

Fourth Session - Thirty-Eighth Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Public Accounts

Chairperson
Mr. Jack Reimer
Constituency of Southdale

Vol. LVII No. 4 - 9:30 a.m., Friday, December 9, 2005

ISSN 0713-9462

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Eighth Legislature

Member	Constituency	Political Affiliation
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy, Hon.	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
BRICK, Marilyn	St. Norbert	N.D.P.
CALDWELL, Drew	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CULLEN, Cliff	Turtle Mountain	P.C.
CUMMINGS, Glen	Ste. Rose	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
EICHLER, Ralph	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
IRVIN-ROSS, Kerri	Fort Garry	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MELNICK, Christine, Hon.	Riel	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
OSWALD, Theresa, Hon.	Seine River	N.D.P.
PENNER, Jack	Emerson	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim, Hon.	Assiniboia	N.D.P.
ROWAT, Leanne	Minnedosa	P.C.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
SWAN, Andrew	Minto	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
<i>Vacant</i>	Fort Whyte	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

Friday, December 9, 2005

TIME – 9:30 a.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Jack Reimer (Southdale)

VICE-CHAIRPERSON – Mr. Jim Maloway (Elmwood)

ATTENDANCE – 10 QUORUM – 6

Members of the Committee present:

Hon. Mr. Selinger, Hon. Mr. Gerrard

Messrs. Aglugub, Cummings, Dewar, Mr. Hawranik, Ms. Korzeniowski, Messrs. Maloway, Reimer, Swan

APPEARING:

Hon. Mr. Bjornson, MLA for Gimli
Mrs. Myrna Driedger, MLA for Charleswood
Mrs. Mavis Taillieu, MLA for Morris
Mr. Jon Singleton, Auditor General of Manitoba
Mr. Gerald Farthing, Deputy Minister of Education, Citizenship and Youth
Ms. Bonnie Lysyk, Deputy Auditor General of Manitoba and Chief Operating Officer

MATTERS UNDER CONSIDERATION:

Provincial Auditor's Report – Investigation of an Adult Learning Centre ("The Program") in Morris-Macdonald School Division No. 19 dated September 2001

* * *

Mr. Chairperson: Will the Standing Committee on Public Accounts please come to order.

This morning the committee will be considering the Provincial Auditor's Report – Investigation of an Adult Learning Centre in the Morris-Macdonald School Division No. 19, dated September 2001. As was indicated in the announcement, this committee will sit no later than twelve o'clock noon.

Just as a reminder, in accordance with our rules, speaking time in a standing committee is 10 minutes.

I will now invite the honourable Minister of Education to make an opening statement if he would like and also introduce his staff in attendance.

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): I guess the one thing that I will refer to is in the follow-up recommendations review, the statement by the Auditor: "We are pleased that the Department and the Division acted swiftly to fully address the majority of our recommendations. We commend the Province for moving swiftly to put into place the Adult Learning Centre Act and General Regulation. The Department's decision to prohibit the former Morris-Macdonald School Division from further involvement in the ALCs and the Red River Valley School Division's decision not to participate in the ALCs has resulted in 8 of our recommendations no longer being relevant. We note that only four recommendations require further actions."

Since that report has come forward, staff has advised me that the recommendations that require further action are, for all intents and purposes, complete or very near completion.

I would also like to acknowledge the staff that are present today: Deputy Minister, Dr. Gerald Farthing, and Steve Power and Anna Beauchamp are in attendance today as well.

With those brief comments, we can proceed.

Mr. Chairperson: Thank you, Mr. Minister.

Does the critic for the official opposition, Mrs. Driedger, have any opening statements?

Mrs. Myrna Driedger (Charleswood): Thank you, Mr. Chairman. I guess just some brief comments about the situation with Morris-Macdonald School Division, and probably, I guess, my reference would be related to the inconsistent treatment that happened with Morris-Macdonald School Division versus Agassiz School Division versus the Seven Oaks School Division in terms of how Morris-Macdonald seemed to have been singled out as a school division for some of the activities that had happened there. The government did not hesitate in that instance to call the Auditor in to address what they perceived to be problems in that school division. Certainly, they

were addressing the issue of overstated enrolment in their adult education programs. The Morris-Macdonald School Division was severely reprimanded. The minister went on to actually remove an elected board of trustees, which probably was unprecedented in Manitoba.

Conversely, when it was discovered that Agassiz had received funds for overstated enrolment numbers, the department did not demand that the money be paid back, but rather, allowed Agassiz to keep the funds to assist with its financial situation. I understand that the minister at the time actually ordered the school division to fudge their numbers so that the Province could give the division extra money to balance its budget. So here we have two very different treatments of school divisions supposedly doing the same thing. In the situation of Agassiz, we also see that the minister had his hands right on that issue.

Then we have the issue of Seven Oaks School Division where the board there, under the direction of, in large part, the superintendent, Mr. Brian O'Leary, actually went and used \$2 million of taxpayers' money up front, against what the law states they are allowed to do with money, and went into residential land development. Yet, in that case, the minister had a red flag warning about that. Nothing happened until a year later when we got a hold of the information and then the minister was not sure where all of that was at.

What we find out is that the department, the minister, allowed this illegal residential land development to go on by a school division. The school division was not held accountable in any way, nor was the public schools finance committee, which was made up of several big donors to the NDP, and the Public Schools Finance Board was totally ignored in what they knew about that situation. In fact, they toured the area.

My concern with what happened with Morris-Macdonald is how it was inconsistently treated from other school divisions who ran into some other fairly serious issues too. It certainly begs some questions of this government as to why they seemed to favour two other school divisions and Morris-Macdonald was actually targeted severely for what happened there. We certainly know that the NDP were trying very hard to win an election in Agassiz, and we also know that there are some very good friends involved in the Seven Oaks School Division.

So those two school divisions were untouched. I just think that there is some very serious favouritism being played when we look at how this government has handled very different school divisions.

With those opening comments, I am certainly prepared to get into the questions on the Auditor's report on the Morris-Macdonald School Division.

Mr. Chairperson: I thank the member for those comments. Does the Auditor General have any statements he would like to put forth?

* (09:40)

Mr. Jon Singleton (Auditor General of Manitoba): Mr. Chair, I do not have an opening comment, but I would like to introduce the staff that are here with me, and I have made a note of them for the Clerk's purposes.

With me is Bonnie Lysyk, the Deputy Auditor General and Chief Operating Officer of the Office of the Auditor General. Seated behind me are Maria Capozzi, a principal in our Governance Practice; Mr. Jack Buckwold, the audit principal in our Compliance and Forensic Services group; and Brian Wirth, an audit principal in our Compliance and Forensic Services group.

Thank you, Mr. Chair.

Mr. Chairperson: We thank the Auditor General for those comments.

The floor is now open for questions.

Mrs. Driedger: I would like to ask the Minister of Education why only Classroom 56 was targeted in the Auditor's review and why the review did not look at any of the other adult learning centres of this particular group that ran Classroom 56. Why were none of the other adult learning centres operated by the HOPE group or the HOPE company also not investigated?

Mr. Bjornson: I understand that Classroom 56 was the initial complaint. The initial complaint had been raised by identification of problems in Classroom 56, and at that point the Auditor's office determined the scope of the investigation. That is my understanding.

Mrs. Driedger: Was it the Auditor's office that determined the scope of that or did the government actually give some direction as to the scope which would in turn limit the Auditor?

I do understand the Auditor's scope was enhanced or enlarged a little bit as they were going

through the audit, but would the Auditor's scope have been limited as well just because of where the government's scope was in the direction the government gave for the audit?

Mr. Bjornson: From what I understand, the original request was to investigate improprieties in Classroom 56 that had been identified, and from what I understand, the Auditor's scope expanded as information came forward with respect to other areas that required investigation.

Mrs. Driedger: Could the minister indicate who was actually operating Classroom 56?

Mr. Bjornson: At the time of the complaint, it was an organization known as HOPE, and by the completion of the audit it was Morris-Macdonald School Division.

Mrs. Driedger: Could the minister indicate who the owners of HOPE were?

Mr. Bjornson: The owners were John and Lionel Orlikow.

Mrs. Driedger: Can the minister tell us how many other adult learning centres the Orlikows were involved in at that time?

Mr. Bjornson: The HOPE organization was a single organization operating four sites.

Mrs. Driedger: Considering that the problem came up with Classroom 56 which was operated by the Orlikows and then knowing that they had four other sites that they were also operating and considering that the program itself, as it was referred to, was poorly managed, poorly delivered, resulting in inferior quality of education, as they were the ones submitting the fudged enrolment numbers, I guess, why were the other adult learning centres operated by HOPE and the Orlikows, why were they not also drawn into this when the government directed or decided to bring the Auditor in?

Mr. Singleton: Mr. Chair, I might try to put a little bit of clarification to help with the line of questioning here. While the government did write to us to request us to conduct this audit, we had had our own people coming forward to talk to us independently of that. Once we started the audit, we did not consult with the department on what we were going to audit from then on. It was my office that determined that, after looking at what happened at that particular adult learning centre, we should expand the audit to look at what the school division

was doing as a whole with the adult learning program.

It is through that process that were we able to come up with an estimate of the total number of phantom students that were enrolled in the adult learning centre, and that led us to say, "Well, we wonder what the department was doing in terms of providing oversight and policy guidance to this program," which led us to then expand the scope into looking at that part of the department's operations. But we did not consult with the department on any of those decisions. We would inform them as we went along, but it was not a consultation process.

