I believe it's a little less than \$10 million year over year.

MR. CHAIRMAN: Mr. MacEachern.

MR. MACEACHERN: Yes, it's actually slightly higher than that. The increase to 2012-13 from 2011-12 is approximately \$12.2 million.

MR. WHYNOTT: So we have seen an increase of \$12.2 million in special education funding in Nova Scotia year over year?

MR. MACEACHERN: That's correct.

MR. WHYNOTT: I think one of the things that unfortunately is a myth out in the public is that special education funding was actually decreasing. As far as dollars are concerned, there's more money going into resources to help families and kids with special needs. Ms. Olsen, is that correct?

MS. OLSEN: That's correct.

MR. CHAIRMAN: Unfortunately, Mr. Whynott's time has expired.

Ms. Casey, you have 15 minutes.

MS. CASEY: Mr. Chairman, I would like to go back and pick up, I guess, on what the member across the way has been talking about with respect to special education funding. We talked about that, the \$137 million - what I'm trying to find out is what information data, research, what is used to help the department come up with \$137 million for special education?

MS. OLSEN: I'll begin that answer, and I'll also ask Dr. Lowe if he wants to expand on it.

There is a lot of research that goes into what would be described as the incidence of special needs within the general population. So there is consultation with various associations that would provide services for special needs youngsters - they're not just the youngsters, the special needs situations, and that's where the formula would come up. It would be based on the incidence that research would indicate was in the population.

I'd also like to describe - we've talked about the \$137 million that's going into special education through the formula, but we should also remember that those students are calculated in the overall per student population. So we've got 122,000 students in Nova Scotia and they are included in the enrolment of each board, and in addition to that there is additional money that's provided to the boards to support the special needs.

MR. LOWE: As the deputy has said, the original formulas that were based on the research and the two special education studies that were done in Nova Scotia and the continuing advisory committee and generally speaking, the ratios that Mr. Dunn had mentioned earlier, of the different specialists like psychologists and so on, have held fairly true. In the reality Nova Scotia has matched the international research in that area.

I can provide the member, if he would like, we can provide you with - I know you have access to those studies - but I can provide you with an update on the experience that we've had in Nova Scotia using those figures.

MS. CASEY: Thank you for the information. The incidence of students presenting themselves with special needs is certainly information that needs to be included, in my opinion. I'm pleased to see that it is. When you look at the incidence of students who have been identified as autistic, we know those numbers have ballooned from 1 in 1,000, ten years ago, to 1 in 88 now. My concern is their needs and how their needs can be met when we have not ballooned our funding to respond to that. If it's the incidence of special needs that's considered, I go back to my earlier comment that we don't know how many of those students we have - is that correct?

MS. OLSEN: In terms of our current situation, in April 2011 the government released the Autism Spectrum Disorder Action Plan and it's investing \$5.5 million to enhance existing services for persons with ASD and their families. In June 2012 the government released its Autism Spectrum Disorder Action Plan Progress Report affirming its investment of a further \$2 million in the Early Intensive Behavioural Intervention Program.

The Department of Education has a full-time autism consultant who provides provincial leadership in advancing the Autism Spectrum Disorder Action Plan and supports boards in their delivery of programming and services for students with ASD. The guide for educators on teaching students with ASD entitled, *Developing and Implementing Programming for Students with the Autism Spectrum Disorder*, has been published and

will be released in November 2012. The document will be available in English and French and it's on the Student Services Web site of the department.

School boards support classroom teachers through autism specialists and we have 14.5 FTE across all school boards. These specialists provide direct and indirect support to students. With respect to professional development, the Department of Education will be providing a province-wide training program in 2012-13 on the PEERS program, it's the program for evaluation enrichment on social skills and an evidence-based program on social skills training and the focus will be on effectively supporting adolescent students with acquiring these life-social skills.

MR. CHAIRMAN: Ms. Olsen, I'm going to have to ask you to table that document because you just read from it.

MS. OLSEN: Oh. That's fine.

