



**2018/19 SESSION
of the
BERMUDA SENATE
OFFICIAL HANSARD REPORT**

22 March 2019

*Sitting number 10 of the 2018/19 Session
(pages 323–380)*

**Sen. The Hon. Joan E. Dillas-Wright, MBE, JP
President**

Disclaimer: The electronic version of the *Official Hansard Report* is for informational purposes only. The printed version remains the official record.

BERMUDA SENATE**OFFICIAL HANSARD REPORT****22 MARCH 2019****10:01 AM***Sitting Number 10 of the 2018/19 Session*

[Sen. the Hon. Joan E. Dillas-Wright, President, presiding]

The President: Good morning, Senators.
The Senate is in session.
Shall we pray?

PRAYERS

[Prayers read by Hon. Joan E. Dillas-Wright, President]

CONFIRMATION OF MINUTES*[Minutes of 14 March 2019]*

The President: Item number 2, the Minutes of the 14th and the 18th and 20th of March 2019.

Sen. James S. Jardine: Madam President.

The President: Senator Jardine, you have the floor.

Sen. James S. Jardine: Madam President, I move that consideration of the Minutes of the meetings of Thursday, the 14th of March 2019 be taken as read, and that consideration of the Minutes of the meetings of Monday, the 18th of March and Wednesday, the 20th of 2019, be deferred.

The President: Is there any objection to that motion?
No objection.
Senator Jardine, continue

Sen. James S. Jardine: Madam President, I move that the Minutes of the meetings of Thursday, the 14th of March 2019 be confirmed as the correct record of that meeting.

The President: Is there any objection to that motion?
No objection.
The Minutes of the 14th of March are confirmed. Thank you, Senator Jardine.

[Minutes of 14 March 2019 confirmed.]

MESSAGES

The President: Item number 3, Messages.
Clerk.

The Clerk: There are no messages, Madam President.

The President: Thank you.

REPORTS OF COMMITTEES

The President: There are none.

ANNOUNCEMENTS

The President: There are none.

NOTICES OF MOTION

The President: There are none.

PETITIONS

The President: There are none.

STATEMENTS

The President: There are none.

INTRODUCTION OF BILLS

The President: There are none.

FIRST READING OF PUBLIC BILLS

The President: There are none.

FIRST READING OF PRIVATE BILLS

The President: There are none.

QUESTION PERIOD

The President: There are none.

ORDERS OF THE DAY

The President: The Orders of the Day, Senator Campbell, will you speak to that?

Sen. Vance Campbell: Good morning, Madam President.

The President: Good morning.

Sen. Vance Campbell: I move that the Senate resolve itself into a Committee of the whole for the further consideration of the Appropriation Act 2019, together with the Estimates of Revenue and Expenditure for the [fiscal] year 2019/20.

The President: Is there any objection to that motion?
No objection.

We will now go into Committee. And I will ask Senator Jardine to take the Chair. Thank you, Senator Campbell.

Senate in Committee at 10:04 am

[Sen. James S. Jardine, Chairman]

COMMITTEE OF SUPPLY

ESTIMATES OF REVENUE AND EXPENDITURE FOR THE FISCAL YEAR 2019/20

The Chairman: Senators, the Senate is now in Committee of the whole for further consideration of the Appropriation Act 2019, together with the Estimates of Revenue and Expenditure for the [fiscal] year 2019/20.

The first Ministry and heads that we will be debating this morning, is the Ministry of Education. We will be debating Heads 16, 17, and 41. Senator Hayward is responsible for presenting these heads on behalf of the Government, and we will start with Head 16, which is found on page B-141. And three hours have been allocated for this debate.

Senator Hayward, you have the floor.

MINISTRY OF EDUCATION

Sen. Jason Hayward: Mr. Chairman, I move that the Committee do now take under consideration: Head 16, Ministry of Education Headquarters; Head 17, Department of Education; and Head 41, Bermuda College,

The Chairman: Thank you, Senator. Please continue.

Sen. Jason Hayward: Mr. Chairman, today I am pleased to present the budget of the Ministry of Education, which comprises the Ministry of Education Headquarters, Head 16; the Department of Education, Head 17; and the Bermuda College, Head 41.