I can advise the member that we did visit some of the other HOPE sites as part of our review, but we did not do the in-depth analysis of them. Then it is in chapter two that we estimate the total number of phantom students in the adult learning system.

Mrs. Driedger: I guess I would ask for clarification and I will turn it more into a question. When Morris-Macdonald is dealing with Classroom 56 and the Orlikows, would it be correct to assume that it was the Orlikows that submitted those numbers to the Morris-Macdonald School Division in terms of enrolment numbers?

Mr. Bjornson: As I understand the process, HOPE would have submitted the numbers to the school division. The school divisions would submit the numbers to the department, and we rely on the school division to provide us with accurate information.

Mrs. Driedger: I guess this is where my trouble, my problem with this starts to become I guess more concerning because what we have is the Morris-Macdonald School Division was given numbers by the Orlikows. The Orlikows were the ones that determined what the enrolment numbers were that were going to be submitted to the Morris-Macdonald School Division who then submitted it to the government for funding.

Morris-Macdonald School Division is the one that seems to have been the ones that were blamed for everything, and the Orlikows seemed to be the ones who were totally let off the hook when they were the ones who submitted the inflated numbers.

* (09:50)

I would like to ask the minister when the Auditor was called in and the scope of the audit put forward, why the Orlikows were not investigated for their role

in putting forward the false numbers and why there was no serious investigation into the Orlikows and their handling of all of their classrooms.

Mr. Bjornson: Again, it is the responsibility of the school division to ensure that the numbers that are submitted are correct, and the Auditor did identify that the school division must have or should have known that these numbers that were being submitted were incorrect.

If you look at the recommendations regarding HOPE, Recommendation No. 22, which was implemented, was that the department reassess its decision to fund HOPE for '01-02, and HOPE was the originator of the program using non-certified individuals, not providing appropriate facilities, nor had materials, textbook supplies, curriculum documents in place to meet the requirements to offer the program in September of 2000. That recommendation was immediately implemented.

Mrs. Driedger: While Morris-Macdonald School Division should have known what the minister is saying about those enrolment numbers were, should not the department have also known how the adult learning centres were functioning?

Mr. Bjornson: When we received the numbers from Morris-Macdonald, it immediately identified a concern in terms of the accuracy of the numbers, and we went back to Morris-Macdonald School Division to ask them to verify those numbers.

From what I understand, in terms of the whole adult learning centre program, the Auditor had identified one of the main concerns that there was a lack of a policy framework for adult learning in Manitoba at the time the program started. The special duty of care that is owed to the citizens of Manitoba for the efficient management and control of the public funds in an organization was lacking in this process. That was identified by the Auditor in the first round of Public Accounts hearings, as I understand, on this particular issue.

Mrs. Driedger: I know that some of my questions may be difficult for the minister to answer because he was not a minister at the time. When I go back to 1999—I am not sure, perhaps it is the deputy that I need to be asking some of the questions, but when we do talk about adult learning centres, there was a Ferris report that had been done in 1999 or in that time frame, prior to I guess somebody coming forward with complaints about the Morris-Macdonald School Division. I understand from the

Ferris report that a number of challenges were addressed about adult learning centres as well as opportunities outlined for how things could be changed.

Perhaps the deputy minister, because I understand that he might have been involved in receiving that Ferris report at the time, although he was not the deputy at the time, and I could be wrong with my information, but I was told that the deputy had received this, and I wondered then, if it was in the department at the time—and this was around 1999-2000 that the Ferris report came forward—why were some of the challenges and opportunities from that report not dealt with by the government before a lot of the problems with Morris-Macdonald and perhaps other learning centres came forward. Why the lag in addressing the issue?

Point of Order

Mr. Chairperson: Mr. Swan, on a point of order.

Mr. Andrew Swan (Minto): A point of order, as the Member for Charleswood is specifically directing this question to the deputy minister. I realize that the Member for Charleswood has not been in the Public Accounts hearings the last two days where we have dealt with the new scope of the rules under section 118.1(2). It specifically provides that the deputy minister may be questioned on matters related to the Auditor General's report recommendations and related matters of administration within the department. Certainly, I think we have had some success over the last two days of moving along and having proper questions put to the deputy minister.

What the Member for Charleswood is doing is certainly not dealing with anything contained in the Auditor General's report and, by the very framing of her question, is asking about events in 1999, in 2000, which is certainly outside of the particular scope of the questions that she can put to the deputy minister. She can certainly ask the question of the minister, Mr. Chairperson.

Mr. Chairperson: I recognize the member's point of order.

Ms. Driedger, on the same point of order.

Mrs. Driedger: On the same point of order. I understand that the Ferris report was referenced in, at one time, or once, at least, in the Auditor's report, is the information I have. So I do believe that I am within the scope of asking my question. I may not have been sitting in Public Accounts over the last

few days but I would like to indicate to the member from Wolseley that I—

An Honourable Member: Minto.

Mrs. Driedger: Oh, sorry, Minto, that I am not a rookie MLA and I do understand the rules and I am quite capable of reading the rules about Public Accounts and how it is to be functioning. I do believe that the member from Minto indicated that the question to the deputy was only about the administration of the department. I do believe the Ferris report deals specifically with the administration of the department.

Mr. Chairperson: Just as a matter for clarification maybe the Auditor could—was the Ferris report, the Ferris report is mentioned in the recommendations?

Mr. Singleton: Mr. Chair there is a reference to that report on page 92. The italics on page 92 would represent a quote from that report. I guess the paragraph starts on the previous page at the bottom of page 91.

Mr. Chairperson: I thank the Auditor General for that clarification. As has been indicated we are dealing in a sense with a little different situation today because we have a minister and a deputy minister that were not responsible or in that department when this particular incident took place, but I do not believe—I am going to ask for clarification. Were you the deputy at that particular time.

Mr. Gerald Farthing (Deputy Minister of Education, Citizenship and Youth): No, I was not.

Mr. Chairperson: No. So there is a bit of a lag in trying to be exactly compliant to the rules that have been adopted for the procedures in regard to the PAC rules that we are operating under now.

I can only ask if the deputy minister, because, possibly it can be interpreted, possibly, with policy, whether the deputy is comfortable with answering the question. If he is, well, then he can answer the question.

Mr. Bjornson: Well, my understanding is clearly that the deputy would be responding to issues as identified in the recommendations but issues of policy would be my responsibility to address.

Mr. Chairperson: I understand that the minister is responsible for policy. The administration is in the deputy's purview. This is not the deputy that was there at the time. I am just asking whether maybe the

member would rephrase the question to the deputy and then the deputy may feel comfortable on answering.

* (10:00)

Mrs. Driedger: I guess, and the Chair could certainly direct if my question would be appropriate or not, but I would ask the deputy, as I believe he was the assistant deputy minister at the time, whether he was actually given the report. I understand the Ferris report was delivered to him and then, as part of the management group of the department, it was addressed with him at the table.

Mr. Swan: It is really the same question that has been asked before.

Mr. Chairperson: Point of order?

Mr. Swan: This is a point of order on the same point as before. The question does—

Mr. Chairperson: I am going to interrupt because my direction to the member was if the deputy is comfortable answering the question, he will be allowed to answer the question. If he does not want to answer the question, then he will say to the committee that he is not comfortable, and then the policy will be answered by the minister. If the deputy does want to answer the question, I will allow him to answer, so I will ask the deputy, does he—Mr. Swan?

Mr. Swan: I am not going to challenge that finding, but, with all due respect, I do not believe that it is simply the option of the deputy minister to answer the question if he wants. I would submit it is not a proper question to be put to the deputy minister. There is a very wide ambit of what can be asked of the minister in this case and if the member from Charleswood wants to put the question to the minister, I believe she is entitled to do so.

I just want to put that objection on the record because we are going to be seeing how this process works over time, and I just want to make it very clear that the deputy minister is required to answer questions in the very limited, I should not say limited, but in the agreed terms of section 118.1(2).

Mr. Chairperson: I recognize the Member for Minto's concerns, plus the fact that we are dealing with a deputy minister that was not a deputy minister at that particular time and the question he may not feel comfortable with answering. All I am doing is I am directing whether the deputy minister is comfortable and would like to answer. If he says no, then we just move on.

So I will ask the deputy, at this time, to answer the question, if he likes.

* * *

Mr. Farthing: No, I am going to refer it to the Minister of Education.

Mr. Bjornson: Yes, for the record, with respect to the history of the ALC consultation paper and regional consultation meetings, the Ferris report is referenced. I can provide the time lines that have been provided for me by the department.

On January 17 of 2000, the deputy minister commissioned Peter Ferris of Hewitt-Ferris and Associates to investigate the adult learning centres and prepare a report making recommendations based on his findings. On January 28, 2000, an initial forum was hosted by the deputy minister at the Viscount Gort to introduce the ideas of program quality, accountability and financial management for ALCs. Mr. Ferris addressed the forum to explain his mandate and that he would be visiting various ALCs.

Mr. Ferris's report on ALCs was completed approximately the end of February and shared with the public on March 9, 2000, via a letter to superintendents. On March 6, 2000, the deputy minister met with Dino Altieri to discuss the preparation of a consultation paper regarding ALCs. Dino then met with various departmental staff to discuss the proposed paper.