MS. CASEY: That information is fine. I know the Autism Society have been working closely with the department, but that list of having a strategy and having a booklet does not translate into any direct support for their child in a classroom in this province. That is what the parents of autistic kids have been asking for and what they're expecting. As recently as yesterday, those concerns were expressed to me.

Those strategies and those documents are fine, but we do not have an extra body in the classroom to help guide that autistic child, regardless of where they are on the spectrum, through the learning process. They're in a class with 25 or 30, however many students, and yet they do not have that support. Parents are disappointed that the additional monies that have been set aside for special education or for autism are not translating into direct support for their child so their child can work to their potential in the classroom.

My question would be, if we're looking at the incidence of special needs and the data is showing that we have more students in our classrooms with special needs - we know the stats specifically on autism right now - how many extra teachers do we have hired across the province who provide service and support directly to a student with a special need, i.e., somewhere on the autism spectrum? Do we know the numbers of teachers who have been hired for that specific purpose?

MS. OLSEN: We've got 14.5 FTEs with specialists with the autism spectrum disorder, but what we need to do is develop the capacity of each individual teacher - the professional development for them, that they can program effectively for their students in the classroom. Clearly, there is the IPP process, where they bring the family in with the specialists and with the teacher and with the principal to develop a plan, if need be, for students with this disorder or any other special need. I don't know if you want to expand on that?

MR. LOWE: Yes, just that in Nova Scotia, as everyone knows, we have an inclusive model for public education with the students in the regular classroom to the extent possible. We have the board specialists, the 14.5, across the province, but they work with individual teachers and they work with individual program planning teams at the school, so it's not just the classroom teacher. You have different people on the program team. You can have learning centre teachers, for example, and so on, working individually with the students when that's appropriate.

The students also have access to the teacher assistants or educational program assistants - different boards have different names - and together they work in a collective and systematic way. To have a systematic approach for these students is very important and to show how the structure within the classroom can be set up to the best advantage for these students to progress and learn and also to have social interaction, which is extremely important.

MS. CASEY: Mr. Chairman, we talk about the services and supports for students in our classroom, and some of those services and supports come from our speech language, our school psychologists, our resource teachers. We all know that. I think I heard earlier today that the ratios that were established in 2007 are still the ratios that are used for allocating those specialized teachers. Is that correct?

MR. LOWE: Yes, that's correct, and in some cases they have been bettered. In some of them the ratios are actually better - the psychologists, I believe, and the guidance counsellors.

MS. CASEY: So with some improvement or change in those ratios, do we have students who are on a wait list to see school psychologists or speech language pathologists for either assessment or service?

MR. LOWE: I don't have those details but certainly there are always lists - wait lists, if you want to call them that. There has been a great improvement in the last few years and I can look to get those figures for you if you would like to see them.

MS. CASEY: Mr. Chairman, those numbers are available at the department, boards were asked to submit those in June so my question is if that data is available, it doesn't appear that it's being used to look at the funding for students who need those supports. The data is there, it tells you how many students are on the wait list from each board which certainly, in my opinion, identifies a need. If they're on a wait list, obviously we need to do something to increase the number of people who can respond to doing the assessment or doing the intervention so that they are not on a wait list.

Some of those students are on a wait list more than a year and that's not acceptable, so why would we not change the ratio to respond to the wait lists that are there and to ensure that those students who need - we all know early identification, early intervention is

the key, so why are we not doing something to increase the number of specialists in our schools so that we don't have a backlog of students waiting for an assessment and waiting for service?

MR. LOWE: I will say that the data that is collected and is available is shared with and discussed with the special education advisory council. They do make recommendations - I'm not aware of any at the current time - but they do make recommendations to the department and to the minister.

MS. CASEY: I asked earlier what was used to come up with that \$137 million and the only thing I heard was the incidence of special needs in our schools, but am I now hearing that you do use data that comes in from the schools?

MR. LOWE: I was speaking of the special education advisory committee and they make recommendations through the department specifically when it comes to this. When the consultation was held with boards about the funding formula, that data was certainly reviewed at that time.