Mr. Chairman, the 2019/20 budget for the Ministry of Education of \$136,950,000 is found on page B-140 of the Estimates of Revenue and Expenditure for the year 2019/20. This represents an

increase of \$239,000 compared with the 2018/19 original budget. However, as a result of the transfer of the Department of Workforce Development to the Ministry of Labour, Community Affairs and Sports, and the discontinuation of the Community Education and Development Programme, the true net increase in the budget for the Ministry of Education is \$552,000.

HEAD 16—MINISTRY HEADQUARTERS

Sen. Jason Hayward: Mr. Chairman, I will commence the budget debate by detailing the expenditure for the Ministry of Education Headquarters.

The mission of the Ministry Headquarters, which is found on page B-141 is: *To provide strategic leadership, supervision, and policy direction for the support of a transformative public school education system and lifelong learning for all children and adults.*

Mr. Chairman, the Ministry of Education Headquarters has been allocated a budget of \$3,579,000 for the 2019/20 fiscal year.

Programme 1601—General Administration

Sen. Jason Hayward: Within Programme 1601—business unit 26000, General Administration, [\$1,037,000] will support the administrative functions of the Ministry. This increase of \$368,000 comprises additional salaries of a ministry comptroller (who was transferred from another Ministry) and two officers whose salaries were previously accounted for under the discontinued Community Education Development Programme.

Mr. Chairman, business unit 26080, which funds Grants to External Bodies, has been allocated \$1,116,000, an increase of \$479,000. Of this total \$279,000 has been set aside to fund a merit-based College Promise programme to award public school graduates with a GPA of 3.0 or higher with scholarships to attend the Bermuda College. These monies will be provided on an as-needed basis.

Mr. Chairman, \$1,426,000 has been set aside for business unit 26090 for the administration of the Ministry's Annual Scholarships and Awards Programme. The increase of \$206,000 allows for additional awards to be granted for teacher training, exceptional students, mature students, and further education awards.

Mr. Chairman, in 2018 approximately 389 applications were received from students requesting financial support. The Ministry funded a total of 14 Bermuda Government scholarships comprised of new and existing scholarships; a total of 5 non-traditional student awards; 6 teacher education scholarships; and 33 further education awards. Also, in response to community feedback received, the Ministry Awards were further extended and awarded to include: four Minister Achievement Scholarships; two Merit Scholarships, three Applied Tech[nology] Scholarships, four

Exceptional Student Awards, three Technical and Vocational Awards, and six Bermuda College Book Awards.

Mr. Chairman, on page B-142, the Subjective Analysis of the Current Account shows all line items of expenditure lower than in the 2018/19 fiscal year estimate. The decreases are all directly related to the discontinuance of the Community Education Development Programme as a portion of the salary and operational costs moved along with the Department of Workforce Development to the Ministry of Labour, Community and Sports.

Mr. Chairman, the last line item of \$2,411,000 has been budgeted for the distribution of External Grants and Scholarships and Awards. This is an increase of \$674,000. Of this total, \$537,000 has been budgeted for Grants to External Bodies to assist in providing educational services and programmes to schools. This is in line with the previous year's spend. Equally, the remaining monies, as mentioned earlier, has been set aside to fund a merit-based College Promise programme for public school students to attend the Bermuda College. The full detail of this allocation can be found on page C-17 of the Budget Book.

Mr. Chairman, the number of full-time equivalents [FTE] in the Ministry of Education Headquarters increased from three FTEs to seven FTEs. The additional four FTEs reflect two posts transferred from the discontinued Community Education and Development Programme, a policy analyst, and a ministry comptroller.

Mr. Chairman, I am grateful to the Ministry Headquarters team under the leadership of the Permanent Secretary, our policy analyst, the ministry comptroller, the scholarships and awards programme manager, the administrative accounts officer, and the Minister's executive assistant. All have provided excellent technical and administrative support. I am pleased that the team of professionals are diligent and committed to deliver the Ministry's mandate and policy initiatives.

Thank you, Mr. Chairman, and this concludes my presentation of the budget for the Ministry of Education Headquarters.

The Chairman: Thank you, Senator.

HEAD 17—DEPARTMENT OF EDUCATION

Sen. Jason Hayward: Mr. Chairman, I will now present the budget for Head 17, the Department of Education, and also speak to the Department of Education's plans for the upcoming year.