March 29, the conceptual framework paper that outlined a number of policy questions regarding ALCs, i.e., the nature and purpose, mandate, et cetera, was sent to the deputy. It was agreed to strike a working group to develop the consultation paper on the conceptual framework. It was decided to wait until Pat Rowantree, the new acting deputy minister, started with the department in April. The working group initially met in May, May 9, first draft consultation paper completed May 19. After a series of revisions, redrafts, a final draft was approved July of 2000.

The consultation paper, letter of invitation regarding regional consultation meetings and registration forms were mailed the week of July 19 to superintendents, managers of ALCs, co-ordinators, directors of adult literacy programs and vice-presidents of community colleges encouraging them to share with any interested colleagues.

This was something that had been identified by the department that there was a need to begin to

develop policy and guidelines with respect to adult learning centres in the absence of clear policies and guidelines under the previous administration. That is why the Ferris report was in support of the concept of adult learning centres and it was part of the basis, as I understand it, for dialogue around identifying policies and procedures and guidelines for adult learning centres.

So the department had initiated a review of ALCs at the time and those are the time lines that the Ferris report had undertaken. At the time, of course, this was just prior to the issue as identified in Morris-Macdonald School Division.

Mr. Glen Cummings (Ste. Rose): Mr. Chairman, now, I know, is not the proper time to challenge a ruling, but I have been thinking about the situation that we now find ourselves in. We now have a situation where the deputy, who was not the deputy when this review was done, is probably, in fact, aware of and holds knowledge that is germane to the discussion, as he was there when they received the report and would have been part of the management team that received the report, and what we just had was the minister read us a briefing note that had been prepared by the department, I imagine.

How is this going to be useful in this committee being able to get to the bottom of questions? It is a ruling that I want for the record because we know that we are setting precedents here for how this committee will conduct itself in the future, and I just want to put, for the record, I do not think the deputy would necessarily have been uncomfortable with answering the question. But we now are in danger of setting a precedent that says that, well, I knew something before I became deputy, I cannot be questioned about it now. That strikes me as putting, maybe without good reason, someone in the position of not being able to answer a question.

I do not need a ruling, Mr. Chairman, but I do think that that is important when we look back at how this process is working that we consider that. I would add one other comment, and the member from Minto was quick to point out who was here and who was not here yesterday, the current minister and deputy were not here yesterday when we were asking questions and I raised the point that it seems to me that this is not another Estimates process. When the deputy and the minister are consulting each other on the answers, who is briefing whom? That raises the question of whether or not we are having access to the true answers, the truth that we are trying to get on

what happened or may not have happened during this process.

Mr. Gerald Hawranik (Lac du Bonnet): On the same point of order, Mr. Chair, I do have concerns. I do not believe that the question had anything to do with policy. I do not think that was the issue whatsoever. Clearly, the deputy minister was within his knowledge. He was within the department. Simply because he is now the deputy minister and it was not raised to his attention when he was deputy minister is no excuse because to do otherwise, to hold otherwise, all the government has to do to frustrate this process, and clearly they are trying to do it here. All they would have to do is continue to move deputy ministers between departments, and the processes would be entirely frustrated because, when Public Accounts is being called, they will know who is being called and all they have to do is switch deputy ministers.

It is a process that I think has to work. In this case, clearly, the deputy minister was within the department. Even though he was in a different capacity, he has personal knowledge of the facts that were asked of him and, clearly, I would ask that that ruling be reversed.

*(10:10)

Mr. Singleton: Just in the spirit of trying to be helpful for the committee as they work through the new rules and how to implement them, as I understand the rule that has been agreed to, the questioning of the deputy minister is supposed to be on recommendations that we have made in our report and related administrative matters around those recommendations. If you were to look on page 103 of our report where we have recommendations to the department, we make, for example, the first recommendation that the department consider moving quickly to put appropriate legislation in place to set the role and goals of ALC, the issue of ownership of assets, et cetera. If you go through those recommendations, many of them are not dissimilar to the recommendations that are in the Ferris report that is under discussion.

So it is just sort of a process that I would leave it up to you, of course, to rule how far that could go, but it would seem to me that a member could take that recommendation and then ask questions about how is the department going about implementing the recommendation and what have they done themselves to assess that, which could include, potentially, the Ferris report and what learnings they

drew from that they used to inform their response to our recommendation, that kind of thing. So there would seem to be a way to achieve everybody's objective in exploring the question.

Mr. Swan: First, these new rules have been agreed upon by all parties, and the ink is barely dry on the pages, and, unfortunately, the Member for Ste. Rose (Mr. Cummings) is suggesting that we should ignore them. As we know, this is a historic development in Manitoba, that deputy ministers may now be questioned through the Public Accounts Committee, and my comments about the Member for Charleswood (Mrs. Driedger) were not intended to slight her. In fact, I was calling attention to the point that both the Member for Ste. Rose and the Member for Lac du Bonnet (Mr. Hawranik) were allowed fairly wide latitude to ask appropriate questions within the meaning of Rule 118.1(2), and if there are questions which are appropriate, certainly they can be put.

But, Mr. Chairperson, I have some real concerns about asking a deputy minister about things which happened before that deputy minister was in the position. The reason why this rule has now been put into place is so the deputy minister can be questioned on specific recommendations contained in the Auditor General's report and matters of administration. The current deputy minister can talk about what is in the Auditor General's report and what steps are being taken within the department to make sure that the problems highlighted by the Auditor General and his staff do not happen again.

That is what this committee is about. It is clear from the opening statement of the Member for Charleswood that she has no intention of actually pursuing the things we should be pursuing at Public Accounts Committee and instead simply wants to make this a political issue.

We have the Auditor General—

Some Honourable Members: Oh, oh.

Mr. Chairperson: Order.

Mr. Swan: —and four of his staff here today who are here to assist us in terms of dealing with this report and the recommendations that flow out of that report. We have heard the minister talk about steps that have been taken to make sure the things that are set out in the report are addressed. That is where this committee should be going.

That is why the rule has been agreed upon by all the parties in this Legislature, and I would submit that the other side does not have a point of order and we should get on with the process.

Mr. Chairperson: I thank the members for the opinions that have been expressed by the members. I guess I go back to, originally, yesterday and the day before, when we started this under the new rules and the fact that clause 118.1(2) is a very tricky clause, if you want to call it, because of the interpretations, and we have worked through it with the other two PAC meetings in regard to the recommendations and the administration within the department and the questioning to the deputy minister over the last two meetings.

We concentrated the questions into the recommendations. I think that there was a recognition by the committee that that was the avenue of questioning, was through the recommendations and the administration that pertained to the report.

I do understand that the Ferris report is not directly mentioned in the recommendations. In looking at the letter of the intent of the rules of the committee, I would say that the Ferris report is not part of the recommendations, but, as has been pointed out by the Auditor General, I would think that there are possibly ways of asking questions through the recommendations that could possibly get to some of the areas of concern that the member is bringing forth.

With those words, I would ask that the committee look at trying to work within the parameters that we have with these rules, work through the recommendations, work back to possibly questions and answers that relate to what the members have brought forth, and we can proceed under those conditions. So, if that is agreeable, then we will maybe continue on with the questioning.

I will ask Mrs. Driedger then.

Mrs. Driedger: I certainly do not want us to get bogged down, Mr. Chair, in all of this. I do want to get to the recommendations, contrary to what the member from Minto was saying, because there are some very serious questions that needed to be asked.

The comments I guess I would just like to make are that the Ferris report, when it came in, and I do believe that the deputy minister at the time was very well aware of the report and very involved in it, according to the information I have, and that this

report was very instructive to government. Yet, when it came in, there was no publicity about it at all, and I do not think that this government necessarily wanted to know that there were a lot of positive things that were acknowledged in the Ferris report about what was happening in adult learning centres. At that time, which was in 2000 and the allegations about Morris-Macdonald did not come forward till a year later, certainly the government could have become more actively involved in the shortcomings of adult learning centres if they would have moved more aggressively to deal with the Ferris report because some of the issues identified in the Ferris report, I do understand, as the Auditor said, are probably part and parcel of some of the same issues that the Auditor General, then, addressed and pointed out in his report.

So all I would say is that it looks like, again, through the Ministry of Education, that they dropped the ball again on a significant report that had come to them, and, as we have seen consistently with the ministers of Education, we have now had three in which is odd, because, with this government, they have not flipped ministers around so much, but certainly we seem to see here, with three ministers changing in the Department of Education, that it really questions the continuity and commitment to education by this government.

But the Ferris report certainly would have been a good starting point for the government, and instead we do not seem to see much happen till the allegations from the Morris-Macdonald School Division came forward. But, having said that, Mr. Chair, I do think that we have a number of questions that do arise out of all the recommendations, and I would like to go back to and ask the Auditor a question in terms of the Orlikows were running, as the minister had indicated, four adult learning centres. The government asked the Auditor General to look into Classroom 56. Because it was the Orlikows that were delivering the program, and all of the gaps in delivery were totally related to their management of the program, we have to wonder why the other four or other three programs, if there were three others, were not looked at in more depth, because it is obvious that the Orlikows were the ones putting forward the inflated numbers. It was the Orlikows delivering the poor program. I guess I would just like to ask the Auditor General when the other, as he indicated, learning centres were visited, why they might not have been pulled into the scope of the Auditor's review in a more in-depth way.