MS. CASEY: I would like to go on to another topic if I could and that has to do with the number of teachers that were hired - I think it was on September 27th that there was an announcement from the minister that there would be 45 teachers hired, at a cost of \$2.8 million, to help address class sizes. My question is . . .

MR. CHAIRMAN: Order, please. Unfortunately, Ms. Casey, your time has expired. Mr. Orrell.

MR. EDDIE ORRELL: Thank you for your presentation. Mr. Chairman, if possible and with your permission, Mr. Bain would like to clarify one area he had a question about earlier.

MR. BAIN: Thanks, Mr. Chairman, and thank you to my colleague. I mentioned in my discussion before about a working group or a committee that had been set up. To clarify or correct that, it was a province-wide coalition that was formed - Nova Scotia Small Schools Initiative program - and they had met with the minister about coordinating positions, programs, and services to serve rural communities. That was what I was referencing and I apologize for saying that it was a committee that was set up by the minister.

Having said all that, I know that they did meet with the minister and they asked her for a written response to their presentation and submissions and they hadn't received it, and that has been since May 15th. I wonder if that can be checked into - thank you and I apologize.

MS. OLSEN: We will just check into that and get back to the member.

MR. ORRELL: Going back to your breakdown of the special needs, special education funding, you said there was \$137 million - I believe you said there was one psychology educator for approximately 2,500 students. Is that correct?

MR. DUNN: Psychology - one for every 2,500, correct.

MR. ORRELL: What is the breakdown on that? Would that be for teaching, for training, for evaluation, for assessment? My guess is the big thing is that one person for 2,500 students seems very excessive to me.

MR. DUNN: If I could, Mr. Chairman, just to clarify, the correct number is one for every 2,000.

MR. ORRELL: Okay, you said 2,500.

MR. DUNN: Perhaps I could read into the record - I read the old ratios when I had mentioned them before. The 2007 ratios, which are what the current model is: resource is one for every 150; speech-language is one for every 1,500; psychology is one for every 2,000; program support is one for every 3,500; and TAs, or teaching assistants, is one for every 104.

As far as specific duties that the psychologist would do at a board, I'm looking to Dr. Lowe or the deputy to answer that question.

MR. LOWE: Yes, psychologists are involved in working with students and they do assessments of students, particularly in the areas of learning disabilities and determining if there are learning disabilities and specifically what they are.

MR. ORRELL: My indication from dealing with some of the people in the school system is the psychological evaluations are up to four years behind, or up to a four-year wait. Is that true or have I been given some bad information?

MR. LOWE: That sounds high to me but I will look into that.

MR. ORRELL: Okay, if you would. If there is a wait list for psychological evaluations, to me it indicates that the children who may need assistance or supports would not be getting that until after the evaluation was done. Is that correct?

MR. LOWE: The model that the boards are using is to provide intervention early, even sometimes pending psychological evaluations, which is an important consideration considering the Supreme Court of British Columbia's recent decision that when there is an identified need for intervention, that that begin as soon as possible. That is what happens in our school system, even pending psychological assessments.

MR. ORRELL: Without that evaluation, they could be lacking in specifics. What would that mean to a student's ability to learn in the classroom if they were lacking those specifics?

MR. LOWE: For example, if students are experiencing difficulty in reading, we have the Succeeding in Reading program and that proceeds for all students who are experiencing difficulties. As students progress and the difficulties become more particular to that student, it's through the psychological assessment to determine whether there's a specific learning disability that is related to that reading difficulty the student is having.

In the meantime, there are still interventions going on, from the reading specialist's point of view, which will still be aiding that student in their progress.

MR. ORRELL: And are there any allowances in the new Hogg formula that would allow that situation maybe to be fixed or bettered, so that the wait list for those psychological evaluations would be lower?

MR. LOWE: What was the previous ratio? (Interruption) In psychology, in the 2001 ratio it was one to every 2,500; in 2007 the ratio was one to every 2,000; and the actual ratio reported now in the schools, in May 2011, was one to every 1,900. So there has been an identified need in the boards to increase the number of psychologists available and that has been implemented.