The vision of the Department of Education as outlined on page B-144 is: *To see all students educated to lead personally and professionally, contribute locally, and compete globally.*

Mr. Chairman, the mission of the Department of Education is: *To provide all students with an equitable access to holistic, high-quality instruction that is culturally relevant and empowers students to reach their full potential.* Mr. Chairman, our vision and our mission are captured in the strategies that are being executed for Plan 2022.

Mr. Chairman, a multi-year strategic plan, Plan 2022, is steering public school education. Plan 2022 will enable the achievement of the department's mission and vision for the execution of strategies that fall under five priority areas which focus on:

1. increasing academic rigour and student engagement;
2. ensuring career and college and workforce readiness;
3. enhancing the quality of teacher practice and system leadership;
4. improving infrastructure and instructional resources; and
5. ensuring system success.

Mr. Chairman, we are confident that Plan 2022, a plan which was developed through the collation of over 3,000 pieces of information from participants and stakeholders in a consultative process, and one which identifies the way forward for public education in Bermuda, will help to better meet the needs of our children.

Mr. Chairman, Plan 2022, with its adaptive and technical strategies aligned with international best practices, will transform public school education in Bermuda and ultimately lead to greater success for our students. As promised, Plan 2022 did not sit on a shelf, nor did it collect dust after it was shared with the community in December 2017. Plan 2022 is a living and working document that will steer public school education in the years to come. Therefore, costs must be allocated to the strategies within the Plan to ensure that we continue the momentum that we have already gained.

Mr. Chairman, page B-140 shows that a total of \$114,243,000 has been allocated to the Department of Education for fiscal year 2019/20. This is in line with the 2018/19 fiscal year. The nil increase does not, however, tell the full story. The department has undertaken a full review of its budgeted costs and vacant salary positions for the 2019/20 fiscal year to achieve greater efficiency. As a result of this exercise, roughly \$2,300,000 will be reallocated toward key strategic deliverables identified as priorities for Plan 2022. These initiatives are as follows:

- At the preschool level an expenditure of \$327,000 will support the implementation of an ASD programme, enable the introduction of foreign languages to expand learning opportunities, support programmes to educate parents, and cover the cost of an Early Childhood Quality Assurance Officer to provide

professional training and coaching for pre-school teachers.

- At the primary level \$770,000 will be spent to cover the cost of continuing the STEAM education programme, inclusive of professional development training for teachers, updating the social studies curricula, and expanding the literacy programme to focus more on students' literary skills.
- A total of \$473,000 will be used to continue the implementation of a Standards-Based [Grading] education system covering the department and site-based professional development training; and roughly \$539,000 will be set aside to address the urgent need to increase the bandwidth for schools at the primary and middle school levels.
- At the senior level \$129,500 will enable the continuation and expansion of the City & Guilds Programme in English and mathematics and support the introduction of a virtual job shadow programme to create a unique experience for students as part of the Career Pathway Programme.

Mr. Chairman, the Department of Education staff continues the execution of the strategies supporting Plan 2022. Currently, we are in the process of preparing an annual report to inform the community as promised on the progress made during the past year of implementing Plan 2022.

Mr. Chairman, I move on to highlight the expenditures of each business unit that falls under Head 17, on page [B-]147. However, as mentioned earlier, the identified savings of \$2.3 million that will be reinvested into initiatives will not be reflected within the Budget Book line item estimates as reallocations will occur once the 2019/20 estimates have been approved.

Programme 1701—Central Administration

Sen. Jason Hayward: Mr. Chairman, I will begin with the analysis of Central Administration. This includes the costs of salaries for the administrative personnel and system leaders who function to lead, support, and monitor the work that takes place at the Department of Education and in our schools.

Mr. Chairman, the monies budgeted for the upcoming year for business unit [27000], General Administration, will cover the inventory purchases of educational and office supplies for the school year. There is no change in expenditure for the fiscal year 2019/20.

Mr. Chairman, business unit 27001, holds the budget of the Office of the Commissioner and primarily funds the salaries of the Commissioner of Education and two direct reports, the Director of Academics, and the Director of Educational Standards and Accountability. The administrative and operational costs

to support the Office of the Commissioner are also included, and these costs have been reduced marginally year on year. The Commissioner of Education and direct reports will be responsible for overseeing, monitoring, and reporting on the progress of work carried out in the department and the delivery plans for Plan 2022 as executed by department sections in our schools.