* (10:20)

Ms. Bonnie Lysyk (Deputy Auditor General of Manitoba and Chief Operating Officer): We did look specifically at the program, because that was the one that was identified initially. We visited the site and we had a focussed review of how that program was conducted. With respect to the other Orlikow sites, we did visit those sites and we did take into account the type of records they had with respect to enrolment. In the chapter that deals with the school division, we included our knowledge of the information from those sites in our extrapolation of the potential overstatement of students within the whole division.

The reason we expanded into the Morris-Macdonald School Division is because it was the location in the province where the growth of ALC started and continued. At the end of the day they had I believe 60 percent of the enrolment in the ALC program.

So we actually chose to go from the program to then looking at the division and their operation of the ALCs and then also looking at the policy framework or the lack thereof within the province.

Mrs. Driedger: Can the Auditor's office indicate whether they determined that the enrolment numbers from those other adult learning centres run by the Orlikows were also inflated when they submitted them to the Morris-Macdonald School Division?

Ms. Lysyk: Yes, we did look at that, and they were part of a process that Morris-Macdonald conducted subsequent to hiring a consultant to conduct a phone survey. That consultant through the phone survey identified overstatement in the other ALCs of which those other three were included.

So they were addressed and they were looked at as part of the whole overstatement within Morris-Macdonald's registry of students.

Mrs. Driedger: I guess what I am understanding from that is that the Orlikows were overinflating the numbers in all of their adult learning centres, or have I understood that in too broad a term?

Ms. Lysyk: We looked at the process by which the student enrolment was accumulated at the school division itself, and we, during this process, reached the conclusion that the responsibility for those student enrolment numbers rested with the school division because they had the oversight responsibility, and particularly the principal. One

particular principal at the school division had responsibility for ALCs with the exception of the ETECs that was under another principal.

So the two principals we believed and we reflected in the report held responsibility for ensuring that this submission to the Province as well as the superintendent was accurate.

Mrs. Driedger: I have understood from the report that Morris-Macdonald was expected to be managing the adult learning centres, and that is certainly an obvious expectation when people are running a program. We know that there are obviously gaps in how adult learning centres were set up and not only managed; but, when we go back to even what the department's responsibilities were, we can probably assume from all of this, too, that adult learning centres were taking off at a pretty rapid rate and that the department was doing some catching up and the department itself had some responsibilities in all of this. It almost looks like there were a lot of balls dropped along the way with the development of adult learning centres.

But I guess I still have some really serious concerns that we go back to the people actually delivering the programs which were in this case what we are looking at is the Orlikows, and they were putting forward inflated numbers themselves. My concern with all of that is that there was a certain amount of money paid out to Morris-Macdonald School Division who then flowed money through to the adult learning centres for each student enrolled.

I would like to ask the Minister of Education how much money flowed through per student to Morris-Macdonald School Division.

Mr. Bjornson: I understand that, in February of 2000, the funding announcement for the 2000-2001 school year, divisions were informed of the per-capita funding. It would be reduced from an average of approximately \$3,600 per pupil to an average of approximately \$2,500 per pupil.

The funding announcement referenced \$12.2 million in adult learning centre funding in 2000-2001, but as a result of the significant increase in enrolment, the amount of funding was actually \$15.6 million. I should clarify that these are averages for the province.

Mrs. Driedger: At the time of Morris-Macdonald getting the money then back in 2000-2001, would they have been getting around \$3,600 per student or

\$3,200 per student enrolled in their adult learning centres?

Mr. Bjornson: We just have the provincial average expenditure per capita, not by division.

Mrs. Driedger: Could I indicate that the information I have received from people involved with the division was that there was a flow-through of \$3,200 per student that went to Morris-Macdonald School Division at the time.

Could the minister tell us how much the Morris-Macdonald School Division kept as an administrative fee per student out of that \$3,200 that each student was allocated?

Mr. Bjornson: I do not have that number available at this time.

Mr. Chairperson: Maybe, Mr. Singleton?

Mr. Singleton: We have a table on page 62 of our report, table 6, which sets out the administration fee retained by Morris-Macdonald School Division over a four-year period starting from '97-98 at \$25,000 and climbing to \$922,000 as an estimate for 2000-2001, for a total of \$1.8 million over that period of time. You can see it.

*(10:30)

Mrs. Driedger: I appreciate the information being pointed out. I will certainly spend some more time looking at this. My understanding from people involved at the Morris-Macdonald School Division was that, at the time this was all happening, they were receiving from the government \$3,200 per student and they only kept \$250 per student to deliver the administrative component. All of the rest flowed through to the Orlikows.

It would seem to me that there should have been more of an effort by the government to go after the Orlikows for that money rather than the Morris-Macdonald School Division. If we look at the differences here, most of that money flowed through to the Orlikows, and yet it was the taxpayers of Morris-Macdonald that ended up having to pay it back to the government.

Something just does not sit right with me when, yes, maybe Morris-Macdonald School Division had a stronger management role in this. We do know there were rapidly expanding adult learning centres, there were a lot of new things happening. There were trial projects going on with this and Morris-Macdonald probably was having difficulty keeping up with all of

this. When we look just strictly at the flow of money and if we see that Morris-Macdonald only made, according to them, \$250 per student out of 3200, and the rest all flowed to the Orlikows, can I ask the Minister of Education why his government did not go after the Orlikows to get that money back rather than the taxpayers of Morris-Macdonald?

Mr. Bjornson: We did. With respect to some of the suggestions that are being made the fact is that there were a number of other ALCs that were being operated by Morris-Macdonald School Division directly that also reported the inflated enrolments. The government provided funding to Morris-Macdonald School Division for the adult learning centres and it was Morris-Macdonald School Division responsible for the administration of those funds.

Morris-Macdonald School Division, as identified by the Auditor, should have known about these inflated numbers and the department. I also have to take exception to some of the comments made about policy. It was the absence of policy that led to this situation with a public-private partnership in the management of the ALCs being shared by the school divisions and private partners.

There were six centres that were being run by the Morris-Macdonald School Division, 11 partnership centres under the auspices of the Morris-Macdonald School Division. We, as a government, were starting the process of, we had identified the need to review the ALCs and started the process with the Ferris report and we are starting to work toward policy. Coincidentally, this situation had arisen in Morris-Macdonald which spoke to the need to have done this in the first place.

The issue at hand is the fact that the absence of public policy necessitated the need to provide a policy that would address issues around the public purse and ensure that the monies were being used appropriately.

Mrs. Driedger: I did acknowledge in my question that there certainly was an absence of policy and I do not dispute that. More attention did need to have been paid at the beginning to the development of adult learning centres. There probably was a huge need for them at the time, and it took off faster than people had control of. It certainly was something that needed to have had stronger policy.

However, what we see with this was the school division contracting with Classroom 56, which was

an adult learning centre, to teach so many people. Classroom 56, the Orlikows submitted the numbers to Morris-Macdonald School Division. Morris-Macdonald School Division submitted these numbers to the government for funding, and it looks like Morris-Macdonald School Division was lied to by the Orlikows with the inflated numbers.

Now, should Morris-Macdonald School Division have known? Probably, I guess, if everything was set up properly, they likely should have known that, and if all the checks and balances were in place and good management practices developed. However, with the way things evolved, that did not happen. But we have the school division being lied to. They did not know they were being lied to. So then they submitted those same numbers because they had trust and faith in the people they set their contracts up with, the Orlikows, in this case, because that was the direction of the audit.

The Orlikows submitted false numbers; then the Morris-Macdonald School Division submitted those false numbers to the government, unknowingly. What looks like was happening is Morris-Macdonald was taken for a ride by the owners of the adult learning centre. They are the ones that benefited and profited by this. The Morris-Macdonald School Division was only making \$250 per student, whereas a significant amount of that money, if I were to look at with my calculator here, almost \$3,000, \$2,950 per student, was what went to the Orlikows. Morris-Macdonald only kept \$250. Morris-Macdonald got in trouble. The Orlikows got a free ride and they are the ones that made all the money. Why did the government not go after the Orlikows instead of the taxpayers of Morris-Macdonald?

Mr. Bjornson: This is a rather curious question. I refer to Hansard when the member from Russell said during the first Public Accounts hearings, "I am in no way attempting to absolve Morris-Macdonald of any responsibility here." We took actions based on the Auditor General's recommendations. We trust the work of the Auditor. The member is suggesting that there is only one private partnership that benefited from this particular misappropriation of funds, when, in fact, as I have said and I will repeat for the member, six adult learning centres, which were directly under the management of the Morris-Macdonald School Division, also presented inflated enrolment. We respect the good work and trust the good work of the Auditor's office on this issue. We

took actions and followed the recommendations that were brought forward by the Auditor on this matter.

Mrs. Driedger: Well, I would like to indicate, too, that I certainly trust the work of the Auditor very much in terms of what he has been able to expose over the last few years in the province. So, certainly, he has been overloaded with trying to clean up or investigate the messes that this government has made. That is why he is swamped and could probably use a little more support in his department because the NDP are messing up so much that it is keeping the Auditor really busy.

Mrs. Mavis Taillieu (Morris): Mr. Chair, I just want to indicate that this morning, I had breakfast in Morris with two former trustees on the former Morris-Macdonald School Division board, and I have to say that when we talk about volunteer boards, as school trustees, as they really are, because they do not get a whole lot of money for doing this and, in fact, they do it as a sense of duty to the schools, the students and to the community, they are still very much hurting from this whole situation because they feel they were wronged in that they were fired.

