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RESOURCE COMMITTEE

Department of Advanced Education and Skills

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Appearing:

Department of Advanced Education and Skills

Hon. Gerry Byrne, MHA, Minister

Debbie Dunphy, Assistant Deputy Minister, Corporate Services

Bob Gardiner, Assistant Deputy Minister, Advanced Studies

Brendan Hanlon, Departmental Controller

Dennis Hogan, Assistant Deputy Minister, Workforce Development & Immigration

Roxie Wheaton, Assistant Deputy Minister, Regional Service Delivery

Also Present

Lisa Dempster, MHA

Sandy Collins, Researcher, Official Opposition Office

Susan Williams, Researcher, Third Party Office

Pursuant to Standing Order 68, Lisa Dempster, MHA for Cartwright – L'Anse au Clair, substitutes for Brian Warr, MHA for Baie Verte – Green Bay, for part of the meeting.

The Committee met at 9:10 a.m. in the Assembly Chamber.

CHAIR (Warr): I just wanted to welcome everybody and we'll get started. We've got a couple of members who are just running a few minutes late so they'll join us when they arrive.

We're dealing with Advanced Education and Skills this morning and I'd like to, again, welcome everybody. We'll start off with some short introductions.

Minister Byrne, if you would start and we can –

MR. BYRNE: Sure.

Thank you very, very much, colleagues and officials that are joining us for this, the Estimates presentation on Advanced Education and Skills.

CHAIR: Gerry – excuse me – just the introductions first.

MR. BYRNE: Sure.

Before I begin, what I should do is prudently say this is my first time ever attending an Estimates, either participating or watching. So I'll follow along with your flow, if that's okay.

One of the first orders of business that I've been instructed to do, and very glad to do so, is to introduce the senior officials who are joining me here at the table.

Debbie, if I could get you to begin; if you could just introduce yourselves and your positions.

MS. DUNPHY: Debbie Dunphy, Assistant Deputy Minister of Corporate Services.

MR. HANLON: Brendan Hanlon, Departmental Controller.

MR. GARDINER: Bob Gardiner, Assistant Deputy Minister for Post-Secondary Education.

MS. WHEATON: Roxie Wheaton, Assistant Deputy Minister responsible for Regional Service Delivery and Income and Social Supports.

MR. HOGAN: Dennis Hogan, Assistant Deputy Minister for Workforce Development and Immigration.

MR. BRAZIL: David Brazil, District of Conception Bay East – Bell Island.

MR. COLLINS: Sandy Collins, the Office of the Opposition.

MS. MICHAEL: Lorraine Michael, St. John's East – Quidi Vidi.

MS. WILLIAMS: Susan Williams, Researcher, Third Party.

MR. FINN: John Finn, MHA, Stephenville – Port au Port.

MS. P. PARSONS: Pam Parsons, MHA, Harbour Grace – Port de Grave.

CHAIR: My name is Brian Warr. I'm the MHA for Baie Verte – Green Bay.

We'll get started. Will the Clerk please call the first subhead?

CLERK (Ms. Hammond): 1.1.01.

CHAIR: Shall 1.1.01 carry?

Minister Byrne, you have the floor for opening statements.

MR. BYRNE: Thank you.

Mr. Chair, if I could just begin with some brief opening statements. We'll spend most of the time obviously on questions, which is the best way to proceed. But since there are some members that are relatively new, not only to the Legislature but as well to the Department of Advanced Education and Skills, I'll just give some brief opening introductory remarks.

I want to say thank you for this opportunity. The Department of Advanced Education and Skills, I believe, touches the lives of Newfoundlanders

and Labradorians on so very many levels. Whether it's through skills training, student financial assistance or various social and economic supports, the objective of this department is to help people. It's guided by the philosophy that, to the greatest extent possible, people should be provided with the means to enable them to live independent and fulfilling lives.

The Department of Advanced Education and Skills is responsible for \$859 million of the provincial budget, which is about 9.6 per cent of the entire provincial budget this year. These expenditures include: \$323 million in a grant and aid to Memorial University of Newfoundland, \$90.8 million to the College of the North Atlantic, \$230.4 million to provide benefits and supports under the Income Support Program and just over \$22 million annually to student financial assistance. These are among other initiatives. We want to ensure that only the best services and programs are offered to Newfoundlanders and Labradorians to help them achieve employment and independence.

This is the third year of a reorganizational structure within the Department of Advanced Education and Skills. Work has continued to be more responsive to the demands of today's changing labour market.

As part of that change, the department now consists of four branches and 16 divisions, all with the shared goal of ensuring all Newfoundlanders and Labradorians can avail of existing and emerging opportunities in today's challenging economy. Given the width and breadth across a department with an expansive responsibility for social and economic development, resources are shared across divisions, always guided by the goal of being more responsive to the development and delivery of programs and services.

I'd like to take a moment, if I could, to highlight some of the investments and initiatives announced as part of *Budget 2016*. We are continuing to invest in a tuition freeze which is \$63 million, including \$5 million more in new funding to enable a tuition freeze for students at Memorial University of Newfoundland and the College of the North Atlantic.

We're continuing to provide a student aid package that is the envy of the country, with an investment of approximately \$24 million for needs-based grants and loans. We are engaging with the College of the North Atlantic in a review to ensure the college is best meeting the needs of students, and its course offerings are optimized and responsive to shifting labour demands.

We're providing some \$3 million in additional funding to increase the fuel supplement for Income Support qualifying recipients to heat their homes and residences. Funding for the fuel supplement gives an additional monthly benefit of \$42 for Income Support recipients in Labrador who receive the fuel supplement and \$21 a month for recipients in Newfoundland. Income Support recipients in Labrador who qualify for the fuel supplement will now receive \$132 each month and eligible recipients in Newfoundland will receive \$71 per month.

In summary, finding ways to do things more efficiently has been part of the call to action of our government. In developing this budget we undertook the Government Renewal Initiative to consult and engage people like never before, and that is exactly what we did.

As Minister of Advanced Education and Skills, I was very pleased and proud to lead a public engagement session where we dug deep on these types of discussions. And, in fact, some of the decisions that were taken within my department came directly from those GRIs.

With challenge comes opportunity. A financial challenge of historic proportions has given us pause for thought, forcing us to ask fundamental questions about the work of government and the value of that work to the citizens we serve. As a government, we've been required to find efficiencies whenever possible throughout our programs and services due to the current fiscal situation. We will continue to find ways to do things better and more efficiently while still providing the best services to residents of Newfoundland and Labrador.

I'd like to say thank you for giving me the opportunity to have these opening remarks, Mr. Chair. I'll now take questions regarding the department's budget estimates.

CHAIR: Thank you, Minister Byrne.

Before we start, I'd just like to remind the senior staff of the department that if you're required by the minister to answer any of the questions, I'd appreciate you wait until your tally light comes on, you introduce yourself and you can answer the question.

Mr. Brazil.

MR. BRAZIL: Thank you, Mr. Chair.

I thank the minister and his staff for this opportunity. I have one question under 1.1.01, under Salaries. It was budgeted last year for \$159,900, the revised was \$138,000. I do realize at the time there was blending of a minister responsible taking two line departments, but it seems like a substantial increase to \$197,500. Can you explain under the salary base, please?

MR. BYRNE: There are two things that are happening here. One is that, in terms of the original budget, the parliamentary assistant position was not filled in the 2015-2016, which amended things in terms of the lower forecast for 2015-16.

But the minister's salary of \$55,300 and the car allowance of \$8,000 was originally budgeted within SWSD in 2015-16, and so the rightsizing of the budget and moving of the ministerial salary requirements to the department – see, you may recall, David, this was a department that actually had one minister for two separate departments. So originally the minister's budget was captured within the other departments. With this now as being a stand-alone, the minister's salary had to be transferred over into this department. That would be a plausible explanation of the increase.

MR. BRAZIL: Okay, so this would include salaries, the car allowances, all the added expenses relevant to –

MR. BYRNE: That's correct.

MR. BRAZIL: – the minister's travel.

MR. BYRNE: Well, the travel would be –

MR. BRAZIL: The travel is separate, yes, but under the car allowance expense.

MR. BYRNE: Correct, to the best of my (inaudible).

MR. BRAZIL: And obviously there are no parliamentary secretaries salaries built in to any of that?

MR. BYRNE: That's right.

MR. BRAZIL: Okay, that's the only question I have under that section, Mr. Chair.

CHAIR: Thank you.

Ms. Michael.

MS. MICHAEL: No questions (inaudible).

CHAIR: No questions.

Would the Clerk please call the next set of subheads?

CLERK: 1.2.01 to 1.2.04.

CHAIR: 1.2.01 to 1.2.04.

Ms. Michael.

MS. MICHAEL: Thank you, Mr. Chair, and again, thanks to the minister and his staff for being here this morning.

Under 1.2.01, it's not lot, but if we could have, Minister, just an explanation of the salary line, the drop in the revision in the budget last year and then back up, but still under last year's budget.

MR. BYRNE: Sure.

In 2015-2016 the revised went from \$127,200 from the original budget. The increase is due to a payout of retirement benefits in some instances and some severance benefits of the ADM –

MS. MICHAEL: No, it was a decrease, actually, from the budgeted to the revision – no an increase, I'm sorry.

MR. BYRNE: Yes.

MS. MICHAEL: I'm doing my addition backwards. Very sorry, I apologize.

MR. BYRNE: No problem.

MS. MICHAEL: My researcher's notes are perfectly correct, but I started to do my own addition and did it backwards.

MR. BYRNE: Well, I will not fault you because I think through the course of these Estimates you will find that I will probably be making the exact same juxtapositions every once in a while myself. So I'm sure we'll both have the capacity to forgive each other.

The increases were due to some retirements and some severances that were paid out, not only for an ADM position but as well for a deputy minister's secretary and the offset by two partial-year vacancy of the secretary for an ADM and for media relations. So that will explain some of the variances.

You also may be wondering why the Estimates are down by \$75,000 from the 2015-16 original budget. There was a removal of an additional pay period for one of my assistant deputy ministers. It's a relatively small amount of money, \$5,000. There was a lining of the budget closer to actuals, which is the rightsizing of salary budgets to Administrative Support of approximately \$70,000.

MS. MICHAEL: Thank you very much.

Under the same head, if we could look at Supplies, under Operating Accounts. The Supplies were budgeted last year for \$4,000, \$3,000 was spent but this year it's going up to \$6,000. What's the expected need for greater supplies in this area?

MR. BYRNE: This was based on a three-year historical actuals and requirements of the office. This was actually one of the suggestions that were made to us from the Department of Finance.

In the course of their fiscal forecast and their planning, they went back and looked at three years of actuals, not just the year previous. They noted budgeting had normally occurred at about \$4,000 but the actual requirements of the office

for general administration for supplies was actually normally quite higher. So they came back and somewhat insisted that we rightsize the budget, don't put in an amount lower than what you normally spent.

There was some giving back and forth as to what was appropriate and inappropriate. What came out at the end of the process was that we were spending about \$6,000, very legitimately, on supplies. They somewhat insisted that you should rightsize accordingly.

MS. MICHAEL: Okay. Thank you.

Under the same head, Purchased Services, you seem to be almost maintaining what the revision was last year, \$8,000 and \$8,200 this year. What comes under Purchased Services in your office in the Executive Support?

MR. BYRNE: Purchased services are everything from copier charges to printing to occasional room rentals and general purchased services. It's a pretty broad category but a big chunk of it – I'll ask Ms. Dunphy – is the photocopier charges and other things.

MS. DUNPHY: That's right.

MR. BYRNE: The assistant deputy minister acknowledges that photocopying charges is the big one.

MS. MICHAEL: Okay, thank you very much.

Moving on to the next head – Mr. Chair, can I just ask, I forget which heads were covered, 1.2 –

CHAIR: 1.2.01 to 1.2.04 inclusive.

MS. MICHAEL: Okay. Thank you.

Under 1.2.02, again in the Salaries if we could have an explanation because the budget last year was \$2,380,000 and the revision was \$2,526,400. If we could just have an explanation of that, please.

MR. BYRNE: Okay, just drilling down on the budget of 2015-16 versus the Estimates of 2016-17.

MS. MICHAEL: Yes.

MR. BYRNE: There's a slight increase. The salary budget here has been rightsized. There was some budget transferred from the Minister's Office and the Executive of approximately \$95,700. There was a government-wide attrition management plan that affected these numbers as well of \$40,200.

Does that complete your requirements?

MS. MICHAEL: Yes, just getting an explanation of what was happening there.

The same head, Employee Benefits, last year the budget was \$210,700. It was revised down to \$161,400 and this year sort of being maintained, just about, at that rate. What caused such a differential between the budget and the revision last year in Employee Benefits?

MR. BYRNE: This is a really interesting question. The decrease relates directly to lower than anticipated worker's compensation payments to the Workplace Health, Safety and Compensation Commission for injured workers. These savings were used to offset some other costs below, but the Workplace Health, Safety and Compensation Commission, the payments for the past three years were substantially, basically, moderated a fair bit over the number of years. So the decrease here is largely attributable to those lower costs.

MS. MICHAEL: Okay. Thank you very much.

Under Supplies, last year budgeted at \$79,200, only spent \$30,000. I'm assuming you're thinking that's more the norm of what your Supplies line should be because you're keeping it at \$29,500.