MR. ORRELL: So it's one to 1,900 now, not one to 2,000?

MR. LOWE: In the actuals, but that's not how the formula - the formula is still using the 2007 ratio.

MR. ORRELL: Okay, I guess I can move on from there. Studies show that, say, students who don't have those evaluations done in a timely manner do lag behind, which really severely would cripple their education, I guess, and then moving on. If there's a defined wait time and if it's in - and I'll use probably the most vulnerable years - when it's the junior high years, when there's so much going on in a child's life. They're emerging into young adults I guess and if they're having a psychological problem - maybe not a reading problem, maybe it's a psychological problem - if they don't get that addressed and have the needs met to allow them to continue with their education, they would lag behind, which would be an enormous cost to our society and our education system later on.

I'm just hoping this new Hogg formula will adjust that. One to 1,900 students seems like an excessive amount to me because some schools in my area - you might have 300 kids in one school and 1,000 in another school so if they're travelling, you'll lose out on that valuable time.

MR. LOWE: Yes and when you start to talk about the adolescent period, then you're also getting into areas of mental health and identification of difficulties in that area. There are extensive programs now going on in co-operation with Stan Kutcher in training school board staff, teachers and administrators to recognize some of the symptoms that may indicate a deeper psychological problem that students are experiencing and through the guidance counselling and so on. We're working more in co-operating with the Department of Health and Wellness, and the local public health departments, to work together to identify and fast track some of the interventions that these students may require.

MR. ORRELL: I'll just change gears for a minute if I could. I believe it was Mr. Bain who asked about the decrease in the Education budget over the last couple of years. He was asking about senior management having their numbers increased and the budget increased. He was asking about the department budget of senior management. The number we have - it's increased by 21.3 per cent over the last number of years. It's up to about \$884,000. Is that fair that the people in the front line are getting budget cuts when the Department of Education's budget seems to be growing?

MR. DUNN: I can't speak to the minister's calculations. I can say to the members that part of the Department of Education's contribution to the Back to Balance initiative was that we would reduce our number of FTEs by 10 per cent over a three-year period. It's not only an education parameter, but it's also a government parameter.

People may think that the administrative component of the department is large when you look at a budget of \$1.2 billion, but most of that is grants. If you look at the number of FTEs in the department - I don't have the number right off hand, but our 10 per cent reduction in FTEs over three years was just over 20 bodies. We have roughly about 200 people in the department so a 10 per cent reduction is 20. We are on course to meet that number in 2013-14. In the first two years of the Back to Balance initiative, the department reduced their number of FTEs by 14. I could provide the member with the details of what those 14 positions were, but they would be administrative positions.

MR. ORRELL: In Budget Estimates, in looking at the actuals and the projected numbers, I asked the same question of the Minister of Education at the time - I think you were here, Mr. Dunn, at the time. I don't know the exact numbers, but I'll use an example. There was a forecast of 20 people when you only used 15 people, so the budget would be five full-time equivalents under budget. So the cuts to this year's program would go to, say, 23 when you were only actually using 19 the year before - that's considered a cut in the department.

Am I correct in assuming that, because of the actual estimate going there? It's not actually a cut because you're not reaching that goal. So your salaries, wages and budgets have gone up, but your actual numbers haven't gone down. I never got that answer properly in Budget Estimates and I still can't figure it out. Maybe you can explain that to me.

MR. DUNN: If I could try to answer the member's questions because I remember the questions were not asked to me . . .

MR. ORRELL: Okay, maybe it's me not understanding it, but . . .

MR. DUNN: What we're talking about is, an estimate would be the number of full-time equivalents or FTEs that the department, at a point in time, would have in the department. So effective April 1st of each year, the estimate for FTEs in the department would be somewhere around 200 - I don't have the exact number. Over the course of the year - as in not only the Department of Education, but any department or for that matter the private sector or any organization that operates - there are people who leave, people who retire and the position may not be filled for one month, two months, three months, for a period of time.