* (10:40)

They recognize that there was a growth going on within the adult learning centre industry. They certainly recognize that, and they certainly recognize that there were things burgeoning here and perhaps it was getting beyond them. They wanted to work with the government. They offered to work with the government but instead, the government chose to fire them, which cast aspersions, I would call it, on their reputations and the work that they had honestly been trying to do. They feel that way today.

I feel that, when people like this are just fired and not given an opportunity to have some work with the government on this, perhaps it might have been a better way as to help this school division work through the problems that they were encountering. Yes, this was a growing industry and certainly there were growing pains along with that. When you look at board members from rural communities who are simply trying to do their best for the community, and in all boards across any sector of the province, we will find people on boards who are looking for guidance because they do not have all the answers. I think that, more appropriately, it might have been to show some leadership from the Department of Education and show some guidance to this school

division.

To that, I would like to ask the minister to explain why he fired the school board.

Mr. Bjornson: The Auditor was very clear that Morris-Macdonald School Division was responsible for what happened, that they should have known. *[interjection]* The Morris-Macdonald School Division is the issue we are discussing here. The school division should have known that the overexpenditure of \$2 million, and that expenditure was a range of possible overexpenditure because of the accountability issues that had been lacking in the policies and procedures that were lacking under the previous administration. They should have known and it was very clear that the Morris-Macdonald School Division was responsible for what had happened.

The Auditor made several recommendations for Morris-Macdonald School Division, many of which they acted upon, many of which became irrelevant because of the choice not to participate in ALCs and the subsequent amalgamation of Morris-Macdonald School Division and the choice not to participate in adult learning centres, and the Province was given many recommendations by the Auditor, which we have followed up on all recommendations.

Mrs. Taillieu: Again, I think that it shows leadership in terms of the Department of Education and the Minister of Education to have looked at the situation and to have gone into it in a way that may have prevented the situation which left the people in the former Morris-Macdonald School Division without elected representation, something that they feel very strongly about. Perhaps more of a helping approach may have been more appropriate to guide the board through the appropriate measures, and that did not happen.

I would just like to ask the minister: Is there any example of any other boards that he has fired in this province?

Mr. Bjornson: That question does not speak to the recommendations or the issues at hand, but I will tell the member that in the fall of 2000 Morris-Macdonald School Division was asked by the assistant deputy minister to review and verify enrolment figures. There was an opportunity to address this issue. I am wondering if that was mentioned by the trustees at breakfast this morning.

They had an opportunity in the fall of 2000 to verify the numbers. They were asked to do so, and

the problem persisted, and, as identified by the Auditor, Morris-Macdonald School Division should have known.

Mrs. Taillieu: But the government should have known as well, and the Auditor General addresses that in his report, that there was a lack of policy framework in place and the government has the ultimate authority and the buck stops at the minister's office. The minister should have known as well.

The flippant comment by the minister regarding the people this morning, I take that as a very offensive remark. These are very honest, hardworking people that really feel very strongly that they have been harmed and wronged by the actions of this government, Mr. Chair.

Just in terms of the recommendations in regard to the Department of Education, I am just wondering can you tell me if there are any adult learning centres operating within the Morris-Macdonald School Division at present.

Mr. Bjornson: No, there are not.

Mrs. Taillieu: How many adult learning centres are operating in the province?

Mr. Bjornson: Forty-four.

Mrs. Taillieu: What is the decrease or increase from 2000, the number of adult learning centres in the province?

Mr. Bjornson: It is about the same. I understand that the program fluctuates in terms of the number of adult learning centres because it is an enrolment-based determinant and need-based determinant for the adult learning centre.

Mrs. Taillieu: Is there a waiting list to enrol in an adult learning centre?

Mr. Bjornson: In some communities there would be, yes.

Mrs. Taillieu: What school divisions are operating the adult learning centres now?

Mr. Bjornson: You will have to give us a minute to provide that information.

Mr. Chairperson: Maybe, just as a suggestion, if there is a willingness to take a 10-minute comfort break? *[Agreed]*

The committee recessed at 10:48 a.m.

The committee resumed at 10:57 a.m.

Mr. Chairperson: Will the committee please come to order. I believe the minister was getting some numbers in regard to adult learning education centres, so, Mr. Minister.

Mr. Bjornson: The breakdown of the adult learning centres by division, and before I tell you the numbers I just want to advise that there are two different types of adult learning centres that are being run by division. There are ones that are directly operated by the divisions, and I will make that distinction how many are run directly as compared to how many are part of a partnership agreement.

* (11:00)

Border Land directly runs a learning centre. Frontier School Division has 22 different sites that are directly operated by the school division. Interlake has an adult learning centre partnership. Kelsey directly operates a learning centre. Lord Selkirk directly operates an adult learning centre. Portage la Prairie has one they operate directly and one in partnership. Prairie Rose runs one directly. River East Transcona operates two adult learning centres under their direct control. Rolling River, one directly; Seine River, one directly; Seven Oaks, one directly in two partnerships; St. James-Assiniboia, one partnership; Sunrise, four sites that are under the direct auspices of the school division. Swan Valley has a partnership. Turtle Mountain, direct; Western, direct; and Winnipeg, direct.

Mrs. Taillieu: Could you explain the partnership agreement?

Mr. Bjornson: Under the act, both the school division and the proponents that are partners in the adult learning centre are jointly responsible for all aspects of accountability. There is a very detailed partnership agreement and the department provides the guidelines upon which those are determined.

Mrs. Taillieu: Is there a difference in funding between the stand-alone centres, or I should say the partnership centres, and the ones operated directly?

Mr. Bjornson: No, there is not.

Mrs. Taillieu: Was the Orlikows' Classroom 56 a for-profit centre?

Mr. Bjornson: Yes, referring to page 21 in the Auditor's report, the HOPE centre was incorporated as a for-profit entity.

Mrs. Taillieu: Can the minister indicate how many centres operating right now are operating under a for-profit basis?

Mr. Bjornson: None.

Mrs. Taillieu: Can the minister indicate when the last time a for-profit centre was operating?

Mr. Bjornson: Upon the implementation of the program funding model in 2001.

Mrs. Taillieu: In regard to the recommendations, one of the recommendations was that the department establish a requirement that all adult learning centres be operated by educators who had trained in administration and site management. Can I ask if this has been done?

Mr. Bjornson: The regulations for the act detail the qualifications that are required, but there is also a grandfathering provision that was a part of the transitional process from the previous program to the current program.

Mrs. Taillieu: I am sorry, but I am not really clear on that answer. Has this recommendation been implemented or not?

Mr. Bjornson: Yes, it has and, as I said, the grandfathering provision is part of the transition.

Mrs. Taillieu: So is it completely implemented, then?

Mr. Bjornson: It is implemented and regulated.

Mrs. Taillieu: Can you just tell me exactly when that occurred?

Mr. Bjornson: With The Adult Learning Centres Act in July of 2003.

Mrs. Taillieu: There was also a recommendation that their standards for the operation of adult learning centres covering student assessment and testing also be implemented, and I am wondering if the minister can say whether this recommendation has been implemented.

Mr. Bjornson: As I said in my opening comments, all of the recommendations have been implemented.

Mrs. Driedger: One of the recommendations from the Auditor was that Morris-Macdonald should consider requesting reimbursement from the adult learning centre. I would like to just indicate here, one of the actions taken to a recommendation 4 is that on October 18, 2001, a letter was sent to the program, which is obviously Classroom 56 owned by the

Orlikows, stating the provincial Auditor's recommendations. A copy of the invoices was included and the request to reimburse some money. No payment was realized by Morris-Macdonald School Division as a result of this letter being sent. Then the division concluded that it would cost the school division more money to undertake further actions than it could recover.

It looks like Morris-Macdonald School Division tried to recoup some of the money from the Orlikows and, basically, the Orlikows thumbed their nose and got off scot-free in terms of any reimbursement.

Did the minister or his office intervene then with the Orlikows and ask for any of that money to be repaid?

Mr. Bjornson: That would not be the purview of the minister's office. The recommendations were made to the Morris-Macdonald School Division. Morris-Macdonald followed up on the recommendations that were made.

Mrs. Driedger: Could the minister indicate what the NDP's relationship is with the Orlikows?

Mr. Bjornson: I believe that has no relevance to the recommendations you are addressing here.

Mrs. Driedger: I guess I was asking the question because, as good NDPers, the government would have their phone number on hand and would be able to easily pick up the phone and ask them to return some of this money that the taxpayers of Morris-Macdonald School Division were forced to reimburse.

One of the other recommendations was that Morris-Macdonald School Division consider obtaining legal advice respecting its right to recover \$25,000 advanced to HOPE for a summer program that provided a deficient quality of education, the action was taken following the completion of the Auditor General's investigation. Legal advice was sought and letters were sent to HOPE in efforts to recover monies. No action or money was ever forthcoming from these attempts. The division concluded that it would cost the school division more money to proceed through the legal process than it could recover.

Again, Morris-Macdonald tried with the Orlikows to get that money, and the Orlikows basically thumbed their nose at Morris-Macdonald School Division and nothing happened. So it concerns me that the government took the easy way

out and went after the taxpayers of Morris-Macdonald to cover some of these costs, and the Orlikows who basically lied to the government—or maybe I should not say lied. They put forward numbers that were wrong and they are totally let off the hook on this.