MR. BYRNE: Yes, the historical spending is around \$45,000 per year, if you look back historically. But we felt this was an area that we could really tighten our belts a little bit. So it is lower than historical, but I think prudent nonetheless.

MS. MICHAEL: Okay.

The big one I'd like to look at is the Purchased Services.

MR. BYRNE: Yes.

MS. MICHAEL: Last year the budget was \$3,219,000, the expenditure was up by \$101,000 to \$3.3 million and this year \$2.9 million, so almost \$3 million. So we have a differential this year from last year's budget of \$263,500. Can we have an explanation of that whole line, what the Purchased Services entails there and why there's such a differential?

MR. BYRNE: Sure. Thank you for the question.

Purchased Services relate to mostly, in large measure, office leases. There are 25 office leases within the portfolio. That amounts to annual expenditures of approximately \$2,845,000 per year, in addition to some of the other costs associated with this particular line, including banking fees, file storage and other printer/copying charges which amount to approximately \$20,000. So in terms of some of the reductions that you're seeing, that can be directly attributed to some of the decisions of *Budget 2016* and some of the office leases.

MS. MICHAEL: I'm sorry; I didn't get quite what you said there?

MR. BYRNE: In terms of the reductions –

MS. MICHAEL: Yes.

MR. BYRNE: – in some of this, of course we've pared down many of the leases, the offices within the department.

MS. MICHAEL: So some of it is the closure of the offices.

MR. BYRNE: Exactly.

MS. MICHAEL: Could you remind us how many offices are being closed?

MR. BYRNE: There are eight offices in total; seven, plus one virtual office. There was an office operating out of temporary facilities, but there are seven offices throughout the province.

MS. MICHAEL: I'm going to ask this now, Chair, because I realize we didn't sort of set it

up at the beginning and you may have details on that in your briefing notes.

Minister, can we expect to receive the briefing notes for Estimates at the end of today?

MR. BYRNE: Sure, absolutely.

MS. MICHAEL: Thank you very much.

Minister, could I ask what analysis was done in making the decision about the offices that closed. Are there written documents to that effect that would explain that to us?

MR. BYRNE: There are indeed. I'll just kind of explain in broad strokes the circumstances that we're in. This is more about actually adapting to our clients as opposed to asking our clients to adapt to us.

Members will know that service delivery methods are changing. We're moving more and more to telephone. Over the last number of decades, more and more service delivery is done through telephone; a lot more is done through Internet portal.

This is one of the best examples I can give about how things are changing and how rapidly they're changing. There were 636 student employment job applications – employers submitted 636, at the time of my most recent briefing. There were 636 job applications or grant applications that were received by the department for the student summer programs. Of those 636, 630 of them were actually done by the Internet portal. More and more clients are actually using both telephone services and the Internet portal to be able to meet their own expectations and their own needs. And I think by and large it's done very satisfactorily.

Now, will there be clients that still need face to face? Absolutely, and that's why we'll still have face-to-face delivery. Clients are still able and encouraged to arrange for face-to-face visits, either at regional offices or we can have an Income Support officer come visit them through a coordinated approach, through coordinated appointments.

What we looked at was caseloads. What are the current caseloads and what are some of the

demands the offices are responding to. What we're finding is that more and more, it's not government that's really imposing a change, the clients themselves are looking more and more for home-based telephone and Internet-based access to those programs. So we can provide you with some more information about the client loads, what kind of client services were being offered at each office and so on. That might be very helpful to you.

MS. MICHAEL: Thank you.

Yes, if we could have the specifics, especially about the ones that are being closed.

MR. BYRNE: Sure.

MS. MICHAEL: Thank you very much.

CHAIR: Order, please!

The Member's time has expired.

Minister, if Ms. Michael still has some questions after –

MR. BYRNE: Absolutely, no problem.

CHAIR: – Mr. Brazil you can come back, okay?

MR. BYRNE: Sure.

CHAIR: Mr. Brazil.

MR. BRAZIL: What Ms. Michael had asked leads me into, before I go to the student loan section there under 1.2.04 – and I know we're going to get the information relevant to the rationale behind the closing of the offices, but it does lead me to particularly the AES office closing in my district on Bell Island. And I do realize – I was part of the staffing over there about how technology has advanced potential for clients to be able to access information and do it more efficiently and more timely.

But some of the challenges you have in communities like Bell Island, for example, are the Internet access is minimal. The closing of the library was the open Internet access that the clientele had, who were on AES in most cases. It's still an extremely high volume of clientele

over there, particularly around – and from what I understand the medical transportation process will be now picked up by AES to a certain degree, which is a big uptake on Bell Island itself.

So I see it as a major hindrance and I do ask with two staff people as part of the office process – I see it as a minimal savings in principle. I actually see it as, probably, less cost-effective than people would think when you go into the long term.

Can you give me an understanding of – and I know the rationale will be explained, but I'm caught on the Bell Island one. I can't seem to see the rationale behind the savings with a clerk and a mid- to low-management position, based on the clientele.

MR. BYRNE: Thank you very much for the question.

There are three real principal drivers to this; one is that there is a cost savings, which is important. But more important is the fact that service delivery expectations from the client are changing, they are evolving. More and more, even on Bell Island, clients are utilizing the Internet through their own sources, and as well the telephone. And there will still be access to face-to-face service delivery. In fact, there'll be a combination.

Many, many clients from Bell Island will still avail of offices. They still do a substantial amount of their own personal chores and activities – are still off Bell Island itself. So that's not inconsistent, I don't think. Part of that might be a visit to a more regional or centered AES office.

With that said, to kind of give the rationale, I'll just read from a press release. "... the most efficient and effective use of our resources is the consolidation of ... offices throughout the province. Improvements in transportation, communication and other technologies have enabled a more efficient income and employment support service delivery network. Service delivery sites will now be located in key centres to optimize opportunities for partnering with employers, community agencies and other levels of government. Outreach and other

strategies will ensure there is efficient and effective service to clients in remote communities."

As I read that, I'm struck by how important that is to sort of make sure you move with the times, that you still respond to the core demands and needs of clients; but, at the same time, you try to foster those efficiencies. Now, in 2016, I think that opportunity is larger now than ever before.

MR. BRAZIL: I do agree in principle, just wearing my political hat for my district. You mentioned the three key things which are our biggest hindrance. The communications issue is a major issue on Bell Island because high-speed Internet doesn't exist. None of the existing companies will expand. Even things like cable, is not accessible any longer. There's no expansion potential.

From a transportation point of view, we all know the dilemma we're in, particularly on the Bell Island, and all of our ferry runs, but particularly Bell Island. If you look at the clientele list, which I would suspect if we're not the highest demand on the system, we're up there. The uniqueness of some of the needs of the clientele put us in a different category.

I would like to have that on record, I agree to disagree. At the end of the day, I think this is going to be an exercise in futility. It's going to cost more to administer the AES office needs from Bell Island, but we'll have a debate on that in the House later on.

I do have a question under 1.2.04, Grants and Subsidies. It seems to be a dramatic drop, almost \$10 million. Can you outline exactly the change in philosophy and the change in policy and the programs that are going to be delivered under that, please?

MR. BYRNE: Sure.

This is under the Newfoundland and Labrador Student Loans Programs.

MR. BRAZIL: Yes, Sir.

MR. BYRNE: I'll ask my ADM, Bob Gardiner, to jump in here in a second, but basically the bulk of this relates to savings from a cash flow

savings of \$9.1 million as a result of paying off the loan portfolio to the chartered bank.

Some years ago, the Government of Newfoundland and Labrador assumed ownership or bought outright the entire portfolio of the student loans program from CIBC, I believe. So, obviously, interest payments had to be made that were tied to that. That payment to CIBC is now completed. So that resulted in the bulk of the savings.

Mr. Gardiner, would you be able to elaborate any further on that?

MR. GARDINER: I can a little bit.

As the minister indicated, this is basically paying off the loan that was inherited from CIBC many years ago. There was an aggressive payment schedule put in place, such that – for example, in '14-'15 there was a \$24 million payment; '15-'16 there was a \$20 million payment. This current fiscal year there'll be a \$2 million payment made in June, which will effectively pay off the loan; hence, the reduction of \$10 million.

The reduction that's showing up in Estimates from \$30 million down to \$20 million is no indication of a change in policy or anything with respect to payout of student loans or student grants. Whether it's a grant or a loan, that dollar amount doesn't change because it's still money out the door. The only difference is in what comes back, if it's a loan versus a grant.

MR. BRAZIL: Yes, fair enough.

Related to that, I noticed in the budget documents that you'll increase collections of income and employment support overpayments. How is the process going to change from you guys now taking responsibility for that debt load?

MR. GARDINER: Basically, CRA had responsibility for some of the collections and we had responsibility for other collections, depending on the year of the loan. Through the analysis, it was determined that our collection rate was better than CRAs. Basically, we were paying CRA approximately \$300,000 to do collections; whereas, we've determined that our

collection rate was better. So we could save \$300,000 there and enhance our collection rate as well.

MR. BRAZIL: Okay, fair enough.

A question around consultation you may have had around making these decisions with any of the other proponents, like the federation of students around the student loan process. Was there an open dialogue? Was there an engagement process?

MR. BYRNE: Thank you very much for the question.

I had an opportunity to meet with the Canadian Federation of Students, and I actually attended their AGM some time ago with, I believe there were about 22 student leaders from around the province. I also had an opportunity to meet on an individual basis with several of the student leadership to talk a little bit about the whole notion – to get their perspective not only on grants, the student financial assistance program, but the overall tuition environment and other measures. Obviously, it was very clear – I'm sure you can appreciate that – that there was an appetite and a desire to maintain a full grant system. So we took that input, as well from the input of others who were advising us, that we had to get our massive, massive financial circumstance under control. We tried to take a balanced approach.

What I can say to you about the decision – because I think, Mr. Brazil, you want to talk a little bit about the grants and loans, if I'm reading you right.

MR. BRAZIL: Yes, exactly.

MR. BYRNE: Tuition in Newfoundland and Labrador at Memorial University of Newfoundland is approximately \$2,550 per full academic year, for two semesters. With a change from grants to loans for a portion of the original grant package, the grant that will still be available to all students in financial need will still be well over the actual cost of the tuition. It will be \$3,300 per year.

One of the things that was said to me – you may have heard that Ontario and New Brunswick

have moved to a new system of student financial assistance, and they've trumpeted very loudly. This was not what guided our decision, but it was brought up on several occasions that Ontario had moved to a more robust system of student financial assistance.

What was noted was that, in Ontario, the total amount of grant that was available to low-income students was equal to tuition. Not exceeded, but equal to tuition. This was not what guided our decision but it sort of put it in perspective. As I spoke to student leaders about their perspectives on this, it became an interesting point of the conversation.

Now, with that said, we've gone from \$140 per academic week of studies for someone engaged in a full-time course load; \$140 per week in a grant to \$100 a week in grant and \$40 in opportunity for a loan. That does not mean we are still not at a full granting system because, as you're aware, since 2004 with the Debt Reduction Grant, a student who attends academic studies on a full-time basis in a program that lasts over 80 weeks in duration, can still take advantage.

Whatever loan they have, if they pass their course on a semester-by-semester basis, that loan will still be forgiven at the conclusion of their studies. So we still, in essence, have a full granting system in place. It's just with the one nuance – the one change here is there'll still be a very, very generous grant that's offered to students of \$100 per week of academic study. Then we'll also have the \$40 loan, but the loan portion can still be written off at the end of their studies if they pass their course. It's not requiring of any particular GPA. It's just whether or not they pass.

MR. BRAZIL: I appreciate that.

I know my time is up. I'll come back to a couple of other questions after.

CHAIR: Okay.

Ms. Michael, did you have anything else on 1.2.01 to 1.2.04?

MS. MICHAEL: Yes, just a couple.

Just for clarification, the loan part will be written off if they pass their program. Is that what you – ?

MR. BYRNE: That's correct.

MS. MICHAEL: Yes, I just wanted that made clear.

MR. BYRNE: I can get into it a little bit. I don't want to undermine the – there are a couple of little details there. They have to pass. It has to be a course of 80 weeks of duration. They don't have to pass every semester. It's done on a semester-by-semester calculation. So if a student has one bad semester, under certain circumstances, it doesn't impact the rest of the semesters.

MS. MICHAEL: Okay.

So you're telling us it's not adding to the debt of the student if they pass, and it can be written off at the end.

MR. BYRNE: That would be correct.

MS. MICHAEL: Okay. Thank you.

I want to make sure I'm getting that straight.

MR. BYRNE: Just to –

MS. MICHAEL: That's correct; great, wonderful. Thank you.

It's not clear in a way in this document, which I'm sure you all recognize, because it talks about the annualized savings because of the change; but, in actual fact, probably that figure is not totally accurate. There may be annualized savings when it goes out but there will be a savings for the student at the end.

MR. BYRNE: Which particular document are you referring to?

MS. MICHAEL: This is a document that came out with the budget, those of us who get all the documentation. It shows all of the initiatives of the budget and an explanation of every initiative. It talks about the budget for 2015-16 being the \$30.3 million. This is student loans.

MR. BYRNE: Right.