Mr. Chairman, business unit 27030, Human Resources, funds the salaries of eight professional, technical, and administrative staff in the Human Resources Section who deliver Human Resource functions and services to both the department and public schools. In support of Plan 2022, the Human Resources Section focuses their efforts on key job responsibilities, specifically as it relates to Priority 3—“Enhancing the Quality of Teacher Practice and System Leadership.”

Mr. Chairman, a total of \$985,000 has been allocated to this section to support priority initiatives consistent with the previous year.

Mr. Chairman, in 2019/20, funding for business unit 27031, School Improvement, remained in line with the previous year's budget of \$686,000. These funds will be used to provide a major source of funding for training and professional development arising from Plan 2022 and school improvement plans, training which is necessary to enhance the skills and competency of our teachers, educational staff, and school leaders. In support of Plan 2022, Strategy 1.5.2, a new school improvement plan format has been developed which captures data to monitor student performance and gains over time and key performance measurements for the department.

Mr. Chairman, business unit 27090, Educational Standards and Accountability, has oversight for [our] 18 primary schools, 5 middle schools, 2 senior secondary schools, 1 special school, and 2 alternative programmes. This team comprises assistant directors who supervise school principals and programme coordinators to ensure quality teaching and effective leadership in our schools and programmes.

The work carried out by the assistant directors is essential for the growth and development of school leaders and overall school improvement. In upcoming years this team will ensure that principal evaluations are in place and begin the work on principal certification, and develop and implement a succession plan strategy for future principal leadership roles.

Mr. Chairman, business unit 27095, School Attendance, funds the salaries of a school registration and attendance coordinator and four school attendance officers. It is the responsibility of this section to ensure that children of compulsory school age are in school on a daily basis. The school registration and attendance coordinator oversees the annual school registration process for the enrolment of children in all public schools. The coordinator also carries out a re-

view of the registration process each year to ensure improvements in the process for the following year.

The coordinator requires monthly attendance reporting by principals, conducts audits of school attendance data to determine each school's progress in reducing chronic absences, one of the key outcomes of Plan 2022 and a development performance measure for schools. In 2019/20, the budget for this unit remains relatively the same as 2018/19 at \$340,000.

Mr. Chairman, schools need to ensure that quality teaching and learning experiences take place when teachers are sick or on leave. The funds allocated for business unit 27160, Substitutes, has decreased by \$2,416,000, but has been offset by an equal increase in business unit 27079, Paraprofessionals, of \$2,147,000. Several paraprofessionals were initially hired using the Substitutes budget; however, these positions have now been shifted to business unit 27079 to accurately reflect the cost of providing paraprofessional services.

Mr. Chairman, the overall budget for the Central Administration programme is \$4,455,000 for the 2019/20 fiscal year, which is considerably lower than the previous year's budget due primarily to the reallocation between the Substitutes and Paraprofessionals budgets.

Programme 1702—Student Services

Sen. Jason Hayward: Mr. Chairman, let me shift to programme 1702, Student Services.

The Student Services Section facilitates the provision of 13 programmes that support the diverse and exceptional needs of our student population.

Mr. Chairman, business unit 27061, Behavioural Management, funds behavioural therapists for preschool and primary schools, as well as one Education Officer for Behavioural Management. In addition, the fund covers our Alternative Education Programme, which facilitates suitable alternative education environments for students with behaviour challenges.

As we implement Plan 2022, educational therapists will play a critical role in creating a comprehensive, system-wide, positive behaviour framework based on international best practices in support of Plan 2022, Strategy 1.4.9. Further, as outlined in Plan 2022, [Strategy] 1.4.5 we have begun the research for alternative school models in preparation for transforming our current Alternative Education Programme. The ultimate aim of this process is to ensure that our alternative models are aligned with the most current research and based on student needs.

The 2019/20 budget for this business unit will increase by \$85,000 to hire an educational therapist.