Did the government never in any of these instances when Morris-Macdonald School Division, did the government not try to help out the school division and support the school division by trying to see if their friends the Orlikows could not reimburse some of this money? Obviously, they got a lot of it. It went into their students. Morris-Macdonald School Division only kept \$250 per student as an administrative fee. The rest all went to the Orlikows. The numbers that came from that program were all inflated.

Did the government not follow through at all in any attempts to recoup any of that money?

* (11:10)

Mr. Bjornson: Well, once again, I remind the member from Charleswood that the member from Russell, when this process was initially brought to the table, said, "I am in no way attempting to absolve Morris-Macdonald School Division of any responsibility here."

The manner in which the member has framed this question is rather curious in that I have reminded the member that there were several adult learning centres directly run by Morris-Macdonald School Division that provided inflated enrolment numbers, and these were under the direct auspices of the Morris-Macdonald School Division.

Ultimately, the responsibility for reporting these numbers to government was the responsibility of the Morris-Macdonald School Division, and the way the member is framing the question, it would be akin to me asking the member if she knew anybody who is a private stakeholder in Manitoba Telephone System who I could appeal to to try and recoup the 68 percent increase in my telephone bill.

It is a rather curious question but, once again, the bottom line is recommendations that are made to the school division and recommendations that are made to the department are two separate sets of recommendations. The recommendations that were made to the school division were followed up and implemented to the best ability of the school division to do so. The recommendations made to the Province were all followed through by the Province.

Mrs. Driedger: It just still seems to me that the taxpayers of Morris-Macdonald got the short end of the stick here, and I still find that very disconcerting, especially when we look at what happened with the Agassiz School Division, because with the Agassiz School Division, as I understood it from a newspaper clipping November 21, '01, the Minister of Education at the time was being accused of telling Agassiz School Division to inflate enrolment figures in adult learning centres to get \$450,000 that would keep them from running a deficit. He, according to information that is out there, again, in another article of November 17, '01, indicated that he ordered them to fudge their numbers so the Province could give the division extra money to balance its budget.

Basically, what we see, and we did have an internal memo at that time from the Agassiz School Division, it said that an Education Department official told the school division to stop an internal audit of its adult education program and that the department would fund the division for enrolment figures it knew to be wrong. Basically, they found a way to funnel the \$450,000 into Agassiz without drawing attention to the gift.

Then the minister went on to say, and he acknowledged that he and the "NDP Cabinet knew that Agassiz's enrolments were inflated but decided to fund the entire enrolment anyway because the division was strapped for cash." Even the Auditor at that time said that that was unacceptable.

Why were the two divisions treated so differently? I would like to ask the minister why his NDP government treated them so differently.

Mr. Bjornson: Well, in the preamble, the member talks about the taxpayers in Morris-Macdonald School Division. In the Auditor's report, it clearly indicates that the artificially increased enrolment numbers provided a financial benefit to Morris-Macdonald School Division. Clearly, the taxpayers of Morris-Macdonald enjoyed an artificially low mill rate as a result of the overpayment for the phantom enrolments.

The Morris-Macdonald issue compared to Agassiz is a very different issue and not part of the recommendations that we are dealing with here in the Auditor's report with respect to Morris-Macdonald School Division.

Mrs. Taillieu: I do not see how the minister can say the people of Morris-Macdonald benefited when the money flowed through to the Orlikows, and the

minister has actually even said that because he said that there was a recommendation that this money be recovered from the Orlikows. That is an admission that that is where the money went, Mr. Chair.

If that is where the money went, the people of Morris-Macdonald did not benefit. In fact, it is a very rural area, and over the last three years they have been hit very hard within the agricultural industry. This has just been another imposition on poor, innocent people that really had nothing to do with this whole thing.

So it is totally unfair to have deflected this whole situation onto one school division where another school division was actually encouraged to overstate its enrolment. I would like to ask the minister why he encouraged one school division to overstate enrolment.

Mr. Bjornson: The Agassiz School Division was not encouraged to do so, and—

An Honourable Member: No. No, no, no.

Mr. Bjornson: I believe I have the floor.

They were not encouraged to do so, and the department worked with the Agassiz School Division to address the issue that was relevant to their situation.

The member from Morris is suggesting that the school division did not benefit from this inappropriate allocation of funds and it is clearly stated in the Auditor's report and there were recommendations made that the department should request reimbursement. The members opposite have gone on to address one particular provider of services for the adult learning centre, when I have said repeatedly, and I will repeat it again, that several of the sites that were directly run by Morris-Macdonald School Division included inflated enrolment numbers. The Auditor has said that Morris-Macdonald School Division should have known that this was incorrect and are responsible. The assistant deputy minister did meet with the Morris-Macdonald School Division in 2000 because of the suspicions around the enrolment numbers and the Morris-Macdonald School Division had an opportunity to verify the numbers in question.

Mrs. Driedger: I am concerned with the minister's comments about the former Minister of Education, because on Friday, November 16, 2001, the member from Brandon East, who was the Education Minister at the time, acknowledged that he and the NDP

Cabinet knew that Agassiz's enrolments were inflated, but decided to fund the entire enrolment anyway, because the division was strapped for cash. In fact, if we look back at all of his comments around that period of time, on November 16, he told the media the funding went to Treasury Board for approval. On November 17, he said the funding went to Cabinet for approval. On November 19, he told reporters he approved the funding. On November 20, he said he used his delegated authority to flow the funding. On November 20, he told CJOB his deputy had taken responsibility. On November 20, he also told CJOB he found out about the transaction after it occurred and on November 20, he told reporters he knew of the transaction before it occurred. Obviously, we have a school division that was treated by this government very, very differently from the Morris-Macdonald School Division.

The Minister of Education at that time basically decided to tell a school division to inflate their enrolment figures, and then they would—*[interjection]*

* (11:20)

The member is saying no, but the Minister of Education at the time admitted to that, and an internal memo from an Education Department official told the school division to stop an internal audit of its adult education program and that the department would fund the division for enrolment figures they knew to be wrong. All of this was going on at about the same time, in '01, as Morris-Macdonald was getting nailed for having inflated numbers. So, obviously, we have some very, very serious situation happening where this government has treated two school divisions very, very differently, and now one of their other school divisions that has their former provincial campaign manager as a school superintendent, into illegal residential land development, totally off the hook for using education money, \$2 million, to up-front residential land development, and that one, like Agassiz, is being treated very, very differently than how Morris-Macdonald was treated. It just does not sit right, Mr. Chair, to see the differences in how school divisions are treated differently.

I would suggest, perhaps, there may be different motivations by this government in terms of why they would treat different school divisions in different parts of the province very differently. But, with the Agassiz School Division, we have the same thing that happened there, only this time the Minister of

Education is directing that they inflate their numbers, and now we have a school division in Morris-Macdonald that is being punished for something that a former minister actually advised a school division to do.

How can this Minister of Education reconcile all of that?

Point of Order

Mr. Swan: Point of order, Mr. Chairperson.

Mr. Chairperson: On a point of order?

Mr. Swan: Yes, we are here to discuss the recommendations of the Auditor General, as I understand the way the Public Accounts Committee works. I find it ironic that the Member for Charleswood earlier today has suggested the Auditor General's office needs more resources when she has kept the five of them here for probably about four staff hours getting out a question which, as I understand it, is not even a question.

Perhaps we could actually deal with the Auditor General's recommendations and the follow-up by the department and the Auditor General's comments on that progress, and we can do the work we are supposed to do here today.

Mr. Chairperson: The member does not have a point of order. As was pointed out when the committee first came to order, members have 10 minutes to pose a question. The member was entirely within her rights to give background regarding her question, and I believe in looking—*[interjection]* Order, please. I believe that the Clerk has a clock on all questions and we were approaching five minutes, so there was more time available for the member to put her question.

So the Member for Minto (Mr. Swan) does not have a point of order. We will then ask the minister for his response.

Mr. Bjornson: We are here to discuss the recommendations of the Auditor with regard to Morris-Macdonald School Division, and the Auditor's office has made several recommendations, as I said before, many to the school division. They were able to address those recommendations with the resources and the ability to do so. Some they were not successful at, but the recommendations were implemented.

The same can be said for the Province. We had received several recommendations with respect to Morris-Macdonald's situation and we acted upon all of those recommendations.

Mrs. Driedger: I still have very serious concerns about the different ways in which different school divisions have been treated. Certainly with Morris-Macdonald School Division, it does seem to have been treated very unfairly from Agassiz and definitely now from the Seven Oaks School Division.

The minister and this NDP government did not hesitate at the time to have the Auditor look into Morris-Macdonald School Division, yet he has refused to ask the Auditor to look into the Seven Oaks School Division when some extremely serious allegations have come forward about the Seven Oaks School Division and their use of education dollars for residential land development and a Public Schools Finance Board that condoned it, according to Brian O'Leary, condoned the whole process all along the way.

The minister walks away scot-free from dropping the ball on that issue. The Public Schools Finance Board walks away, and the minister and this government seem to be very selective about where they want audits done when school divisions are in a bit of a mess for one reason or another. I just think, from the point of view of the taxpayers of Morris-Macdonald and my concern for the taxpayers and the students of Seven Oaks School Division and Agassiz, I mean, I just think it would be more fair for this government to treat all of these situations as seriously and bring in the Auditor at appropriate occasions.

I do not have much more to say, because there are a number of other questions related to a huge number of these recommendations, but I am glad to see that the minister was moving forward on a number of these recommendations. This was a very extensive review, obviously, had a very extensive number of recommendations that are being taken seriously and being implemented where appropriate. Some have obviously not, are no longer relevant, and are therefore no longer needed.