When we forecast where we are in a particular year, the forecast is based upon the vacancy factor, is what we call it. It would be very rare to look at any departmental estimate - not only Education's - where you would find the forecast FTE number not being lower than the estimate because just the regular operations of a department you have folks leaving and not being filled for a period of time, so that is the reason why. It's not that FTEs are not a head count, it's a calculation based upon what an individual would work over a course of a full-time year. so that's the reason why that number will always - not always, but in almost all cases lower than the estimate.

MR. ORRELL: I think I have just about one minute left and I just want to ask one more question. Your designated special education funding going to private schools, so your Bridgeway Academy and your Landmark East, we hear every day that our funding is up per student, per school, to \$10,300 a student, I guess, they're designated \$7,200. If our students are getting a rate increase in their funding, why does this funding not travel with those students who go to these specialized schools?

By the way, the minister has said in this Legislature that there are some students whose education needs can't be dealt with in a regular school system so these schools are essential in their development, but we're not funding them to the rate that we're funding a student in our everyday school system. Can you explain that for me?

MR. CHAIRMAN: Order, please. Unfortunately, Mr. Orrell, your time has expired. Mr. Ramey.

MR. GARY RAMEY: Mr. Chairman, I'll be sharing my time with the member for Pictou East. I just really have one question, and I've been listening with interest to everything you've said this morning. It's my understanding that the original Hogg formula was laid out in that report by Mr. Hogg in 2004, am I correct in that? The original Hogg formula.

MR. DUNN: That's correct.

MR. RAMEY: So 2004. Now after that report was released, did the original formula kick in that very year or was it implemented a number of years after that? In other words, when the report was written, was it almost immediately implemented?

MS. OLSEN: Joe, do you want to answer that questions? The process began in 2004, the consultation to develop the formula, but I'll turn it over to Mr. MacEachern.

MR. MACEACHERN: Yes, correct, the report was written in December 2004. In 2005-06, the government indicated that they would move forward and they put some money into the model for the following year to give it a time for one year for further collaboration with school boards. They started to implement the funding model itself in 2006-07, and it was fully implemented by 2007-08.

MR. RAMEY: Okay. Then if I am correct in my next assumption, it was revamped or it was proposed to be revamped in 2011 - the new Hogg formula or the adjustment to it, 2011?

MR. DUNN: It was a commitment by the minister, I believe, during the estimate debate in the Spring of 2011, where she agreed that the formula needs to be looked at for a number of reasons, to your point, that it had been quite some time since the model had been looked at, and as in everything in life, things change over a period of time. Plus the fact that we had heard from the boards on a fairly consistent basis that there were things in the model that were unfair or not quite appropriate. So with the boards asking for a review and the minister acknowledging that we would undertake a review, we did - it would have been the summer of 2011.

MR. RAMEY: And we have now implemented the changes in the formula or we're about to implement the changes in the formula?

MR. DUNN: The changes in the formula would have been approved in the winter of 2011, in the budget that was tabled in the Spring of this year, so in 2012. The budget included the new changes to the model, but as we had discussed earlier, the full impact of the changes will be transitioned and the full transition will be complete about three years after boards have contributed to the Back to Balance initiative.

MR. RAMEY: Well, that sort of puts the context that I need in order to ask my question now - I sort of needed that.

I'm from a constituency on the South Shore so it's the South Shore board I'm sort of thinking about here. I remember meeting with them on a number of occasions and one of the things they brought up - and I'm talking about the original Hogg formula now - they had suggested to me that they had been quite frugal in the management of their finances

over the years and they sort of posited the following: they said we've been very frugal - or we feel we've been very frugal - and we think maybe some other boards haven't been as frugal as we have been. So when the base funding was put into place, we think we got punished because we were frugal. Had we been more inclined to spend, we probably would have gotten a better base rate going in.

I mean I'm saying that that was a perception and I'm wondering in the proposed changes that you made in consultation with all the boards under the 2011 review - which is now being implemented - would a concern like that be addressed?