MS. MICHAEL: Then the savings in 2016-17 being \$5.3 million because of this change, the change that we're discussing, the division into loan and grant. Then it annualizes those savings. So that doesn't lead one to understand that the students can actually write off the loan part of the \$140.

MR. BYRNE: I would probably accept your conclusions but I'd have to dig a little bit deeper. Obviously, there will be some savings.

MS. MICHAEL: Right. Thank you.

That's why I was pushing for total clarification because of that.

MR. BYRNE: Yes, got you.

MS. MICHAEL: Thank you.

I have another question related to loans and grants. There was a decision, of course, no longer to provide grants to students studying outside of the province in a program available in Newfoundland and Labrador. I've actually had some phone calls about that.

Two questions, one is: How much money really was that? How many people were getting grants? Number two, the rationale because there are numbers of reasons why people may be studying outside.

The people who have gotten in touch with me is because of the partner being outside of the province for different reasons; short-term work, for example, or other reasons. So the person who's studying outside was because of connection in a relationship, that kind of thing. So there are different reasons why people may study outside. It may look like the program is the same, but in actual fact there may be slight differences that made the person go to where they're going.

I'd like to know how much money was involved and what is the rationale?

MR. BYRNE: Well, I'll dig deep into the rationale, first, and then I'll ask my assistant

deputy minister, Bob, to respond to the actual money part.

Let me provide some relief in that there are still some very worthwhile and understandable exceptions to the policy. If a course of study is not available in Newfoundland and Labrador, then that's exempt from that particular policy. So the general thrust of the policy is to encourage students, Newfoundlanders and Labradorians, to study here at home, to be able to make sure that our university is operating at peak capacity and efficiency. Where we're offering courses and spending taxpayers' money to be able to do so, then I think, arguably, it makes a lot of sense to encourage students, through the financial assistance program if that's what they want or need to use, to study here at home.

But if there is a program, like say, for example, physiotherapy, it's not available in Newfoundland and Labrador. Where it's not available here, that would be an exempt program. If a student applies for a program that is available in Newfoundland and Labrador but is not accepted but is accepted outside the province, then, of course, that circumstance would be reviewed.

Madam Michael, one of the things I always note is that if there are exceptionalities, if there are exceptional circumstances, the student financial assistance appeal process is always available to students who are in receipt or who take issue with an administrative decision of the program.

What we're finding is that, by and large, in most cases, if there are reasonable, exceptional circumstances – and I won't be able to speak to this particular example right now.

MS. MICHAEL: No, I realize.

MR. BYRNE: But in those examples it usually sides in the favour of the student.

Mr. Gardiner, would you be able to comment on the financial component of Madam Michael's question?

MR. GARDINER: Sure.

The numbers are not big. I have seen the number, I haven't got it on the top of my head but it's less than 500 students. So it's not really a big monetary value, less than a couple hundred thousand dollars, probably. I think it was more on principle in terms of if the program's available here it should be studied here.

To the minister's point, if the program is available here and a student doesn't get into the program but gets accepted somewhere, then they are covered. So there are exceptions to the rule.

MS. MICHAEL: Okay.

So for clarification, Minister, I mean in one way it says there will be no more grants for students studying outside the province if the program exists here. Yet, you're telling me that, in actual fact, if somebody wanted to appeal, they could appeal, even though it looks like that particular program is gone? I just want to be clear on that.

MR. BYRNE: They don't have to appeal. If they're enrolled or accepted to a course of study which is not normally available in Newfoundland and Labrador, then they're considered as studying in Newfoundland and Labrador.

MS. MICHAEL: I have that, yes.

MR. BYRNE: It's like Twitter, it's very difficult to capture the nuances of a huge, huge program in a very small number of characters, but I guess that's really what Estimates are for, aren't they?

MS. MICHAEL: Yes.

MR. BYRNE: So those are the details. A program that's available in Newfoundland and Labrador and its acceptance is readily available and the student has actually applied for that program and was accepted, then the understanding was that they'd study and be eligible for financial assistance here. If they were to choose not to even apply to a program that existed in Newfoundland and Labrador –

MS. MICHAEL: Right.

MR. BYRNE: – but chose to study out of province, then that opportunity would not be available to them.

MS. MICHAEL: Okay. If they have an argument they can at least put the argument forward.

MR. BYRNE: If there is an argument – and I won't prejudge the outcome of that argument –

MS. MICHAEL: No, no, I understand that.

I have one more question. This would be under 1.2.03, Program Development and Planning. Under Salaries, last year there was a drop of \$248,500 from the budget to the revision. This year we're back up to \$1,810,000. Can I just have an explanation of the line straight across, please?

MR. BYRNE: Debbie, would you be able to pick up while I just check my notes here?

MS. DUNPHY: Certainly, yes.

The projected revised is down because we had a vacant administrative officer position, a partial-year vacancy of a program policy officer, a business analyst and another program person under our service improvement division.

It's just basically some vacancies throughout the year which we're working on now, trying to fill those. That's why the budget is back up to the \$1.8 million. It's down a little bit from '15-'16 because there's an adjustment for attrition management, but we are hoping to fill those vacancies. Some of them have been filled. We're still working on filling the rest.

MS. MICHAEL: Okay, thank you very much. That's helpful.

Under Grants and Subsidies, \$32,000 was budgeted; \$10,000 last year was the revision, so down by \$22,000. This year it is up to \$21,000 which is still under last year's budget. I'd like to know what actually is covered under Grants and Subsidies that causes this sort of fluctuation.

MR. BYRNE: It's my understanding that this has been a program that's been housed within Advanced Education and Skills for some time. It

allows for grants to be offered to community organizations for various activities, sometimes for programs and activities that fall outside of the normal scope of existing grants, criteria.

Last year, being an election year, it was only a partial year. I can't say exactly why the program was so underutilized, but what we decided was that in the spirit of fiscal restraint, regardless of whether the budget was \$32,000 previous that we'd reduce it to \$21,000, reduce it by \$11,000 as a measure of that restraint.

MS. MICHAEL: Will your briefing notes show where the grants and subsidies went?

MR. BYRNE: We can certainly do that.

MS. MICHAEL: Okay, thank you.

CHAIR: Order, please!

MS. MICHAEL: Those are all my questions, Mr. Chair, for those sections.

CHAIR: Thank you, Ms. Michael.

Mr. Brazil.

MR. BRAZIL: (Inaudible) section if I could and maybe direct it to Bob.

Where you'll be taking the full collections under the provincial loans process, are you adding any extra staff to do that or are you doing it in-house with the existing, and what's your base number that you think you'll return on your collection amounts?

MR. GARDINER: There won't be any additional staff hired. We will be able to do it within the existing staffing complement.

MR. BRAZIL: Is there a target amount that you hope to generate from this?

MS. DUNPHY: Just to add on to what Bob just said, we do have some vacant collection positions – they're in our approved complement, so we are working on filling those. So it is, like I said, not an increase in org structure, just we are hoping to fill a couple of vacancies to assist.

In terms of an increased amount, I know the percentage of our collections is over what the federal collections are – I think we were about 12 per cent better. If I could just have a moment, I could find the amount we said we'd increase.

I'll have to come back to you with the amount.

MR. BRAZIL: No, that's fair enough. That's good data to know, that we're better at collections than the federal government.

MS. DUNPHY: Yes.

MR. BRAZIL: So I can understand the rationale for taking that program over.

I think the minister wants –

MR. BYRNE: And we were paying a \$300,000 sort of retainer fee, if I understand correctly, to do that work. So by eliminating that and yet still having the in-house human resources to be able to do that job, I think, is important to note as well.

MR. BRAZIL: No, it makes sense.

MS. DUNPHY: Yes, annually, with the savings of the \$300,000 fee, we are hoping to collect another approximately \$600,000 in revenue.

MR. BRAZIL: Okay, fair enough.

Mr. Chair, that's the last question I have on those, that section.

CHAIR: Thank you.

MS. MICHAEL: Mr. Chair, I have one more. This is a general one, and I've been trying to figure out where I might be able to ask it and the only place I can see that makes any sense is talking about students and the costs that they have to carry, et cetera.

We've been getting a lot of phone calls about this, Minister, and I'm hoping you'll have the answer; if not, I'll ask the Minister of Finance tomorrow. Will post-secondary students have to pay tax on textbooks? It's a really serious question that's coming in to us.

MR. BYRNE: The details of that I will probably have to defer to the Finance Minister, with the exception that institutions will not have to pay the increase. It's my understanding that the institutions will not have to pay the increase on the purchase of books. So like school boards and Memorial and CNA and others, that would not be imposed on them. In terms of the retail sale, there will be some cost changes as a result; but rather than to walk in someone else's water, then I will defer that to the Finance Minister.

MS. MICHAEL: Okay, I will seek clarification tomorrow on that.

Thank you.

CHAIR: Thank you, Ms. Michael.

Would the Clerk please call the next subhead?

CLERK: 2.1.01.

CHAIR: 2.1.01.

Mr. Brazil.

MR. BRAZIL: I'm pretty good under that, 2.1.01, Client Services.

CHAIR: Thank you, Mr. Brazil.

MR. BRAZIL: Nothing that stands out too much.

CHAIR: Thank you.

Ms. Michael, 2.1.01.

MS. MICHAEL: Thank you very much.

First of all under Salaries the budgeted salary last year was \$18,940,000-plus and it was underspent by \$512,500 – it was overspent, rather, by \$512,500. This year we're back down to \$18,621,000-plus. If we could just have an explanation of that whole salary line there, please.

MR. BYRNE: Thank you for the question.

The 2015-16 revised budget is up exactly \$512,500 compared to the 2015-16 original budget. This increase or salary overage is due to

payout of retirement costs for five different positions, as well as an additional overage of approximately \$304,000 due to the implementation of some new organizational structures. That's the variance.

MS. MICHAEL: Okay, thank you very much.

Under the same head of course, because we're here, under Transportation and Communications \$1,103,000-plus was budgeted last year, underspent by \$253,000 approximately and then in this year the budget is much closer to what was revised last year. Could we have an explanation of what the Transportation and Communications line here is all about and the reason for the change?

MR. BYRNE: Sure.

MS. MICHAEL: When I find out what it's all about, I might get the reason for the change quickly. It might be obvious.

MR. BYRNE: Well, I won't be able to speak to the previous administration, but it is something that we followed up on. The lower than anticipated expenditures were really due out of implementation of the government-wide discretionary funding freeze on travel. We tried to minimize it wherever possible.

In terms of the current budget, the government-wide comprehensive review has basically tried to maintain those principles while, at the same time, rightsizing the budget on historical spending for some other expenditures. So we really tried to keep within that.

Is it possible to get it even lower? Well, that's where travel is a key component to the service delivery within the regions for clients.

MS. MICHAEL: What exactly is the travel that's covered here? It's a pretty high line. Normally, we don't see high lines like this under Transportation and Communications, so I'm just wondering what that travel is that's being covered here.

MR. BYRNE: This is for client services within the province. This isn't for –

MS. MICHAEL: It's money that's given for clients under the different programs?

MR. BYRNE: No, it wouldn't be for that.

I'll ask Roxie Wheaton to step in, in a minute. But what it is for is site visits, for inter-office travel within the regional services, within regional offices. My Assistant Deputy Minister of Finance points out it's also for communications for telephone systems.

MS. MICHAEL: Okay.

MR. BYRNE: It's roughly \$460,000 for phone systems. Rather than leave an incomplete answer, Ms. Wheaton, would you be able to fill in some blanks.

MS. WHEATON: Actually, a pretty good answer, Minister.

Across the province we have liaison social workers who go out to meet with clients. We have career development specialists who go out. We have staff who go out to meet with employers.

Whenever we're signing contracts for, say, job creation projects, there is both a need to go out and meet with the proponent to sign the contract and, then, at a later point there's a need to go and do an inspection and follow up. It's directly related to that and then, of course, managers travelling to offices to meet with the staff, staff meetings and those kinds of things.

MS. MICHAEL: That's great. Thank you very much.

And then, under Supplies there was a large line there last year, \$183,300. Only \$65,000 was spent according to the revision and we're staying at \$69,000. What would be the Supplies that are covered under that line?

MR. BYRNE: I'll ask Ms. Wheaton to carry forward on that.

MS. MICHAEL: It's just office supplies?

MS. WHEATON: Yes, just routine office supplies; paper, pens, generally things that you

would expect the staff to require to do their jobs and to also work with clients.

MS. MICHAEL: Sure.

MS. WHEATON: As you can imagine, across the province we have employment centres so we actually spend a fair bit on paper as clients come in to get their résumés printed off and things like that; that kind of stuff.

MS. MICHAEL: That's great. Thank you.

My final question for this section is under Purchased Services. Again, last year it was budgeted at \$253,400 and it went up by \$122,100. It's more or less staying at that this year.

What are the Purchased Services under this head?

MR. BYRNE: (Inaudible) first and say that – under Purchased Services; this is funding for leasehold improvements for the 19 offices that are around, leasehold improvements of \$22,000 and Managed Print Services, which is a big, big component of this, which is \$200,000.

Now, Managed Print Services – there was a contract that was let. I believe this is part of that process in terms of the Xerox contract.

OFFICIAL: Yes.

MR. BYRNE: There was a contract that was let last year for Managed Print Services to, I believe, it was Xerox. That's costing us \$200,000. There are meeting room rentals and shredding services and general purchased services at a cost of \$151,800.