I would just ask the minister, now that there is legislation in place, have all school divisions and adult learning centres been made very aware of the expectations upon them, and has funding been revoked or denied in any other adult learning centre since '01?

Mr. Chairperson: Maybe before the minister answers, I know Mr. Singleton was wanting to make comments, so Mr. Singleton, at this time.

Mr. Singleton: Thank you, Mr. Chair. Just for the benefit of the committee, I would like to sort of clarify the process that we go through in deciding which audits to conduct. It is true in the case of Morris-Macdonald School Division we did have a letter requesting us to do that audit, but I would tell the committee that we give that kind of a request the same kind of consideration when we would get it from any member of the Legislature. The only provision that there is to direct us to do an audit is through the special audit requests in the act, which entitles the Minister of Finance (Mr. Selinger) or this committee to ask us to conduct special audits.

In the case of the Seven Oaks School Division, I can assure the committee that whether or not we should conduct an audit there is still under active consideration and I would expect to be making a decision on that within the next few weeks.

Mr. Bjornson: Yes, with respect to the question around revoking funding or denying funding, the guidelines that have been prepared are very specific, with respect to the adult learning centres. Funding has been revoked or denied on occasion if the quality of the programming does not meet the requirements. In fact, for low enrolment, there was a program in Evergreen School Division. It happens to be an area I am very familiar with, where there was low enrolment and they did not qualify for funding.

Mrs. Driedger: That was one of my questions that I did have, and I understand that funding used to be on an enrolment basis, on a per-student basis. Then it changed, the formula for funding changed, but he has now indicated that, obviously, and it would make sense, you know, if you do not have enough students, it would make sense to me that you have to look at whether it is a viable program then. Is there a cut-off number at which point a learning centre would not be able to be allowed to continue?

* (11:30)

Mr. Bjornson: No, there is not. The criteria also include the detailed plan that would be submitted on behalf of the proponents and that would determine accepting the funding, or, pardon me, determine the funding for that program.

Mrs. Driedger: When the minister was talking, then, about Evergreen and having to discontinue a

program because of low enrolment, what was that enrolment, then?

Mr. Bjornson: I am sorry, I do not have that number but, again, that was just part of the criteria upon which that would be determined. It is not solely based on enrolment, it is also determined on the programming plan that is provided, then the total funding is capped.

Mrs. Driedger: Since 2001, then, and the ensuing legislation, how many adult learning centres have been shut down, I guess, or how many adult learning centres has the government refused to fund, then, because it did not meet the criteria?

Mr. Bjornson: There are actually two parts to that question and that it is not just a matter of how many have been closed but how many have been successful in their application for funding. As I said earlier, there has been fluctuation in areas that provide the services but the number has been relatively consistent at 44 adult learning centres, based on some being successful applicants and some closing down programming or some not meeting the criteria, so there is a bit of a fluctuation on an annual basis but it is consistently around 44 adult learning centres, I believe, is the average.

Mrs. Taillieu: Mr. Chair, the ratepayers in the former Morris-Macdonald School Division continue to be disappointed with this NDP government and the former ministers of Education as well as this Minister of Education because of their refusal to even discuss this further. Let us face it, there are two different school divisions treated very differently here, in fact, just a couple of answers ago, the minister said he was working with the Agassiz School Division, but he has said that they did not wish to work with the Morris-Macdonald School Division.

Mr. Chair, what this government is very good at is they are masters of deflection, and they are like magicians who decide that they have to do something over here so, over here, they cause a little problem so that everything is going to go over there so that they can do something when other people are not watching. This is what happened with Morris-Macdonald, make it look like there is something really bad over here and deflect it from everything else that is going on.

This does not really fool the people in Morris-Macdonald. They are very, very disappointed with this government. In fact, we do know that there has

been a recent RCMP investigation done, and I was told today that people were, of the present Red River Valley School Board, only informed about the investigation through the lead investigator of the outcome of this. No one from this government informed them of anything. There has been no leadership, no guidance, no communication, and they felt that that is not fair. The RCMP investigation found absolutely no fraud, they found absolutely no evidence to initiate any charges against anybody, not anybody in Morris-Macdonald, not a soul.

We have asked for a copy of the RCMP report from the minister. I would ask him if he would table that today.

Mr. Bjornson: First of all, the way the RCMP chooses to communicate their independent decision is entirely under the purview of the RCMP. That is not my role as minister, to determine the distribution of that information. Clearly, the recommendations that were made by the Auditor to recoup some of the funds that were inappropriately allocated to Morris-Macdonald School Division was a very responsible recommendation.

The Auditor has said that the school board should have known that there were inflated numbers. There has been a determination that the people of Morris-Macdonald School Division had benefited from an artificially low mill rate. The Auditor made a recommendation with a range of monies that we could choose to recoup, and in fairness to the residents of Morris-Macdonald School Division, it was determined that the lower number be the number that would be recouped as per the recommendations of the Auditor.

So we were acting in the interests of all Manitoba taxpayers because all Manitoba taxpayers ultimately fund the adult learning centres program, and Morris-Macdonald School Division did benefit from artificially low mill rates. The suggestion that we recoup monies had a considerable range, and the number that we choose to pursue, as I said, was the lowest end of the scale. That would be more palatable for Morris-Macdonald School Division to absorb that cost, as opposed to almost double the amount that could have been pursued by the department as per the recommendations of the Auditor.

So the independent decision by the RCMP is clearly an independent decision by an outside agency. Right now it seems to me that the member is suggesting that we would dismiss the

recommendations that the Auditor had made with respect to recovering funds because clearly it has been said that the school board should have known that the monies were inappropriately allocated.

Mrs. Taillieu: Again, just in regard to the recovery of monies, there was a recommendation also that there was \$500,000 inappropriately spent for over-enrolment in Agassiz and there was no attempt to recover that money, but there was a full attempt to recover the money from Morris-Macdonald. Certainly, I recognize the Auditor General's work here, and they do good work, and they certainly have a lot of work to do, as has been pointed out.

But, again, getting back to the RCMP's report, Mr. Chair, I would like ask the minister, it may have been an independent report but it has a bearing on this investigation, and I would like to ask him if he has read the report.

Mr. Bjornson: Not at this time and, once again, the RCMP is an independent organization. The last I checked it is not within my purview to determine the distribution or the information of reports that are conducted by an external agency. That is not my purview.

Mrs. Taillieu: Well, I am very surprised to learn that the minister would not have read it and been interested in what actually happened in this case, as it falls into the Department of Education.

I would also like to ask if he has a copy of the report.

Mr. Bjornson: I do not recall having seen the report, and I would like to correct the member. She suggested that I was not interested. It is curious that she would suggest that. I am indeed interested. This is a very important issue and I suspect I will have an opportunity to read the report in the event that I do come into possession of that report.

But, again, that is not my purview as Minister of Education to determine the distribution of reports made by independent agencies such as the RCMP. That is their prerogative with respect to the distribution of that report and how they choose to communicate the contents therein.

* (11:40)

Mr. Singleton: Having had a little bit of experience with how the RCMP proceeds when they are doing an investigation, I might be able to share a little bit of that with the committee.

I believe that when the police have completed an investigation, they prepare a report, and if they think there is evidence that should be considered by the Crown attorney, they deliver their report to the deputy Attorney General, who provides it to a Crown attorney to assess that report, and it is that Crown attorney who makes a determination as to whether or not there is sufficient evidence to convict someone.

I believe in this case, because of the nature of the complaint, the department decided to refer it to an outside Crown attorney to make that determination, but I do not believe that the report would ever be distributed to anyone other than the legal officials involved with the process.

Mrs. Taillieu: Mr. Chair, just a closing comment, I guess, in regard to the whole issue here. Again, I think that it has been shown with the RCMP investigation there was no fraud, there were no charges to be laid. Again, we had a board, a volunteer board, who really believed that they were working in the best interests of the students and the community and doing their part to help education in the school division and I feel that they were wrongly fired. I feel that they should have been worked with and leadership shown and given to them rather than just have fired them.

I think that there are a number of people on different variety of boards, not just in schools, not just school boards, but boards across a number of organizations comprised of people that do need guidance in terms of their duties as board members. So I think it is incumbent on ministers and government departments to offer that guidance to boards. This has resulted in a very unfortunate situation because, when people do get fired from a position such as this, it does tarnish the reputations of these people within the community and that is very unfortunate.

I would really like to say that the people have paid back the money as requested and they are still doing that. That is very unfortunate because many of them do not understand why they are paying that back. Unfortunately, I do not believe that they should be paying this back, but, you know, when the money did not really flow to them, it flowed through the school division to another source and it was difficult to recover that money. There were no resources to recover that money, Mr. Chair.

I would like to just make one last request of the minister. I would like to ask him if he would consider an apology to the people that he fired on the

school board in the former Morris-Macdonald School Division.

Mr. Bjornson: There were a lot of interesting points raised in the preamble. Again, the member references the RCMP report and suggests there was a lack of willingness by our department to work with the school division. I indicated earlier that, in 2000, we did have department staff contact Morris-Macdonald School Division and said, "There appears to be an issue with the enrolment numbers that are being provided to the department. Could you please verify those numbers?" The board did not do so, and it is an interesting suggestion that the member brings forward, being dismissive of the Auditor's recommendations by suggesting that the RCMP found no fault would therefore imply that the fault found by the Auditor was not relevant.