Mr. Chairman, business unit 27063 includes our school psychologists who support administrators and address student needs in areas of behaviour, mental health, and learning. They deliver comprehensive psycho-educational evaluations; provide consul-

tations, short-term counselling, and intervention and preventive services across the system. They are engaged in and are valuable resources for schools as it relates to the Multi-Tier System of Support (or MTSS) process, a Plan 2022 System Priority of Strategy 1.4.6. The 2019/20 budget will increase by \$105,000 reflecting a reallocation of a school psychologist post from business unit 27072.

Mr. Chairman, business unit 27064, the Adaptive Physical Education programme, is a developmentally appropriate physical education programme delivered by three teachers that helps students with diverse needs get active and stay active by providing the adaptive support necessary to integrate them into regular physical education programmes. Physical education lessons are implemented on an individual basis in small groups and within regular physical education settings. Students receive adaptive physical education services, and have individualised education plans with goals and objectives which are in line with the physical education curriculum.

The business unit 27065 is the Deaf and Hard-of-Hearing Programme which provides students with academic instruction, and they also collaborate with classroom teachers to ensure that teaching and learning is effective and student needs are met during academic instruction. Funds budgeted for this business unit are for salaries, disability specific resources and materials, hearing aids and equipment, and consultant services. Some funds will also be used for professional development.

Mr. Chairman, [business unit] 27066 is the Vision Business Unit. Students with visual impairment have unique educational needs. In order to meet their unique needs students must have specialised services, books, and materials in appropriate media including Braille, as well as specialised equipment and technology to ensure equal access to the core and specialised curricula, and to enable them to most effectively compete with their peers in school and, ultimately, in society.

Mr. Chairman, the business unit 27071, Office Support, serves as the Secretariat for the Student Services Section and funds the salaries of the Assistant Director of Student Services, two administrative assistants, and seven learning support teachers. The increase of \$170,000 reflects two additional funded posts which are due to the regularisation of a duplicate position number.

The department's Counselling Programme, 27072, is a comprehensive developmental school counselling programme based on an international model with four components: classroom guidance; core curriculum; individual planning; response services; and system support. More specifically, school-based counselling programmes provide early intervention, crisis intervention and prevention, treatment and promotion of positive social and emotional development.

This business unit funds the salaries of an education officer and counsellors at the preschool/primary and middle school level. Salaries for senior school counsellors are funded from the senior school budget. During the 2019/20 school year, counsellors will continue to allocate their time delivering social/emotional lessons focused on decision-making and coping skills, academic educational plans, individual and group counselling, coordinating services with community members, and supporting initiatives listed in Plan 2022.

Mr. Chairman, business unit 27074, Learning Support, funds two education officers for special education and learning support, in addition to close to 40 learning support teachers who provide services in our preschool, primary, and middle schools, Dame Marjorie Bean Hope Academy, and our trauma responsive programmes at our primary, middle, and senior Success Academies. This funding also includes assessment materials needed to ensure appropriate diagnosis of students with special needs. This business unit increased by \$252,000, reflecting two learning support teacher posts.

In the upcoming year, the department will begin to focus on laying a foundation for the implementation of the inclusive and special education policy, and strengthen the framework to ensure students with exceptionalities have their needs better addressed.

Mr. Chairman, business unit 27076 reflects the funding for the salary of the Education Officer for Early Childhood Education and an operational budget for the Early Childhood Section. Funds will be used to hire an Early Childhood Quality Assurance Officer to support preschools and to provide professional training and coaching. Professional development will focus on implementing the creative curriculum, the inquiry model, authentic assessment, the SEE-KS Programme, and training to strengthen the MTSS process for children on the autism spectrum.

Mr. Chairman, business unit 27079 provides for the delivery of paraprofessional services for our students who have a diverse range of learning needs. The paraprofessionals provide instructional support, ensure protection and safety, and provide support for transition and life skills for children with special needs. This includes providing adequate support for students with physical exceptionalities, including deafness and visual impairments. Further, during this school year and in alignment with Plan 2022, we will lay the groundwork for developing standards for paraprofessionals who will also participate in specialised training to better equip them for supporting students with exceptionalities. As previously mentioned, the increased budget in this business unit is a direct offset with the reduction of the budget for the Substitutes programme.