MR. DUNN: It's a general comment that we hear from some boards. The boards that are more negatively impacted by the changes to the Hogg formula are those boards that have a corresponding higher decrease in their enrolment than in other boards. So having said that, there are some boards that will benefit from the new model because they more accurately reflect where we spend the money and, you know, it's public knowledge that the Halifax Regional School Board, the CSAP, and the Annapolis Valley board, once we transition to the new model - being frugal as you described them - will see the changes in the model. It's like anything. If you're someone that will benefit from a change, you would like to see the transition happen much quicker than those that have a negative impact, because enrolment decline would prefer to have the transition much longer. So there's a bit of a balance that we need to do there.

MS. OLSEN: I'd just like to pick up on Mr. Dunn's observations. He has identified that three of the boards will be advantaged, I think, when the full transitioning takes place. But I think the conversation has happened with all eight boards in the province. I think all eight boards feel that they've been heard in terms of their recommendations for the changes in the funding formula and all eight boards understand what that transition is going to require. I think they're committed because there is transparency now of that transition that I think all eight boards are committed to working with us to make it effective as we move forward.

MR. RAMEY: Thank you very much. I think transparency - of course, I'd always concur that it's a good thing. I'm now going to pass it over to the member for Pictou East. Thank you very much for answering my question.

MR. CHAIRMAN: Mr. MacKinnon.

MR. CLARRIE MACKINNON: Mr. Chairman, I have to first begin by saying that I was a school board member in the former Colchester-East Hants board which had 49 schools way back years ago, and in the late 1970s and through the 1980s, most of that time as vice-chairman, so I know the improvements that actually took place with the Hogg report years later.

First, also, I want to commend the minister and the department for the revisions because at the time of the Hogg report, I think we were talking about more fairness and more transparency at that time. With the implementation and changes over the years - because the government on quite a number of fronts is trying to show more fairness and more transparency and I just want you to assure us that in the three years or so that the implementation will take place, we will have even more fairness and transparency.

MS. OLSEN: Thank you very much for the question. I believe my answer to the previous question indicates the kind of dialogue and openness and transparency that we have with our school boards, the Nova Scotia School Boards Association, and the Department of Education. We have ongoing dialogue at all levels with the boards in terms of the funding model. The transparency, I believe, is very clear to both our governing board members and to the staff members in the area boards, in the school boards across the province.

MR. MACKINNON: I understand that coming up with the revisions that there was extensive consultation that took place. I understand that even Bill Hogg was involved in the process. Could you perhaps elaborate a bit on how extensive that consultation actually was?

MS. OLSEN: I'll begin and then I'm going to turn it over to Mr. Dunn, because when the consultation took place, I was in a different role - I was the superintendent of the Halifax Regional School Board. I can tell you that the department staff - Mr. Dunn being one - went to every single board in Nova Scotia, met with senior staff, spent hours - not a half-hour consultation, but hours - with senior staff, going through very specific questions with respect to how we were spending the money within the boards, and met with board members as well as the staff members. From a school board perspective at the time, we really felt that our concerns were deeply listened to and then when we saw some of the proposed changes, they came back and we had some other dialogue at that point. I think everybody felt that the proposed changes were fair and they were transparent.

I'm going to turn it over to Mr. Dunn because I believe he did a phenomenal job at the time.

MR. DUNN: As the deputy said - and she summarized it quite well - I was on the other end at the time. After the minister committed to the review in the Spring of 2011, the first thing we did was we actually met with Bill Hogg. We thought it was important to meet with him before we started the review, to get his opinion on what he thought ended up working well in the formula that he developed and what didn't do so well. So that was quite helpful.

We met with the Nova Scotia School Boards Association and the executive director there, Ken Meech, and got comments from them. We also talked to staff in the department,

Mr. MacEachern being one, who would have been around when the old formula was actually being used.

We did have a fairly extensive consultation process, as the deputy says - in fact, one of the most extensive processes that I've ever been involved in. We met with all senior staff in the boards at the boards; as opposed to having them come and see us, we went to them. When I talk about senior staff, it was the superintendent, the director of operations, the CFO, the HR directors, and the program directors.