In terms of the overall increase, a lot of that had to do with the new contract with Xerox that was implemented early last year and rightsizing the budget to meet its actual demands.

MS. MICHAEL: Thank you.

Minister, the offices that have been named for closure, when are they closing?

MR. BYRNE: Individually – Madam Dunphy, if you'd be able to provide us some insight as to exactly the dates expected.

MS. DUNPHY: Actually, I'm going to defer it to Roxie Wheaton, please.

MS. WHEATON: They actually closed to the public at the end of April.

MS. MICHAEL: They did.

MS. WHEATON: Because we wanted to have staff time to prepare for the closure. The actual movement of furnishings and things like that will be done predominately by the end of this week.

MS. MICHAEL: Thank you very much.

They're all my questions, Chair.

CHAIR: Thank you.

Would the Clerk please call the next set of subheads?

CLERK: 3.1.01 to 3.1.03 inclusive.

CHAIR: 3.1.01 to 3.1.03 inclusive.

Ms. Michael.

MS. MICHAEL: Thank you.

Looking at 3.1.01 – I just want to get my questions straight here. Under the federal revenue, \$861,000 was the budget; the revision was \$682,200 and this year back up. Could we have an explanation of the variations there in the federal funding?

MR. BYRNE: Thank you for the question.

The province has a funding agreement with the federal government where the province will provide income assistance to the Innu. The province invoices the federal government for the actual costs incurred. The increase in federal revenue from this year over last is related to an adjustment of \$94,000 from that particular agreement due to a change in uptake.

MS. MICHAEL: Okay and this is totally to income assistance, right?

MR. BYRNE: Correct.

MS. MICHAEL: For low income.

MR. BYRNE: And we have an arrangement with the federal government to be able to provide those services. So that's to help administer those services on the federal government's behalf. It was directly related to a change in uptake in the program.

MS. MICHAEL: Okay.

And the province is putting in an extra \$500,000 this year?

MR. BYRNE: Oh, sorry, on the provincial line, yes.

MS. MICHAEL: Yes.

MR. BYRNE: That would be correct, yes.

MS. MICHAEL: Is that going in to make up for the loss from the federal?

MR. BYRNE: No, that would be from our own initiatives.

MS. MICHAEL: Right.

MR. BYRNE: The specifics of that one, Madam Wheaton, would you be able to just provide some clarification on that?

MS. WHEATON: As the minister indicated, we've been delivering on behalf of the federal government –

MS. MICHAEL: Could you just speak up a little tiny bit closer maybe into the mic? Thanks.

MS. WHEATON: Oh, sorry. As the minister indicated, the Province of Newfoundland and Labrador delivers income support on behalf of the federal government, and we've been doing that for quite a while. So it's not a scientific process in terms of being able to predict how much we're going to spend.

MS. MICHAEL: Right.

MS. WHEATON: But you might be interested in knowing that, actually, as of April 1 of this year, we are starting to phase out our involvement. So you see a fluctuation in revenue and some of it has to do with when the federal government reimburses us.

MS. MICHAEL: Okay, thank you very much. That's helpful.

I presume this would come under your department, Minister, because it has to do with Income Assistance. If it's something that I need to bring to the Minister of Finance, you can tell me. The cuts to medical transportation benefits, looking at the urban setting for example, whether people can get taxis or whether they get bus passes, et cetera, there have been cuts and I guess I'm really interested in what the new rules are and what the rationale was for the cuts. I mean, we're talking about people on Income Assistance that do not have a lot of money.

I've actually been stopped on the street by a number of my constituents asking me: Ms. Michael, what can I do? I send them, of course, to my assistant to see what we can do and can appeals be made. But people are not clear. People have been refused bus passes and it's a real concern. I would like to know what the rationale was behind this and are there rules that we can have a copy of. Can we get some detailed information of what can happen here?

MR. BYRNE: Indeed.

In terms of the changes to the medical transportation assistance for Income Support, this is just for regular scheduled visits –

MS. MICHAEL: Yes, it's not the MTAP.

MR. BYRNE: Yeah, this is not for ambulatory care.

MS. MICHAEL: Right.

MR. BYRNE: In terms of some perspective, the Income Support program has an annual budget of \$231 million and medical transportation for scheduled doctors' visits amounts right now to approximately \$8 million of the annual expenditure and that envelope will still be maintained at approximately \$7,250,000. It is

about a 7.5 per cent reduction, which is about 0.3 per cent of the total Income Support budget.

What we did hear is that it's not driven wholly and solely by the numbers here. We looked at other jurisdictions to find out exactly where our program measures up in terms of other jurisdictions. Even with these changes here, I think what you'll find with a cross-jurisdictional analysis is that we still maintain one of the most robust and needs-appropriate medical transportation systems.

Where there's availability of public transit, I think there's a reasonable expectation that publicly available transit would be taken advantage of, wherever possible. In St. John's, for example, there are approximately 400 clients that are currently using the bus, I understand. So we would look to try to allow that to be a little more effectively utilized, wherever possible.

There will be a cap on expenditures. We looked at the cross-jurisdictional analysis and a cap of \$3,000 per year is intended per client. If you look at Nova Scotia, I think the cap for Nova Scotia is about \$1,800 per year. So our cap, from most jurisdictions' points of view, would be still much higher. But there was no cap previously. It was relatively open ended. What we found when we conducted a review was that if there was a little bit better scheduling, if the least-cost transportation venue was being used, we could really lower costs significantly that way.

We'll still, regardless, encourage people to use their own vehicle. Or many Income Support clients do have a network; they often go about their life's chores with the help of friends and family. We'll still offer a 30-cent per kilometre private vehicle allowance, wherever appropriate, within the guidelines.

I'll just point out some of the exceptions to the policy. Anyone living in Labrador needing air services is not included in this particular policy. Clients needing out-of-province medical treatment, that's not part and parcel of this particular policy. And clients receiving regular treatments which are considered life sustaining like dialysis or chemotherapy, they're exempt from many elements of the policy.

I will say this, just in terms of broad strokes; of the overall funding envelope of \$8 million, what we found was that a very small proportion of the clients were using a very large amount of the overall budget. And what we really needed to do was try to dig down to get some greater efficiency as a result.

Methadone treatment is one. So what we needed to do was instead of just spending more, what we needed to help make sure that we have better scheduling, better capability of providing the transport, wherever possible, and come up with a better result at the same time. We were spending an awful lot of money on a relatively small group of clients that we thought that greater efficiencies could help out with.

MS. MICHAEL: I'll have a private conversation with you about some of that, Minister.

MR. BYRNE: Sure.

MS. MICHAEL: Could we have the figures of how many people this year left Income Support for work?

MR. BYRNE: I'll ask Madam Wheaton to –

MS. WHEATON: Are you talking specifically for work?

MS. MICHAEL: Yes. It's interesting to see how many people may have moved into employment who have been on Income Support.

MS. WHEATON: That's not information that I have. Generally, on any given month, we have 500, 600, 700 cases coming on; 500, 600, 700 cases going off; people go off for short-term employment, part-time employment.

MS. MICHAEL: Yes, I realize that.

MS. WHEATON: But that's a number we can certainly follow up with.

MS. MICHAEL: If you could, I'd appreciate that.

MS. WHEATON: Yes.

MS. MICHAEL: Thank you very much.

CHAIR: Thank you, Ms. Michael.

Mr. Brazil.

MR. BRAZIL: Under 3.1.01, Transportation and Communications, \$400,000 budgeted and \$500,000 obviously was spent to \$325,000. Keeping in mind with the closure of a number of offices in some remote areas, would it not be considered that there may be additional costs around transportation and communications, particularly around new types of programs or assessing the needs in those respective communities based on the principle this is the first major cut across the board to AES offices to get an understanding if it's doing more damage than what it was intended to do?

MR. BYRNE: Mr. Brazil, on the travel of Income Support officials, that would have been covered – and I'll just make sure that Madam Wheaton doesn't contradict me on this, but it would be under Client Services, 2.1.01.

In terms of Transportation and Communications in this particular line, that's mostly dealing with funding to cover mailing costs for Income Assistance cheques. There was some overage due to some additional postage in last year's program. The decrease in the current year is due to switching to mailing of one stub per month for each direct deposit instead of two.

MR. BRAZIL: You don't anticipate with some of the major changes within this budget line that there wouldn't be more information having to be distributed particularly to Income Support clients realizing their situations, clarifying certain buy-ins or understandings of cuts in programs or access to programs.

MR. BYRNE: Nothing that could not be incorporated within the regular consistent mailings.

MR. BRAZIL: Okay, fair enough.

Under the Allowances and Assistance, keeping in mind it's fairly in line, not a major increase across the board, do you anticipate there would be an increase, keeping in mind – our economists are telling us most of the social agencies who are responsible for low-income individuals or Income Support, and particularly

those related to single parents, are anticipating a bigger uptake on Income Support this year? Are you expecting an exodus out of the system for some reason?

MR. BYRNE: No, but we are finding we're actually – we still remain very focused on employability, on making sure those on income assistance – nobody wants to be on income assistance – by really doubling down on getting people back to work, which is really what the client wants. I'll give credit where credit is due, there was a lot of work done on this in the past and it was very effective, and I think it still could be effective. There still can be improvements.

In terms of a potential up and increase in Income Support clients due to changing labour market conditions and overall unemployment rates and other factors, we'll continue to monitor that and make sure if there's any change or a spike or uptakes increase, we'll respond when the information becomes available to us. If it, indeed, becomes available to us, if that does indeed occur.

MR. BRAZIL: Okay, thank you for that.

The eight closures, is that the end of the AES office closures, or is there a bigger plan reassessing other locations? What's the plan for at least next year?

MR. BYRNE: No, there's no plan to further review. A very significant analysis was done of the current requirements, the current resources, the current caseloads. Again, I'll just go back to the fact that the clients themselves are changing the way they look to and receive benefits, or supports.

As I stated earlier, this is an evolving circumstance. I'm sure you will appreciate more so probably than most, that you found this case yourself, your previous government. You obviously will know that in 2004 the previous administration had closed 20 AES offices in Stephenville Crossing, Piccadilly, Bonne Bay, Deer Lake, Englee, Forteau, Cartwright, Davis Inlet, Botwood, Fogo, Gambo, Wesleyville, Grand Bank, Burgeo, Harbour Breton, St. Mary's, Ferryland, Whitbourne, Conception Bay South and Bay Roberts. In addition to those

office closures, what you did find was that there was a requirement for a reduction in staff to be able to meet the new and evolving standard.

Bell Island, for example; in 2004, Bell Island had six staff and your administration decided to take it from six staff to two; Baie Verte had five staff and it went to two; Bonavista had nine staff and it faced reductions; Twillingate had five staff and went to three.

Really, when I read the press release to you earlier, it was actually the 2004 press release that announced those closures. Where it said, "... the most efficient and effective use of our resources is the consolidation of ... offices throughout the province. Improvements in transportation, communication and other technologies have enabled a more efficient income and employment support service delivery network. Service delivery sites will be now be located in key centres to optimize opportunities for partnering with employers, community agencies and other levels of government. Outreach and other strategies will ensure there is efficient and effective service to clients in remote communities."

That was the press release that was issued during Budget 2004-05 when your government announced the closure of 20, what are now, Advanced Education and Skills offices. That was over 10 years ago. Those service standards are still evolving, and that's why the Internet portal is probably more relevant. Telephone communication is now even more relevant. So,

When your government decided to close those 20 offices, it knew that client-service standards were evolving and that's why you took that move, I would think. For us, there was a question of money. Times were a little bit different back in March of 2004. They're very different today, but cost savings are cost savings where available. The service standard had changed, had evolved and even greater expectations, use of electronic media to be able to do so. With more and more services going into more centralized regions, that became important. It's a decision that I'm sure was very difficult for your administration to take back then, the same as it is ours. It's not an easy one.

I'll also note, in 2013 there was a decision that was taken where 72 offices for employment assistance and self-employment assistance were closed. Your administration, the previous administration had closed 72 offices throughout all of Newfoundland and Labrador, just about every location in the province, and over 226 staff members were affected at those 72 offices. That, I'm sure, was a difficult decision as well, but when you announced that, you announced it because of evolving service standards as well.

So if you see the time continuum of how things are, more and more people are relying on access to more centralized services, and more and more people are relying on electronic media, on telephone – but still, I want to really, really emphasize the point that if there is a client who needs face-to-face service delivery, that will always be arranged.

MR. BRAZIL: No, fair enough. I do agree there are new ways of doing business, and over the last decade there have been improvements to do that. As a result, there are necessary changes to structures of office and number of staff you need.

I do want to make it clear and on the record, that it wasn't my administration. I was on that side. I was an employee of AES and was vigilantly against the impact it would have. It was at a time when the economy was growing. What's happening here now, we're closing offices in remote areas without any additional supports, be it around technology, be it around transportation links, at a time when we're also hitting these same clientele with a number of other impacts and less access to certain services and that.

I'm glad you did say that if there's a client who needs a face-to-face assessment of their needs, that there will be a way found to do that.

MR. BYRNE: Absolutely.