Mr. Chairman, the business unit 27083, Autism Spectrum Disorder, or ASD, funds salaries for

teachers and those paraprofessionals who serve students with autism within the ASD programmes at three primary schools, one middle school, and one senior school. The funding also covers operational costs for equipment repairs, maintenance, and supplies. The 2019/20 budget of \$687,000 will fund these costs and also costs for autism training for all teachers and paraprofessionals.

Mr. Chairman, the business unit 27084, Alternative Education, funds the operation of the Alternative Education Programme and two Success Academies. Funds are also used for the Department of Education partner programmes which offer additional alternative programme choices for our students. During this year, as outlined in Plan 2022, staff have begun to explore alternative education school models that are based on research and the evidenced needs of students.

Mr. Chairman, the Student Services Section provides an extensive range of educational services for our students with exceptionalities. The total budget allocated for programme 1702, for the 2019/20 fiscal year, is \$19,755,000.

Programme 1703—Finance and Corporate

Sen. Jason Hayward: Mr. Chairman, I would like to now focus on programme 1703, the Finance and Corporate Section of the Department of Education.

Business unit 27002 supports staff in the Financial Administration Section. They include a department comptroller, financial services manager, a payments supervisor, a salaries supervisor, a salaries clerk, three accounts clerks, and a messenger. This section is responsible for providing financial advice to senior management; cost-effective and responsive financial services to support Plan 2022 Priority 5; procurement and contracting services; and corporate planning solutions to the department's management, employees, and schools.

Under the direction of the department's comptroller, this office coordinates the payment of salaries for approximately 1,130 educators and department staff, and pays all suppliers and vendors for goods and services purchased, as well as organises the collection of receivables. This office will play a key role in finding ways to reduce non-instructional costs and to identify cost inefficiencies.

Mr. Chairman, Office Accommodation, business unit 27003, funds the salary of the office receptionist, annual rent, office maintenance, electricity and communication costs of the Church Street Building where the Department of Education is physically located.

Business unit 27040, Educational Stores, supports the salaries of five staff. The Stores Section provides centralised purchasing, inventory management and distribution services to all public schools, the Bermuda College, and other government depart-

ments, such as, the Ministry of Youth and Sport. We have completed an analysis of Stores operational efficiencies in support of Plan 2022 Priority 5 and we will now review the findings and develop a plan for the most efficient and effective way of delivering these services.

Mr. Chairman, business unit 27041 funds the salaries of three bus drivers and two bus attendants, who provide transportation for children who attend the Dame Marjorie Bean Hope Academy and for students in our ASD programme at different schools. Also included in these funds are the salaries for two groundsmen who maintain school sports fields; and one Labour, Transport, and Safety Officer. This section also funds the costs to maintain the department's motor fleet.

Mr. Chairman, business unit 27042, Buildings, Grounds, and Equipment, funds the salary of the Facilities Manager who will play a pivotal role in the school inspections and research guidelines for providing modern educational facilities, as stated in Plan 2022.

Mr. Chairman, the final business unit 27050, for the Finance and Corporate Programme, is Information Technology Support. One of the major achievements for this team last year was the installation of Wi-Fi in all primary schools. The focus of the work in the new fiscal year will see the installation of a broadband fibre optic network to all pre, primary and middle schools. This team will simplify the IT structure and create a high quality availability data centre, develop more efficient and effective channels for using PowerSchool, and ensure greater IT mobility and access to correct information for our user community.

Mr. Chairman, the Finance and Corporate Section provides key services for our public schools and has been allocated \$6,239,000 for the 2019/20 fiscal year.

Programme 1704—Preschools

Sen. Jason Hayward: Mr. Chairman, I now turn to page B-146, line item 1704, which is the programme for our 10 preschools.

The 2019/20 budget for all preschools is \$4,752,000. Ninety per cent the preschools budget funds salaries. Ten per cent of the budget is used for operational costs such as electricity, part-time cleaners, phones, office equipment rental, and drinking water. Funds will be used for training and development of our preschool administrators and teachers with an emphasis on SEE-KS training, Social Emotional Engagement—Knowledge and Skills.

Programme 1705—Primary Schools

Sen. Jason Hayward: Mr. Chairman, the next programme is 1705, Primary Schools, for which we have a budget allocation in the 2019/20 budget of

\$30,073,000. The primary school staff have participated in professional learning focused on Standards-Based Grading and will continue over the next four years.