We talked with them and came up with some recommendations at that time. We then scheduled meetings with all the elected board members because we thought it was important that they understand the recommendations we were making. We got good feedback from them. We went back, revised our recommendations and we did make some changes. It was kind of an integrative process, and then went back to the senior staff at the boards again.

In total, we had over 24 meetings with board members in the space of a little shy of six months. So it was a fairly intensive process.

MR. MACKINNON: Thank you very much. Now I realize that most of the revisions will, in fact, come into being after we get back to balance in the province. However, some of the things that have been implemented already, I believe - one of the things I was excited about was the doubling of funding for technology within the system. Funding allocation doubled there and that's technology funding. I think that's so important when we look at jobsHere and Ships Start Here, and so on, in the province.

Could you perhaps comment on why that came about? I'm glad to see it's there but I don't know what the actual reasoning was for doubling the funding very early on in that area.

MR. DUNN: One of the principles that we followed when we were looking at the various components of the Hogg model was what we were trying to do . . .

MR. CHAIRMAN: Order, please. Unfortunately the time has expired for questions. If you'd like to provide that answer to the committee in writing, we'd be only too pleased to get it. I'm sure the member would like to have that.

I would now like to get the deputy minister to do some wrap-up comments. Ms. Olsen.

MS. OLSEN: Mr. Chairman, we're very pleased to be here this morning. I think what this whole process is summarizing is that both the government and school boards have challenging decisions to make with respect to the funding of public education in Nova Scotia. As Mr. Dunn indicated, the government determines the size of the pie and takes into

account many factors in terms of determining the size of that pie; then the Hogg formula determines how that pie is delivered out to the school boards.

I'm really pleased to say that both the Department of Education and the school boards are very supportive of the changes we've made in the new formula. They believe it to be fair, they believe it to be open and they believe it to be transparent. But I think this becomes an ongoing process and dialogue that we have with our communities, with our school boards, and with our other partners as we move forward with the funding of public education in Nova Scotia. So I think we've made some very positive steps forward. Thank you.

MR. CHAIRMAN: Thank you very much. According to my records and what the clerk has given me, I have so far 11 requests for information that the department committed to giving us, and we'll have the clerk go through the information and write a letter to the department with the very specific information.

I'd like to recognize Mr. Whynott - there's a very special guest in our audience and perhaps he would like to introduce the person.

MR. WHYNOTT: Thank you very much, Mr. Chairman. In the Speaker's Gallery today we have Samantha Byard, who is a first-year public relations student but is taking an intro to political science class. She called me up a couple of weeks ago and had a chat and I said, well, why don't you come on down and see what we do, so she is spending the day with me - poor thing, I know. So if she can rise - I can't quite see her, I think she's in the Speaker's Gallery - and get a warm welcome from the committee. (Applause)

MR. CHAIRMAN: Indeed, welcome here today. We have some other committee business here. We have some notes that I have to go through. There was correspondence to the Cape Breton District Health Authority and from the Department of Agriculture that has been distributed already to all members. There was a request for the Auditor General to supply copies or pictures of signs that spoke about changes being implemented on a temporary basis that are posted at the Cape Breton District Health Authority. Unfortunately, the Auditor General does not have those photographs.

There will be a briefing next Wednesday from the staff at the Auditor General's Office regarding the Office of the Public Trustee, and this will be an in camera briefing from 11:00 a.m. to 11:30 a.m. There's also a meeting of the subcommittee today, which will be in camera, immediately following this meeting.

Our next meeting will be next week, December 12th, and it is going to be the Auditor General's November 2012 Report, and as I already said there will be an in camera briefing after that.

Unless there are any other items, a motion to adjourn will be in order.

MR. MACKINNON: I so move.

MR. CHAIRMAN: Thank you, Mr. MacKinnon. We stand adjourned, and I would like to thank the department for coming today.

[The committee adjourned at 10:57 a.m.]