MR. BRAZIL: I appreciate that, but I do also have a question around the amount of money being saved. I take Bell Island, for example, it's in a government building. So the costing for overhead is minimal. The two staff, one I understand was just moving in – because that individual was also doing work as part of a call centre for the St. John's office.

So if I could, down the road, in the next number of days, get a copy of the outline of the potential savings in those eight offices, which ones were leased facilities that you're now giving up a leased agreement – which was the bigger savings, obviously – which are staff that are being laid off or just transferred to other offices. If I could have that, I'd appreciate that piece of information also.

MR. BYRNE: Sure.

In answer to the question, another element that has to be added to this is AES has indeed had a significant staff complement reduction. In 2013, there was a decision taken to implement a brand new organizational structure within the department. Originally, the number of positions within the department was 993. At the conclusion of the organizational restructuring the position count went to 720. That was a significant reduction as a result of that 2013 reorganizational effort.

What has to be noted, though, is that in addition – so you're talking about the cost savings, I just want to zero in on another element of this. The organizational structure in 2013 went from 993 down to specific positions of 720. Not all positions were necessarily funded. There was a decision that was taken before the reorganizational structure came in to reduce the salary envelope of the department by \$6 million. That was without consideration of what the actual organizational structure may ultimately look like.

So the salary reduction was taken in 2013, reduced the salary envelope of AES by \$6 million. Then a decision was taken to change the organization structure. A reorganizational structure was put in place. Part of the problem was that an organizational structure was approved for which there were positions that were not fully funded.

And so when we look at some of the salary positions, some of the changes that have been required of AES, like even in terms of office closures, some of that has been out of necessity to try and meet the expectations that there are still a significant number of positions within AES that are still not funded. That's a bit of a concern to us.

I'll ask, Madam Dunphy, is there anything else that you'd like to add to that particular narrative or is that pretty well –

MS. DUNPHY: No, Minister, I think you've pretty much covered it.

MR. BRAZIL: Okay.

I'm just going to make one last comment to know their answers then. I do agree, over the years there's been cuts to AES for streamlining how work has been done, but a lot of it was based on the clientele; demand was going down. I don't anticipate that and neither do a number of people here. There's an anticipation that the demand will go up and the need for offices and particular services and program investments are going to be more than they have been in the last decade or so.

I'll pass it on to Ms. Michael now, Mr. Chair.

CHAIR: Thank you.

MS. MICHAEL: Thank you, Chair.

I do not have any more questions under 1.01.

3.1.02, the National Child Benefit Reinvestment; it dropped last year from a budget of \$600,000 to a revision of \$430,000 this year up to \$450,000, so just a little explanation of the variations please.

MR. BYRNE: There has been less-than-anticipated uptake, and this has been the case for quite some time now in this particular program. This particular program is targeted to Income Support clients for the receipt of benefits related to private child care where no public child care is readily available. It's well advertised, the program is well-known within the client body, but it's just uptake to the program has been declining for a period of many, many years.

MS. MICHAEL: Okay. Will those numbers be in your briefing notes?

MR. BYRNE: I believe they are. I have some right here that date from 2005. For example, in 2005 there were 762 cases of clients that were seeking supports under this particular program and expenditures of \$514,000. By 2010 there

were 589 clients, and then by 2015 there were 345 clients with \$407,000 in expenditures. So we can map that out for you, certainly.

MS. MICHAEL: My next question probably would cover both here and the next subhead. With those drops I'm wondering do we have the actual numbers of births. I mean how many children are a part of families that receive income support? Are those numbers going down?

MR. BYRNE: That's a very good question. I'll ask Madam Wheaton if she might be able to drill down on that.

MS. WHEATON: More so than any other jurisdiction in the country the number of families with children in receipt of income support, both two parent and single parent, has been decreasing substantially. I think people are always surprised to hear that the actual birth rate of income support families is actually lower than the birth rate of the province.

I'm just looking to see what I have in terms of single parents these days, but I can certainly get you some of the latest information. It's quite dramatic actually. It's a two-part story, as the minister indicated. The take-up is not there because we actually have child care space, but there's just less children growing up on income support.

MS. MICHAEL: That's what I was realizing from the numbers the minister gave. That's a surprise but then, at the same time, I think the income support of single males, has that gone up for us? There is one area that has gone up for us in this province. Is it single males?

MS. WHEATON: Yes.

MS. MICHAEL: Yes. That's what I thought.

Thank you.

Under 3.1.03, which is the Mother/Baby Nutrition Supplement, under Allowances and Assistance – and I'm assuming, that's why I said I think my question covers both of these under Allowances and Assistance – again that has dropped significantly. I guess the answer that

I've just received is part of the answer here; we're seeing fewer new births as well?

MR. BYRNE: Yeah, I'll just get Madam Wheaton to confirm.

MS. WHEATON: Yes, less children being born.

MS. MICHAEL: Okay. I think they're all the questions I have, Chair, in that section.

CHAIR: Thank you, Ms. Michael.

Before the Chair calls a five-minute recess, I'm going to ask for the Clerk to please recall the first subhead.

MR. BRAZIL: Yeah, I'm good on that section, that's 3.1.3.

CHAIR: Would the Clerk please recall the first subhead?

CLERK: 1.1.01.

CHAIR: 1.1.01.

Shall that carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Against?

Carried.

On motion, subhead 1.1.01 carried.

CHAIR: Would the Clerk please recall the next set of subheads, please.

CLERK: 1.2.01 to 3.1.03 inclusive.

CHAIR: 1.2.01 to 3.1.03 inclusive.

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Against?

Carried.

On motion, subheads 1.2.01 through 3.1.03 carried.

CHAIR: We'll break for five or ten minutes.

Thank you.

Recess

CHAIR (Dempster): Good morning, everyone.

A little bit of a change here. The previous Chair had to go out for a meeting. He's going to owe me a favour after this.

We'll just carry right along. I understand we're moving to 4.1.01. So I'll ask to call the subheading and then we'll move to Mr. Brazil.

CLERK: 4.1.01 to 4.1.10 inclusive.

CHAIR: Shall 4.1.01 to 4.1.10 carry?

Mr. Brazil.

MR. BRAZIL: I'm just going to go right to 4.1.04, under Grants and Subsidies. There was \$20,600,000 originally budgeted, \$15.5 million was used, now we're at \$19.8 million. Can you just give me an outline on the variance there? Was it there just wasn't an uptake, was it a change in our approach at the time? I'm just curious to see where we are now. Will that cover exactly what we think under the Labour Market Development Agreement?

CHAIR: Okay, Mr. Brazil, while I just get my sea legs here I'll just defer directly to Mr. Hogan, my assistant deputy minister, to give a quick summary while I sort of track all of this in my notes here.

MR. BRAZIL: Fair enough.

MR. HOGAN: Yes, under this category we had lower-than-anticipated demand for our wage subsidies and the Self-Employment Assistance program under the LMDA.

MR. BRAZIL: The LMDA. Okay.

And that's sufficient, you would think, to cover what the demand would be in the upcoming period?

MR. HOGAN: Yes, I do believe that would be correct.

MR. BRAZIL: Okay. Thank you.

Under 4.1.05, Grants and Subsidies there, \$2 million with the Canada-Newfoundland and Labrador Job Fund Agreement to \$4.6 million. Can you just outline what that will cover? And the doubling, did we take over another part of the agreement? Are we administering something different? Is it a new start of a new go-forward multi-year agreement?

MR. BYRNE: Okay, I've got my sea legs here now so I'll dig in. Then, if you have any additional questions Mr. Hogan is an expert in all of these fields, so please free to just voluntarily, at your own discretion, direct to him.

In this particular line item funding sees an increase of \$2.62 million which is related to the Apprenticeship Wage Subsidy. That has been simply reallocated from Apprenticeship and Trades Certification, which is another line item in the budget. That was just simply a recommendation from the Office of the Comptroller General. It was in the wrong location and put in the right location.

MR. BRAZIL: Yes, I thought that, but I wanted clarification to make sure. Okay. Perfect.

A question under 4.1.06, similar there; the Grants and Subsidies from \$240,000 last year, down from \$1.3 million to \$2.038 million. The increase there, are we adding something new to it or are we collaborating or combining a couple of different line items? The Labour Market Adjustment Programs.

MR. BYRNE: Dennis, would you – there's an offset by a one-time carry-over into 2016-17 of \$1,016,400. That did not get federal funding approval in time for 2015-16. I believe this was the target initiative for older workers. You will recall that sometimes the feds are little bit slow in the fiscal year, so that's the bulk of that funding.

MR. BRAZIL: Okay. I'm perfect there.

Under 4.1.07, Employment Assistance Programs for Persons with Disabilities; Grants and Subsidies from \$2.5 million, revised to \$1.7 million and now we're down to \$1.296 million.

Is that relevant to the uptake? Is it a budget line decrease? Were there parts of the program that had now been completed?

MR. BYRNE: A number of different initiatives here that we can speak of. There was a comprehensive line-by-line review of budgets with drop balances of about \$283,000. There was a forecast adjustment of \$115,000 related to an increase in wages for support workers for the minimum wage. There's a transfer to Allowances and Assistance of \$690,000 and community group reductions of \$357,600 which was to maximize federal funding. So there was some switch of provincial funding into federal funding.

MR. BRAZIL: Okay. Fair enough.

Under 4.1.08, Youth and Student Services, again –

MR. BYRNE: Sorry, what number?

MR. BRAZIL: Oh, sorry, 4.1.08, Youth and Student Services, under the heading 10, Grants and Subsidies.

MR. BYRNE: Yes.

MR. BRAZIL: The same question there, the variance there. It's down substantially, a million dollars from what was used last year and \$1.4 million from what was budgeted.

MR. BYRNE: In this particular line item most of – I think you may or may not agree. There's a fairly unused component of this budget, historically, because first off, the federal student wage subsidies sometimes take a little more uptake.

In this particular line item, there was a reduction of \$1.2 million, approximately, related to historical drop balances and reducing the number of weeks for the Graduate Employment Program. So roughly \$1.2 million was unused balances.

There was a decrease as a result of a government-wide line-by-line review of about \$250,000. There was a decrease of \$46,400 related to annualization of the 2015-16 JobsNL Wage Subsidy Program.

Dennis, I want to make sure we're not missing anything here. Is there anything else that should be added to this, my comments?

MR. HOGAN: No, Minister, I think you've covered it comprehensively.

Those reductions are, as you outlined, due to the various line-by-line review and drop balances, in addition to some reductions related to program areas and employers not being able to fill positions during the period of approval for the summer placements.

MR. BRAZIL: Okay, I appreciate that.

Under 4.1.09, Skills and Labour Market Research. Professional Services, what is it that we no longer need, or did we spend to oversee a particular program for \$550,000 down to \$150,000? Did we complete something?

MR. BYRNE: Under the line of Professional Services, this is funding provided for consulting fees such as economist work on labour market information improvements, labour market information improvements and intergovernmental conference secretariat, such as the forum of labour market ministers and Atlantic Workforce Partnerships. A lot of it is related to those kinds of services. What we found was that in some areas that refinements in reductions and efficiencies could be found within those consulting fees.

MR. BRAZIL: Okay.

I would assume some of the research is done at – it's useable for the upcoming years as part of the research under Professional Services.

MR. BYRNE: That's a fair conclusion.

MR. BRAZIL: Under Purchased Services, from \$322,000 to \$180,000 to \$13,000. Have we completed something? Is there something that's been done that we no longer need? In \$13,400,

we're not going to get very much under Purchased Services for that.

MR. BYRNE: Perhaps, Madam Dunphy, would you be in a position to – because that is a lot of money.

MS. DUNPHY: The main reason for the reduction here is that we've moved money from this head to the Workforce Development and Secretariat head, 4.1.01. There's been \$200,000 moved over to a different section. Then there was also \$108,000 related to the discontinuation of the JOBSinNL website. Then a very small amount related to the government-wide, line-by-line review.

MR. BRAZIL: Okay, thank you.

I have a couple of general questions if I could, particularly when we get to the heading here 4.1.10, Office of Immigration and Multiculturalism. They're more generic ones.

Under the new initiative for Syrian refugees –

MR. BYRNE: Yes.

MR. BRAZIL: How many have we accepted here in this province at this point? Do we have those numbers?

MR. BYRNE: We certainly do, because it is – I think there's a new set of numbers that just came in.

Mr. Hogan, would you elaborate?

MR. HOGAN: At this point in time we have approximately 265, I believe, would be a close approximation to the number of Syrian refugees that have landed in Newfoundland and Labrador since last November.

MR. BRAZIL: What was our target? Did we set a target of 500, 300, 1,000?

MR. BYRNE: I believe for all government-assisted refugees, the original target was 150, but of course there was an agreement that was made, I think last September, to increase that amount.

Dennis, would you like to just go into the details now about our multi-year forecast?

MR. HOGAN: Yes, and there is an allocation that happens annually from the federal government to each province and territory.

The minister is correct in indicating that prior to last September our annual allocation for government-assisted refugees – not to be confused with privately-sponsored refugees – was 150 individuals. That number was increased to 250 last September, as the minister indicated, and that's the number it is staying at for this current year. Now, those numbers will fluctuate on the margins, either a little bit more or a little bit less, but it's meant to be a target. That's a decision of the federal government in terms of how many government-assisted refugees from all countries will be allocated to this province and the other provinces and territories.