The Auditor found a lot of serious issues here and the member also referred to one beneficiary in the whole process, but the beneficiary in question has been the ratepayers of Morris-Macdonald School Division, who enjoyed the artificially low mill rates, and that has been identified. I need to remind the member again that the implication of, or the suggestion that, only one group benefited from this is erroneous. The fact of the matter is that the adult learning centres that were directly under the Morris-Macdonald School Division also had inflated enrolment numbers. The Auditor has said that the school division should have known.

The number in question is still difficult to determine in terms of the dollar value that should have been recouped, but that speaks to a lack of policy prior to our administration. We pursued a change in that policy very shortly after coming into office with respect to the Ferris report, and I outlined the history for members earlier. We were in the process of acting upon an area in adult learning centres that had been neglected previously, and the Auditor clearly stated it was a lack of policy that perhaps led to this scenario.

So it is curious that the member would suggest that, because the RCMP decided not to proceed with charges, we should be dismissive of what has been presented by the Auditor. The recommendations are very clear with respect to what monies could or should be recouped. We chose, in fairness to the people of Morris-Macdonald School Division, to recoup the lower number because of the undue burden that that would have been on the communities in Morris-Macdonald School Division

to pursue the higher number. So we acted in the best interests of all Manitoba taxpayers because all Manitoba taxpayers were on the hook for the monies that had been inappropriately spent in Morris-Macdonald School Division for the artificially inflated numbers. We acted appropriately for Morris-Macdonald School Division to pursue the lowest number that we could recoup when the recommendation was considerably higher, as the member I am sure is aware, having read the Auditor's recommendations.

We acted upon the recommendations, and we thank the Auditor for the good work that has gone into this particular investigation. It was very thorough. The school division acted on all recommendations they were capable of acting on, and the Province acted on all recommendations that we were able to follow through and recommendations that remain relevant based on decisions made to continue with adult learning centres or not, based on the fact that Morris-Macdonald School Division as a legal entity had changed from Morris-Macdonald School Division to Red River Valley School Division.

The member also talks about the volunteer board. Well, last I checked, school division trustees are paid. It is an elected position. It is not a volunteer position. They are responsible as elected officials for carrying out the requirements under The Public Schools Act. In this particular example, it was a lack of policy perhaps that provided some difficulty, but, at the same time, we did talk to Morris-Macdonald School Division. The department went in fall of 2000 and said, "What is up with these numbers? Can you verify these numbers?" And the rest, as they say, is history.

Mrs. Taillieu: I just want to correct the record because the minister, the dismissiveness that he refers to in the Auditor General's report are his words, and I certainly have not used those words and would never use those words. I want to thank the Auditor General and his office for the work that they have done. Simply to say, though, that I did say that the RCMP investigation found no fraud and no charges to be laid, which is a fact, it has nothing to do with dismissiveness of the Auditor General's report. He made that allegation, not me.

Just in terms of, you know, I did say originally as well that, yes, they are volunteers. They do get paid. Certainly, they get paid a little bit, but they do a lot of work that can be considered as volunteer time,

and I think that when they are paid, when they are elected, what right does the minister have to come and fire people that are elected not by him but by the people of Morris-Macdonald? Is he the higher authority here?

* (11:50)

Mr. Bjornson: The role of the minister is clearly defined in The Public Schools Act and—[interjection]

Mr. Chairperson: Order, please. I believe that the minister was answering a question here.

Mr. Bjornson: I apologize to the member from Morris to suggest that word of being "dismissive," but I cannot see how it is not the case that she is presenting when she is advocating that we pay back the funds and apologize to the board. It is somewhat—well, I will not use the word "dismissive" again. I guess I just did. You cannot have it both ways. The Auditor did recommend the external agency to take a look at whether or not further remedies should be pursued with respect to potential criminal charges, but because of that independent decision, that does not trump the decisions that were made based on the recommendations of the Auditor.

The recommendations were very clear, that money was misappropriated and that money should be recouped. I have said it before, but I will say it again: We acted in the best interests of all ratepayers in Manitoba by proceeding with recouping that money, and we acted in the best interests of Morris-Macdonald School Division who had enjoyed an artificially low mill rate because of the misappropriation of funds. We acted appropriately on their behalf by choosing to pursue an agreement based on the lower end of the proposals as recommended by the Auditor. The amounts, as the member knows, are considerably more in the range of possible funds to be recouped as a result of the misappropriation of funds.

Hon. Jon Gerrard (River Heights): I want to speak to some of the recommendations which talk about the setting of standards, the establishment of the situation at the moment, several years afterward, which I understand, as the minister indicated earlier, there are now 44 adult learning centres delivering programs in the province.

Let me start by asking the minister: Are all these adult learning centres in partnership with school divisions?

Mr. Bjornson: I identified earlier that there were two different distinctions with respect to the relationships between adult learning centres and school divisions. Some are directly under the control of the school division, and some are under partnership agreements with school divisions.

We do have seven learning centres that are under partnership agreements, and the remainder are under the direct supervision and operation of the school divisions. The act also allows for colleges and universities, and some are currently operated by colleges.

Mr. Gerrard: How many of these are in partnership with First Nations and how many with colleges or Campus Manitoba sites?

Mr. Bjornson: There are two that are operated in First Nations in partnership, one with a college and one with a school division.

Mr. Gerrard: How many of the 44 are urban and how many are rural?

Mr. Bjornson: I understand it is about half and half.

Mr. Gerrard: I would ask what is the rural enrolment and what is the urban enrolment?

Mr. Bjornson: We do not have that number available, but we could provide that for you at a later date.

Mr. Gerrard: The report refers to low-cost and high-cost models. That is in the recommendation 3.6 under funding. It says sites using lower-cost-per-student delivery models should be funded accordingly. How many are lower-cost models, and how many are higher-cost models?

Mr. Bjornson: Because of the variety of programs that are delivered, based on the very detailed programming that is proposed as well as some of the enrolment issues that are identified in different areas. There is no set formula to determine high versus low cost. They are each assessed individually.

Mr. Gerrard: I understand that there were some significant concerns raised with regard to the adult learning system at a recent press conference in Boissevain at which the minister's party had a representative and that it was pointed out that, relative to urban areas, the proportion of funding is significantly lower in rural areas. I would ask what the minister plans to do to address the concerns in southwestern rural Manitoba.

Mr. Bjornson: That was misrepresented. Fifty-three percent of the funding for adult learning centres is invested in programs in Winnipeg with over 60 percent of the population, so the remaining 40 percent of funding for adult learning centres is distributed throughout rural Manitoba.

Mr. Gerrard: The other part of my question dealt specifically with southwest rural Manitoba and the concerns that there was not adequate access there.

Mr. Bjornson: Well, again, proponents bring forward proposals around programming, around anticipated enrolment, and each of these programs that are proposed is taken individually and assessed for how it meets the criteria. I do not think the member was present when the question was asked about how many are refused or how many have funding withdrawn, and that is the dynamic of the programs that are being offered, and the enrolment figures as part of that equation.

In fact, in my own constituency in Evergreen School Division, the low enrolment was part of the decision around the ability to maintain that adult learning program in Evergreen School Division. There are a lot of variables that would contribute to decisions around whether or not to fund a program, and those variables are all taken into account as proponents come forward with their proposals, and very detailed proposals, that need to be considered.

Mr. Gerrard: The concern, of course, in rural areas is often that it is more difficult to get higher levels of enrolment, that there are quite different models, distributed learning models, using telecommunications, et cetera. I would ask the minister, in terms of how many of these sites are linked to, for example, Campus Manitoba sites, and to what extent are the effective distributed and distance learning approaches being used.

Mr. Bjornson: There are currently six that are linked to Campus Manitoba and we are working on enhancing that relationship.

I am sorry. I will have to ask the member to repeat the second part of the question.

Mr. Gerrard: The strategy in terms of the use of distributed models, distance learning so that you can, in fact, ensure that people in rural areas with lower populations will have access to adult learning centres.

Mr. Bjornson: The department has been engaged in developing a number of different courses that are Web-based and print-based to address needs around distance learning realities. Again, with respect to specific learning centre programming, that is something that is assessed annually with respect to the submissions that are brought forward and the criteria that have been established as a result of recommendations both from the Ferris document as well as recommendations that came out of the Morris-Macdonald situation and recommendations from the Auditor.

* (12:00)

Mr. Gerrard: Are such courses only being developed by the department or are adult learning centres also involved in developing such courses?

Mr. Bjornson: I understand adult learning centres are also involved in developing the courses.

Mr. Gerrard: Is that something the minister is actively promoting?

Mr. Bjornson: I actually, at one time, did teach an adult course in Gimli, and I am an advocate for adult learning.

Mr. Gerrard: But I meant in reference to development of courses by adult learning centres specifically.

Mr. Bjornson: Yes, the department is, indeed, involved in promoting that.

Mr. Chairperson: The time being twelve o'clock, shall the Provincial Auditor's Report Investigation of an Adult Learning Centre in Morris-Macdonald School Division No. 19, dated 2001, is it the will of the committee to pass the report?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Chairperson: No, the report is not passed at this time, then.

Before rising, I would like to ask you to leave behind your copies of this report. This will help to reduce the number of copies required for the next time this matter is considered. Thank you.

The hour being twelve o'clock, committee rise.

COMMITTEE ROSE AT: 12:01 p.m.