MR. BRAZIL: Okay, I appreciate that.

Do we have the data on how many have stayed since they came here? Have we had an outmigration of some who've connected with other family members in other parts of the country?

MR. HOGAN: We don't have the actual numbers, how many may have left at this point in time, but that is something we're working with the Association for New Canadians. They generally get informed when there is a family that has left for another jurisdiction. At this point I'm just anecdotally aware of one or two that have done so, but we don't have actual numbers at this point in time.

MR. BRAZIL: Okay.

Do we have a dollar figure on what the federal government have put towards the province for support in, particularly, the Syrian refugee program?

MR. HOGAN: They have committed additional funds to the Association for New Canadians, and the ANC is the settlement agreement holder on behalf of the province with the federal government. They did have an initial allocation of, I believe, \$75,000. The provincial government has also committed an additional

\$40,000 to the ANC – I believe it was \$40,000 – last fall. There are other monies that are transferring from the federal government, but they go directly to the ANC. We don't receive any as a provincial government.

MR. BRAZIL: Okay, but for support programs: health, education, Income Support, these types of things, do they come out of our general pot or –?

MR. HOGAN: For the first year upon arrival, the refugees are funded by the federal government through groups like the ANC under the Resettlement Assistance Program. For instance, Income Support would be provided to those families, funded by the federal government and it would be equivalent to provincial rates.

MR. BRAZIL: Okay, I appreciate it.

Ms. Michael.

I'm good, Madam Chair.

CHAIR: Given the clock, we'll move to Ms. Michael now.

MS. MICHAEL: Okay. Thank you.

I just have to go back over some of this because there's been a lot covered. I want to see where I had questions which may not have been answered.

I had a question for 4.1.01, but I think that was answered by Ms. Dunphy. It had to do with the \$910,000 Grants and Subsidies that hadn't been in that line before, but that got answered. That had been moved. So that's fine. I don't need to ask any more about that.

Let's see; 4.1.02, I think the amounts there are self-explanatory.

Just a general question, the JobsNL website was dropped and the explanation – well, sort of an explanation – that was given in this line-by-line explanation of the different initiatives, I don't have it right in front of me but my memory is that basically it was a duplication. There were other sites that did the same thing.

Was there any analysis done of whether or not JobsNL did pick up people who – even if they did go to other sites, was there information here they may not have gotten in any of the other sites? I guess I would like to have some detail on that statement, that it was a duplication.

MR. BYRNE: Sure. Thank you for the question.

JobsNL, there were two – job employer and job seekers – interfaces used, the federal job bank and JobsNL. In its original incarnation the JobsNL did offer a richer, deeper pool of information that was available and arguably was a much more refined website for the Newfoundland and Labrador experience.

What became evidently true was that over the course of time, due to improvements to the federal job bank site, much of what was required and offered on the JOBSinNL site was actually brought into the federal job bank site. In fact, Madam Michael, what happened was eventually it got to the point, in order to actually register on the JOBSinNL site, an employer would actually first have to register and put in all the data on the federal job bank site.

So in July of 2015, there were substantial improvements that were made to the federal job bank site. In the assessment that was conducted there was very, very little that was not offered. I think the argument was effectively made there was nothing that was offered that was not directly available on the federal job bank site.

Given the fact that we had a \$108,000 a year hosting contract with a New Brunswick firm, we just decided it was – since the two were almost, for all practical purposes, directly married and linked, the move to just simply one site actually created greater ease of use, did not leave anybody out and at the same time save \$108,000 per year.

MS. MICHAEL: Thank you very much for that detail.

4.1.03 under Grants and Subsidies, I don't think you asked about this David did you, 4.1.03?

MR. BRAZIL: No.

MS. MICHAEL: No, I didn't think so.

Could I have an explanation? I really want to save time. I don't want any duplication.

Under Grants and Subsidies, it was \$8.4 million budgeted last year, slightly under in terms of the revision and now this year it's down a fair bit, almost \$897,000 from what was budgeted last year. Can we have an explanation of what the Grants and Subsidies are under this section and why the drop?

MR. BYRNE: In this particular line item, and the program for the Grants and Subsidies under Employment Development Programs, there were some dropped balances, but more in particular, there was an opportunity to lever more federal funding through the LMDA. For example, there was more federal funding that was applied to the Stella Burry of \$380,000 which we were able to extract from the LMDA, I believe.

There were other resulting reductions which totalled almost \$700,000 in being able to reprofile some of those things. There was some annualization of the 2015 JobsNL Wage Subsidy Program which resulted in savings of \$52,000. There were some reductions in the Linkages program based on past uptakes which resulted in some savings as well.

So it was a combination of just things that were not necessarily fully subscribed and, as well, things we were able to get out of federal funding.

MS. MICHAEL: Okay.

Again, I assume there are some more details that are in your notes I will be able to look at?

MR. BYRNE: Yes.

MS. MICHAEL: Thank you very much.

Just one program I'd like to ask some questions about. The Employment Transitions which was originally for single parents. I think it used to be in four locations. Last year, it was noted that the clientele were including older single women. Could we have an update on that program?

MR. BYRNE: Mr. Hogan, are you in a position to be able to – okay.

MR. HOGAN: Yes, we actually offered Employment Transitions in three different locations. There had been an attempt to organize the program for offering in Labrador but, unfortunately, the uptake was not there. What we've found over the last two to three years is that where the program is being offered, a lot of the potential clients in those regions have already undertaken the Employment Transitions Program, which essentially is a nine-week program to provide assistance to individuals transitioning into the workforce.

The primary focus initially would have been single parents but now because of the decreasing uptake in single parents, we've expanded the reach to reach those who may not be single parents or may be older and still wanting to transition into the workforce.

MS. MICHAEL: Right, okay. Thank you very much.

4.1.04, that's where you started, David, I think, and asked some questions there. He's not paying attention to me. That's okay. I won't repeat his questions. We got the questions under Grants and Subsidies, I think, from that one.

MR. BRAZIL: I did all those.

MS. MICHAEL: Yes, and 4.1.05 the same way.

Under 4.1.05, and I suspect this is in your briefing book, I just want to confirm, would your briefing book have a list of the employers and numbers of participants for the various programs? That's under 4.1.05.

MR. BYRNE: I'll just ask. In the book it does not list the employers? We can certainly provide it though.

OFFICIAL: Yes.

MR. BYRNE: Absolutely.

MS. MICHAEL: Okay. Thank you very much.

If we get that, along with the other stuff, that will be great.

I think we asked about that one. David asked about that. 4.1.07, I think he asked about that one as well. Sorry, to have to do it like this but it's saving time in the long run. The Youth, we have that. 4.1.09, I think my questions there are answered as well.

Could we have an update on the Population Growth Strategy?

MR. BYRNE: Absolutely.

The Population Growth Strategy, obviously, is evolving. As a new administration, we're looking at our own commitments, but, as well, the evolving circumstances that we're under.

Obviously, our immigration promotion will continue to be a centrepiece of this particular strategy. We have a relatively small immigration shop within the Government of Newfoundland and Labrador. I think it's punching above its weight in terms of attracting newcomers to our province. Of course, we'll probably, undoubtedly, under the circumstances that we face nationally, see a larger number of expats coming back to Newfoundland and Labrador.

Where we're really centring our efforts and looking at analyzing now and developing a new Population Growth Strategy is taking the best of what was already in place, but also expanding on it, looking at new circumstances and evolving circumstances. Despite the fact that there would obviously be a number of positions, there would be an increased competition or demand for various jobs in Newfoundland and Labrador. There will still be many, many positions, many, many jobs, many skillsets that will still not be able to be retained or made available in Newfoundland and Labrador.

We're going to double down and make sure that in terms of our attraction, our efforts to seek newcomers to the province, that they meet with the skillsets that are identified as being absent from our province so that we can grow the economy that way.

We're very proud of the fact of our humanitarian – Newfoundland and Labrador has really opened

up its arms in terms of our Syrian refugees. I also note, and I think, Madam Michael, you'll be the first to attest, is that Newfoundland and Labrador has been very open minded and very open hearted to those facing troubles abroad. While much focus and attention is placed on the Syrian refugee crisis, there are still many other nationalities, many other groups around the world, that face very, very difficult, hostile circumstances.

While a lot of attention is placed from the welcoming arms that we've placed with Syrian refugees – a lot of attention is placed there – there are many, many groups from other parts of the world that deserve, expect and hope for our attention. So that's a component of this.

As we look at how we expand our immigration efforts from an economic point of view, one of the things that I'd look at – and I'm just examining this at this point in time – is maybe a potential re-entry of the immigrant investor program. That was something that offered many, many years ago, which was discontinued. There may be an opportunity now at this point in our time for people to reconsider that and to work with the federal government.

I'm now working with the federal government on Canada-Newfoundland immigration program, an actual immigration agreement, which sort of solidifies a lot of our joint actions on immigration, which I think is extremely helpful.

Population growth is really about attracting those from afar. Those that were here may have left temporarily and then may be seeking a way back home. So we're really bearing down on that, based on the new circumstances we find ourselves in.

MS. MICHAEL: Thank you.

CHAIR: Ms. Michael, seeing the time, is it okay now if I move back to Mr. Brazil?

MS. MICHAEL: Well, the thing is, if I only had one more in this whole section, we could get it over with.

CHAIR: Yes, that's fine.

MS MICHAEL: Okay. I really don't think I do have anything that I need to ask; David covered all of that. That's it for that section.

Thank you.

CHAIR: Thank you very much.

Mr. Brazil.

MR. BRAZIL: I'm good on that section. I'm ready to move to 5.1.01.

CHAIR: Okay. So we'll call that section then.

Shall 4.1.01 to 4.1.10 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 4.1.01 through 4.1.10 carried.

CHAIR: I'll ask the Clerk to call the subhead.

CLERK: 5.1.01 to 5.1.03 inclusive.

CHAIR: Shall 5.1.01 to 5.1.03 inclusive carry?

Mr. Brazil.

MR. BRAZIL: Okay, I've got some general concept questions here. The minister has mentioned in the House and in some discussions I've had with him that you're presently in the midst of doing a review on CNA –

MR. BYRNE: Right.

MR. BRAZIL: – all of its campuses across the board. If there any cuts that are going to take place in those campuses, will they be reflective in these Estimates, or are they reflective in the Estimates at this point?

MR. BYRNE: No decisions have been made whatsoever. It's a very open-minded review. I know there's been much focus on what may happen in terms of cuts and closures, but I have

to say to you, very upfront and very sincerely, that this is just as much or more about making sure that are campuses are operating with full efficiency and with full volume.

A lot of changes have occurred at CNA over the last number of years. The reduction in the budget of CNA back in 2013, of course, was a difficult one, and was difficult to adjust to. But I think adjustments are being made, and I'm still of the belief that – I'm very open minded to make sure the programs and services that are offered at each and every one of the campuses we've got to make sure that no stone is left unturned.

MR. BRAZIL: I agree 100 per cent.

Can you give us just a little concept of the process you're using and the time frames?

MR. BYRNE: The process is not like a White Paper; it won't be a panel of experts. It's more of my own working with the CNA, working with my own department, trying to find out what programs were offered historically, what programs might be able to be offered in the future, whether or not it's realistic, whether there's a high probability that we may be able to get students.

One of the elements of this discussion that we have to include is that more and more students do want to go to St. John's. How do make campuses as attractive as we possibly can in their own backyards?

So those are some of the fundamental realities. I believe we can do that. But I won't second-guess how they want to engage in their educations as well.

MR. BRAZIL: Oh no, I appreciate that, and I actually applaud that approach. There has been a fair bit of research done through the White Papers and internally in reviewing that, so there's enough there to be able to say the next steps would be the assessment. I like the approach of how do we make it attractive enough for people to be able to stay with the proper programs and supports to do that.

Can we get a breakdown of the number of employees and students who are currently

enrolled? It doesn't have to be now, but if you could share that with down the road –

MR. BYRNE: Yes.

MR. BRAZIL: It's part curiosity, part to get an understanding – and the locations of those campuses, if we could.

MR. BYRNE: Sure, we certainly can.

MR. BRAZIL: I appreciate that.

MR. BYRNE: It's a little bit of a different – because, of course, with the CNA, and you probably are very familiar with this, some structures are half times. There are various ways that they – so I'll just give a little bit of caveat that we'll do our very, very best, sincere best, to try and record those numbers as best as we possibly can and communicate them.

MR. BRAZIL: Yes, we do appreciate that. Like I said, we do realize there are certain improved approaches that could be used to better how we move our post-secondary, particularly around the college process.

I'm just curious, the present president, is her contract up in the near future?

MR. BYRNE: I believe the appointment was until the end of July 2016. So, of course, we do have the Independent Appointments process and the president of the College of the North Atlantic is one of the agencies, boards and commissions bodies that would be covered by the process of the Independent Appointments Commission as well.

MR. BRAZIL: So that position will go through that full process once it's all passed and put in play?

MR. BYRNE: It will.

MR. BRAZIL: Fair enough.

MR. BYRNE: Now, of course, that puts us in a bit of a tight time frame but we'll try to make allowances around that.

MR. BRAZIL: Yes, to be able to make it happen in that period of time from being adopted in the House; fair enough.

I just want to go back to 5.1.01, under the Grants and Subsidies, Apprenticeship and Trades Certification. There are major differences there from \$9 million to \$8.5 million to \$2.14 million. Is there monies put somewhere else? Is it the end of a program? Is it an uptake that's going be one-third or one-fifth of what it normally would be, just some clarification, please?

MR. BYRNE: Okay. This is one is directly related to a specific recommendation of the Office of the Comptroller General to budget funding in the directorship which is responsible for the expenditures. I am just trying to track my notes real quickly, but if memory serves me correct, it was a significant amount of money.

Debbie, do you have those details?

MS. DUNPHY: Sure, I do.

We moved \$4 million over to the LMDA activity, 4.1.04. As well under the Canada job fund, 4.1.05, we moved another \$2.6 million. So that accounts for the difference, basically, of the decrease. So no, programs are not reduced.

MR. BRAZIL: Yes, and I noted earlier and I was trying to get my head around when you were transferring. So would the total amount still be in the \$9 million range?

MS. DUNPHY: Correct.

MR. BRAZIL: When it's transferred out? Okay, fair enough, that's good to know.

I have a question under 5.1.02, Literacy and Institutional Services. The Grants and Subsidies, there's a \$400,000 decrease there on the literacy grants. Are there less sites? Are there less contracts? Is there a change in how we're delivering that part of the service?

MR. BYRNE: In terms of the \$400,000, the \$400,000 is related to the foreign qualifications recognition which has been moved from the Skills and Labour Market division – has been moved to, sorry, the Skills and Labour Market

division, which is now responsible for this particular program.

MR. BRAZIL: Okay.

MR. BYRNE: So it's a shift in –

MR. BRAZIL: Just money moved around.

So the same amount of money is allocated?

MR. BYRNE: Yeah.

MR. BRAZIL: Fair enough.

Under the Atlantic Veterinary College, are we keeping the same number of placements that we had in previous. I know that's been a good uptake and it's been beneficial to the industry here.

MR. BYRNE: We are, indeed.

MR. BRAZIL: Okay, perfect.

That's all I have under 5.1, Madam Chair.

CHAIR: Okay.

As a procedural, I'm going to ask the Clerk to call the subhead again. I was being a little ambitious, but in the interest of time – and it looks like we'll have to cut this and maybe reconvene at another date at 12 o'clock. I think we should just go subsection by subsection and stick with that.

Is it okay if I ask Ms. Michael if she has questions on 5.1.01 to 5.1.03 and then we'll call that?

MR. BRAZIL: Yes.

MS. MICHAEL: Yes, under Apprenticeship and Trades, one of the initiatives announced in the budget is a decision to stop – I'm presuming it's just provincial – funding to the Office to Advance Women Apprentices. What it says here is that in the budget for 2015-16, \$200,000 was earmarked for the Office to Advance Women Apprentices, and in 2016-17, that money will no longer be put towards the office.

I guess my question is: Is the Office to Advance Women Apprentices being maintained because it is not clear from any of this.

MR. BYRNE: Yes, I appreciate the question and understand why you might draw that conclusion, but it's a move to federal funding so there's no reduction.

MS. MICHAEL: There's no reduction?

MR. BYRNE: No.

MS. MICHAEL: So the province won't be putting any money in but the federal funding will be maintained?

MR. BYRNE: That's correct.

MS. MICHAEL: Could we have the figure for the federal funding, please?

MR. BYRNE: It's the same. It's \$200,000.

MS. MICHAEL: Okay, so it was \$200,000 each, was it, that was going in there?

MR. BYRNE: Yeah. Mr. Gardiner, would you be able to reply?

MS. MICHAEL: Because the provincial government is saving \$200,000.

MR. GARDINER: Basically, the Office to Advance Women Apprentices was given \$200,000 in provincial funding to maintain the office. The only difference this current fiscal year is that it won't be provincial money, it will be federal money, but it's still \$200,000. There will be no change in the delivery.

MS. MICHAEL: Okay. So it's coming from one of the federal pockets?

MR. GARDINER: Correct.

MS. MICHAEL: Okay. Thank you very much.

Just needing to get clarification.

I don't know who does this or who maintains this kind of information – is it AES – like the number of apprentices registered, how many

people are doing journey person training, the gender breakdown of our apprentices, et cetera?

MR. BYRNE: We do indeed.

I'll ask Mr. Gardiner to – if you have those details readily?

MS. MICHAEL: If it's in a briefing note we can just say, fine, we'll take the information rather than going through the time, in the interest of time.

MR. BYRNE: It is. I know that it's sitting right here in my binder. It's a bit of a long table so we can forward that for sure.

MS. MICHAEL: Okay, that's what we're looking for.

Okay, thank you very much. That'll be sufficient.

Then it was 02 and 03, wasn't it, Chair? I think I'm okay.

5.1.03 – yes, that's fine. You can call.

CHAIR: Okay. So we'll call that subhead.

CLERK: 5.1.01 to 5.1.03 inclusive.

CHAIR: Shall 5.1.01 to 5.1.03 inclusive carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, subheads 5.1.01 through 5.1.03 carried.

CHAIR: So now we'll move back to Mr. Brazil.

I'll ask the Clerk to call the next subheads.

MR. BRAZIL: Yes, I'll try to do a couple of quick questions here.

CLERK: 5.2.01 to 5.2.02 inclusive.

CHAIR: Shall 5.2.01 to 5.2.02 inclusive carry?

Mr. Brazil.

MR. BRAZIL: I've just got a quick question here under Grants and Subsidies, Memorial University, 5.2.01, Operations.

The \$5 million – and we're hearing in the public that the university has all kinds of upheaval about how they're going to pick that up. The students' unions are terrified that it's going to be on the backs of them when it comes to tuition increases.

I just ask the minister: Was there a conversation with the university around where efficiencies could be found within their organization to absorb the \$5 million difference?

MR. BYRNE: Naturally, there were conversations. There are always conversations, which is not inconsistent with the way it's been for many, many years. I'm not going to divulge the specifics of the university's position in terms of what they brought forward.

Memorial University is autonomous. There was no direction that was brought to the university as to what they had to consider or not consider. We looked at the overall funding envelope of Memorial University of Newfoundland. We certainly had many, many conversations with the senior executive. They'll make a decision as to their own financial administration in the coming days. I believe May 19th is the Board of Regents meeting.

But, yes, there were extensive conversations that were had, but it was respecting MUN's autonomy in the process.

MR. BRAZIL: Okay. Fair enough.

I have a couple of general questions, too, around some of these things here. I never got a point to note it there, but if you could indulge me, the Linkages program – the cuts to the Linkages program. I just noted that I had – because it wasn't a direct line. There are major decreases there.

Was that based on uptake research data or it is just a budget line reduction?

MR. BYRNE: We're back to –

MR. BRAZIL: Yes, it was one of the other ones. I apologize; I missed it because it's not a line item. Linkages fits in under Grants and Subsidies.

MR. BYRNE: Oh yes. Okay, sure.

On the Linkages side, I'll ask Mr. Hogan to elaborate on some details because I have to go back a little bit.

Mr. Hogan.

MR. HOGAN: Yes, there was a reduction to the Linkages budget, a combination of drop balances due to the line-by-line review. And there is a reduction in the overall funding envelope. So there may be fewer individuals who will get served by the program. I believe it will be approximately 19, would be the number downward from last year.

MR. BRAZIL: Okay. Fair enough.

Just quickly under 5.2.02 under Physical Plant and Equipment, \$6.599 million to \$3.8 million to \$3.2 million; not a major difference in that. Was there something different that was budgeted that didn't get used that now is no longer needed?

MR. BYRNE: There was a \$1.9 million reference to Capital that got moved to operating. It was just placed in the wrong spot.

MR. BRAZIL: Okay. That's good.

I'm good on 5.2, Madam Chair.

CHAIR: Okay. I want to move to Ms. Michael for that subsection.

MS. MICHAEL: Just a little bit more specificity, I think.

Under 5.2.01, the Tuition Offset Grant was put up by \$4 million. I'd like to know the rationale for the determination of the \$4 million.

MR. BYRNE: That's the pattern that's consistent, that has grown over a number of

years. Originally, I think the offset for Memorial was about \$1 million.

Originally, MUN had agreed to a tuition freeze with no incremental funding. In 2005 there was a decision that was taken to sort of offset, through inflationary costs – I wouldn't be able to tell you exactly what the original thesis was behind it, but I assume it had to do with the fact that inflationary costs kept rising. As it does for you and I, it also does for the university as well. So there was an offset that was put in place. That offset itself grew over the course of time.

When we talk about the \$4 million tuition freeze that's in this year's budget, that's new additional funding; in actual fact, as part of the program of retaining the tuition freeze, it is \$52.4 million that is awarded to Memorial University of Newfoundland as a tuition freeze offset, on an annual basis.

MS. MICHAEL: Yes, I realize that but the \$4 million offset is slightly more than the drop in the operating grant. Knowing that costs do go up and knowing that there's inflation in all the other operational costs of the university as well, I sort of just question this: on the one hand giving, on the other hand taking, it doesn't make sense to me. It seems like the university is being put in a more difficult situation.

Yes, I know it's \$52.4 million as the offset, but they've also had millions taken away as well. So I don't see the balance working out for the university, I guess.

MR. BYRNE: Well, when we actually calculated – when asked Memorial University of Newfoundland to consider some reductions in their overall budget, we did so knowing that the entire province – there wasn't a department, there wasn't an agency, there wasn't a board or a commission that hadn't been asked to tighten its belt in some way, shape or form in these fiscal times we live in.

Here's an interesting point. What we did is when the budget's determination was made there was an expectation of a budget reduction of 3 per cent of MUN. To help put this a little bit in perspective, when you include the medical school along with Memorial's other normal academic program; Memorial University of

Newfoundland is roughly – for practical sake – a half billion dollar a year enterprise. It's a big institution. It's a very important institution, but at the same time, to absorb a 3 per cent cut, under these particular times, may not seem unreasonable to many. It certainly did not seem unreasonable to the government, when you consider that in other institutions there was much more than a 3 per cent budget cut.

But I want to point this out, when it came to the tuition offset, to the tuition freeze money; the 3 per cent did not apply to that. It was solely on the operating. The 3 per cent was not applied to the \$48.4 million. That was held intact. So the tuition offset grew without any reduction whatsoever.

In other words, yes, there were expectations of some reductions to create some overall efficiencies. I feel pretty comfortable in saying, or pretty confident in saying, there are still efficiencies that could be made at MUN. I think we'll hear more about that when the Board of Regents reports fairly soon.

This was done with full intention that a tuition freeze could still be maintained and we did not apply any of the percentage of reduction to the tuition freeze envelope. That was parceled out of the calculation. The reductions were simply on the overall operating, not on the tuition offset grant.

MS. MICHAEL: Thank you.

With regard to 5.2.02, the Physical Plant and Equipment, there's been a drop in the Grants and Subsidies there; yet, we have some ongoing projects, for example, the Science Building.

How is the Science Building being affected by this drop in the Capital?

MR. BYRNE: That is a capital project which is fully funded. They university itself took out its own lending instruments. There was some of the Hebron offset. So that project is still on track and authorization to go to tender was, I think, issued some time ago.

MS. MICHAEL: Okay.

Thank you very much.

MR. BYRNE: Mr. Gardiner, is there anything else I should add to that or is that pretty well comprehensive?

MR. GARDINER: The only thing I'd add is right now, of course, they have two tenders on the street for CP2 and CP3. Their interim financing is being done through the Immigrant Investor Fund which means Memorial University has those funds at a 2 per cent rate. They'll start paying that back over a period of years. The mortgage won't come into effect until 2019-20 when the building is complete.

MS. MICHAEL: Thank you.

That's it, Chair.

CHAIR: Okay, we're ready to move from that –

MR. BRAZIL: Yes, we can.

CHAIR: I'll ask the Clerk to call the subheads.

CLERK: 5.2.01 to 5.2.02 inclusive.

CHAIR: Shall 5.2.01 to 5.2.02 inclusive carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 5.2.01 through 5.2.02 carried.

CHAIR: I'll ask the Clerk to call the next subhead.

CLERK: 5.3.01 to 5.3.02.

CHAIR: Shall 5.3.01 to 5.3.02 carry?

Now, I'm not sure where I go on the clock? Is that back to Mr. Brazil?

MR. BRAZIL: I just have one quick question there.

Under Grants and Subsidies, under Operations, \$75.9 million, \$78.4 million, \$2.5 million, is that

to cover salary increases or was there a new program implemented? Just looking for some clarification on the \$2.5 million increase from what was used.

MR. BYRNE: I'm sorry, David, I've lost my roadmap here.

MR. BRAZIL: 5.3.01, College of the North Atlantic, Current. It was \$79.7 million but the revised was \$75.9 million now it's \$78.4 million. The \$2.5 million was that due to salary increases, a new program or something we missed?

MR. BYRNE: In terms of that overall, the Regular Operating Grant, there were already pre-established government Attrition Management Plan targets that resulted in a decrease in the overall funding envelope of \$912,800. There was an increase in some student fees related to parking and other things at \$400,000. There was an offset of the increase of \$1.1 million for the extension of the tuition offset subsidies.

In the balance of things, in terms of the Regular Operating Grant, that should just about – the reduction of the grant was \$1.3 million. The government Attrition Management Plan, which was articulated back in 2013, takes in \$912,800 of that and then there were some increases in some fees and an increase in the tuition offset.

MR. BRAZIL: Okay, I'm clear on that.

Madam Chair, I'm good on that section.

CHAIR: Ms. Michael.

MS. MICHAEL: Under 5.3.02, Grants and Subsidies, last year it was \$2,800,000 was the budget, \$1,300,000 was spent. Now, this year it's down again to \$1,150,000. What is the impact on the college – because it's more than one campus we know – of the money dropping so much?

I think we'd all agree there are still needs for alterations for the college's facilities, even if it's nothing else but the parking lot in front of the main building.

MR. BYRNE: Now, which main building would that be?

MS. MICHAEL: Here on Prince Philip Drive. I'm tired of the patching.

MR. BYRNE: Some of the decreases relate to additional funding for – there is some work underway for new infrastructure opportunities at CNA. We're trying to do some planning. There has not actually been a whole lot of planning.

The federal government has the strategic initiative fund which is directly related to universities, colleagues and post-secondary institutions. We'd like to be able to get more money from that. Part of that is some lab upgrades. We'd really be encouraged if we could get some more money for various projects within the entire CNA network.

You're right. Despite the fact that the college has not received any significant budget reduction this year, we do recognize there are still some overall infrastructure needs due to deferred maintenance that needs to be dealt with. Hopefully, with some funding partners, we might be able to rectify some of those problems.

MS. MICHAEL: Thank you.

That's all.

CHAIR: We are moving right along here now.

I'll ask the Clerk to call the next subhead.

CLERK: To vote on this one?

CHAIR: We can vote on that one, sorry.

CLERK: 5.3.01 to 5.3.02 inclusive.

CHAIR: Shall 5.3.01 to 5.3.02 inclusive carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 5.3.01 through 5.3.02 carried.

CHAIR: I'll ask the Clerk to call the next subhead.

CLERK: 5.4.01 to 5.4.2 inclusive.

CHAIR: Shall 5.4.01 to 5.4.02 inclusive carry?

Mr. Brazil.

MR. BRAZIL: I just have one question here under Scholarships, just out of curiosity, the decrease there of \$45,000. Is it just a budget line decrease or is it there wasn't an uptake on the program itself under Scholarships, Allowances and Assistance?

MR. BYRNE: No, there was full uptake in the scholarships, but there was a decision that under the scope of our current financial circumstances as to whether or not we could continue to provide scholarships, whether or not it was the government's role.

What we are finding though, I will say this, there are more and more sponsored scholarships and bursaries that are coming online, not only at Memorial but specifically at CNA. So you'll find, if you attend graduations and various awards ceremonies, more and more of the corporate sector is actually providing the post-secondary institutions with a greater amount, a greater volume of unaffiliated, unencumbered sponsorship money which is for the university's academic criteria, the selection committee to be able to select the right candidates to be able to receive those scholarships.

Yes, there has been full admission. There's been a bit of a retreat in terms of government's role in this particular initiative. Our role is not seen as great now to award scholarships; more it's in the line of financial assistance to needy students.

MR. BRAZIL: I appreciate that, and I do agree that there's been much more of an uptake by the private sector. I see that as a good thing. So I appreciate that.

Madam Chair, that's the only question I have on that section.

MS. MICHAEL: Just a couple of questions, Madam Chair, please.

You have two areas that are being eliminated; one is the elimination of the apprenticeship scholarships and then the reduction and elimination of the funding for the post-secondary scholarships, which are pretty historical here in the province, these scholarships. Could we have an idea of when the total elimination is planned for? We've had some questions about this; people concerned about the loss of those scholarships in particular.

MR. BYRNE: Sure, to open up with the apprenticeship scholarships, one of the guiding realities or facts when reviewing this particular initiative, by virtue of the fact that apprenticeships are in the full-time workforce for a significant period of time – that's the nature of the apprenticeship, that you're in a full-time workforce. Upon completion of the apprenticeship or in the course of the apprenticeship, it's a little tougher to argue the financial need is as strong, given the fact that they're working full-time during the course of their collection of qualifying hours to be able to meet the apprenticeship requirements. And when they're in the process of their block studies, they also normally would be sponsored, because of course they're EI eligible in large measure.

So from the apprenticeship point of view, the scholarship, while it is valuable to recognize excellence, it's whether or not at this point in time taxpayers' dollars can be a part of that process. So there was a decision, given the fact that those impacted by this actually have regular full-time sources of income all the way through, that was a major component.

On the post-secondary side, while a reduction of approximately from \$123,000 to \$87,000 for those scholarships in this coming year, that was a decision that was made because those are the times we live in. And while we try to maintain a robust student financial assistance program, if there was one element that was not consistent with a needs-based approach it was recognizing excellence, we all want to do that, and we can still do that, but like I said to my colleague, that there were still opportunities through other benefactors to be able to provide post-secondary scholarships as well.

MS. MICHAEL: Well, I'll just point out that at the same time that's happening, we're laying loans on people as well, lessening grants and even if the loans can be reclaimed at the end –

MR. BYRNE: I agree, and –

MS. MICHAEL: I find it disturbing –

MR. BYRNE: But if you think that through, those –

MS. MICHAEL: I have to let you know we are getting reaction to this one in particular.

MR. BYRNE: I understand, but in terms of the momentum of your logic, which I understand, but those who are receiving academic scholarships are probably passing their courses and are therefore eligible for a full debt reduction grant at the end of the course of their studies. I don't mean to overgeneralize, but if someone's receiving a scholarship on academic excellence, that means they're probably passing their courses. That means they're probably going to get full debt reduction.

MS. MICHAEL: That's fine, Madam Chair.

Thank you very much, Minister.

CHAIR: We're good with that section.

MR. BRAZIL: That section, yes.

CHAIR: Okay.

I'll ask the Clerk to call for the vote.

CLERK: 5.4.01 to 5.4.02 inclusive.

CHAIR: Shall 5.4.01 to 5.4.02 inclusive carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 5.4.01 through 5.4.02 carried.

CHAIR: I'll ask the Clerk to call the final subhead.

CLERK: 5.5.01.

CHAIR: Shall 5.5.01 carry?

Mr. Brazil.

MR. BRAZIL: I just got a couple of general, particularly, and one general one at the end of it. I do appreciate the minister and his staff being open with us and sharing the data and the information. I do encourage, as we talk about any information that we may have requested, that if you could get that to us in a timely fashion, when you get a chance, and anything that, for both oppositions here, we'd appreciate that.

I do have one question around – and I noticed there, the integration of the persons with disabilities training component is going to be now rolled in with the student aid process, Bob, I realize. Can you explain a little bit how that's going to work and if you see it as a benefit to students with disabilities, particularly?

MR. BYRNE: The reality we noticed that was unmistakable is that there were many people who were left out in the previous – there was a waiting list. I think last year there were 70 people that deferred their education opportunities because they were on a waiting list. That was unfortunate.

We sought to see two things: how can we make sure that post-secondary education for those with permanent disabilities is available to them at the time they want to do that, to take those studies; and the second thing, how can we maximize federal funding. We were leaving a lot of federal money on the table. Because our provincial program was founded somewhere where not taking the benefits of the provincial program – because you could either do one or the other under the original rules. If you were a participant in the post-secondary training program for persons with disabilities, then you would not normally use the provincial assistance.

Notwithstanding all that, there is a lot of federal money that was available out there that was not

being used. For example, for persons with permanent disabilities there's an initial \$2,000 access grant followed by an \$8,000 technology equipment and services grant. Plus, in addition to that, they had access to the normal federal student financial assistance program for full-time students which provided a \$3,000 grant.

What we've done is by harmonizing the two we're making sure that no one is left out, no one is left behind. There's nobody on a waiting list. Everyone has access to the funding when they want to, as they want to pursue studies.

But in addition to that, Mr. Brazil, what we've done is we've added a second component, a provincial disabilities grant. So that if there's anything, any funding that's not considered within the \$10,000 in grants that are available for adaptation within the federal system, we also have a \$500,000 a year provincial granting system on top of that. If you qualify for the initial \$2,000 and \$8,000 and your training needs still exceed that amount, you can apply and will receive funding from the additional offset provincial grant.

It's about two things; one, making sure that no one is left behind. This new program, the post-secondary training grant was not income tested, it was not means tested. In other words, it was kind of first-come, first-served. It was not necessarily targeting those with the greatest vulnerabilities or the greatest needs.

By harmonizing the two programs I think we're going to have a lot less – I know we're going to have a lot less – people who are left behind. We're going to maximize the federal funding and at the same time we're going to be able to provide the full – my Director of Student Financial Assistance, who you know is a great guy, he says nobody will be left behind.

MR. BRAZIL: I was hoping that was – this has been talked about for a number of years. I'm glad it's gone that route.

I do have one challenge with some clients who avail – special needs disabilities in the college system – who receive income support, for example. Under our process today, you get a student loan and your income support; obviously you come off the access to that. Their debt load

obviously increases and it should be offset by their living allowances, this type of thing.

The issue becomes down the road their ability to be able to get debt reduction. Because if there are challenges there, they're not going to be able to do a full complement of courses, so it's going to take them a longer process, meaning they'll owe more money and less of an ability to pay it back.

I've got some clients who were coming in and saying they're relying on the \$168 a month, for example, income support. Now that gets cut. I try to explain at the end of their college program, but they won't be able to finish it in the time frame. Do we have leeway there to adjust for those who may take twice as long, for example, because of the special needs?

MR. BYRNE: If there are special needs, if there are exceptionalities involved, what the definition of a full-time student is becomes – it's measured within the consideration of the exceptionalities. In actual fact, I had a long discussion with the Canadian Federation of Students about this. They became more appreciative of the fact that those exceptionalities are built into the system.

I think it would be difficult here and now to be able to sort of walk through each and every one of those exceptionalities. But they do exist and they are factored into the overall calculation of what is a full-time student.

If someone, for example, is taking two courses but that is assessed to be their maximum number of courses that they can take based on their exceptionalities, that's a full-time student. So we do take very, very deliberate consideration of that. Again, we may be able to get to individual cases that there may be some grey area and so on, but that's the general rule and that's norm.

MR. BRAZIL: Perfect.

I'd just like to thank yourself and your staff. Very open and very informative and we appreciate that. We look forward to some of the information that we've requested also.

Thank you.

Madam Chair, I'm good.

CHAIR: Ms. Michael.

MS. MICHAEL: Just to do the same, thank the minister and his staff. You've been very helpful. Being able to have the Estimates briefing books and the information we requested will be much welcomed.

Thank you.

MR. BYRNE: Thank you.

Madam Chair, if I could just take a couple of quick, quick moments. I want to make a comment, if I could, about the Estimates process.

This is one of the more, I think, open and transparent processes that I've ever encountered. I was saying to the executive here just before we started that in a place that I have been used to in Ottawa, Estimates are actually published before the budget is published. So the Estimates documents don't have as much relevance once the budget is actually tabled because, of course, they don't reflect the changes as a result of the budget.

So these Estimates being published simultaneous with the budget, I think, is extremely helpful. You may be shaking your head saying why would you do anything but. But in Ottawa, the nature of the federal government's Estimates process and budgetary process, they actually table them a month before the budget is tabled or more and then the budget all changes the Estimates. You don't have an opportunity for as close and detailed a review because the Estimates don't contain any of the budgetary information as a result of the budget changes.

The other thing is that in Ottawa, ministers usually only provide a maximum of one hour, if that, for Estimates review. And that includes questions from the government party. Here, the process is obviously dominated by the Opposition, and that's for good reasons, because it's the Opposition, with the government, but it's the Opposition that plays a key role in holding the government to account.

So just a couple of quick reflections that the Government of Newfoundland and Labrador and

the Legislature, more importantly, the House of Assembly of Newfoundland and Labrador, I think has a far, far more robust, more transparent and open accountability exercise when it comes to the budget than what is available in our nation's capital.

CHAIR: Thank you, Minister.

I will ask the Clerk to call the total.

CLERK: 5.5.01.

CHAIR: Shall 5.5.01 carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, subhead 5.5.01 carried.

CLERK: Total.

CHAIR: Shall the totals carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, Department of Advanced Education and Skills, total heads, carried.

CHAIR: Shall I report the Estimates for Advanced Education and Skills carried without amendment?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, Estimates for the Department of Advanced Education and Skills carried without amendment.

CHAIR: Now, a couple more quick things.

Minutes were distributed on your desk from the Department of Environment and Conservation Resource Committee meeting, April 27. One noted change: Ms. Rogers subbed in for Ms. Michael on that day.

Can I have a motion to adopt the minutes with that one amendment?

MR. BRAGG: So moved.

CHAIR: So moved by the MHA for Fogo Island – Cape Freels, Mr. Bragg.

On motion, minutes adopted as circulated.

CHAIR: Having said that, and I'm quite happy – having chaired eight departments, Mr. Minister – to say that this is the final Estimates, to my knowledge. We're done. It's a good process. I think we finish up today.

Thank you very much to everybody who participated in this very important process.

I will ask for a motion to adjourn.

MR. DEAN: So moved.

CHAIR: So moved by the MHA for Exploits, Mr. Dean.

Have a good rest of the day, everyone.

On motion, the Committee adjourned *sine die*.