Mr. Chairman, seven more primary schools are also implementing the Engineering is Elementary curriculum this school year in support of the STEAM education and Plan 2022 Strategies 2.9.5 and 1.1.4.1. In addition to the summer STEAM [Academy] held in July 2018, we also offered a STEAM Academy in October 2018.

Madam Chairman . . . Mr. Chairman, Business unit 27120—

The Chairman: Sorry, Senator, I know who you are referring to.

[Laughter]

Sen. Jason Hayward: —Dame Marjorie Bean Hope Academy, provides services to students who have severe to profound multiple challenges. The main focus of the programme at Dame's [Academy] is to increase students' independence and to help them achieve their ultimate potential. During the fiscal year 2019/20, this cost centre will be funded with a budget of \$734,000 to provide quality services for our students.

Programme 1707—Middle Schools

Sen. Jason Hayward: We now turn to page B-147, [programme] 1707, relating to Middle Schools.

Middle School staff participated in professional learning for Standards-Based Grading and are focused on improving their grading and assessment practices in alignment with Standards-Based Grading. All five middle schools are offering enrichment programmes in support of Plan 2022 Strategy 1.1.4.3. Mr. Chairman, the total 2019/20 budget allocation for the five middle schools is \$17,135,000.

Also, Mr. Chairman, you will recall that this Government promised in its election platform to reform public education by phasing out middle schools and introduce signature schools that focus on the learning styles and interests of our children, including, academic, technical, the trades, business, sports, arts and special needs education.

To date, several stakeholders have been consulted and research has been undertaken and findings collated. The next step will be to use the feedback and information acquired to steer a round table on determining options on how to move forward with this initiative.

Programme 1708—Senior Schools

Sen. Jason Hayward: Mr. Chairman, programme 1708 refers to our senior schools, the Berkeley Insti-

tute and CedarBridge Academy. Each senior school is provided with an annual grant for the operational management of their respective school and the school curriculum.

Students at the senior level continue to benefit from a diverse local and international curricula and programmes which prepare them for post-secondary education. Students have also had the opportunity to take advanced level courses and participate in dual enrolment programmes at the Bermuda College.

Senior schools are focusing their efforts on safe school environments, the mental health and well-being of students, and the required support for students as well as the enhancement of their programme offerings for students' college and career readiness.

For fiscal year 2019/20, the Berkeley Institute and CedarBridge Academy have maintained the same funding as in 2018/19.

Programme 1709—Curriculum Assessment

Sen. Jason Hayward: Mr. Chairman, programme 1709, Curriculum Assessment, funds the Cambridge International Curriculum and related initiatives, salaries of subject-specific education officers for curriculum and assessment, and the Career Pathways Programme. The department pays an annual fee to Cambridge International for the curriculum and for students to sit the annual Check Points and IGCSE [International General Certificate of Secondary Education] examinations.

Mr. Chairman, we are in our eighth year of implementing the Cambridge International Examinations at P6, M3, and S2. The examinations are funded from business unit 27020, Assessment and Evaluation. As we continue to invest in Cambridge Assessments, it is with the understanding that our results for these assessments must improve.

Mr. Chairman, business unit 27520, Design, Development, and Implementation, funds salaries for seven education officers who are responsible to ensure the effective delivery and ongoing development of the Cambridge Curriculum in the core and non-core subjects, school examinations, the Career Pathways Programme, and all other curricula. Officers are focusing on curriculum implementation, quality instruction and practice, and the refinement or development of curricula.

Mr. Chairman, the Curriculum Assessment Programme, 1709, has been allocated a 2019/20 budget of \$2,555,000 for continued delivery of these educational programmes and services during the next fiscal year.

Programme 1712—Early Childhood Education

Sen. Jason Hayward: Mr. Chairman, the final programme on page B-147 is 1712, Early Childhood Education. This programme funds the Child Development and After School Care sub-programmes. Early

Childhood Education represents the foundation for student success at the primary, middle, and senior levels.

Business unit 27175, Child Development Programme currently funds the salaries of the Child Development Programme staff and programmes implemented by this team. The team works diligently to maintain their accreditation status and engages in quarterly performance quality improvement sessions. The increase in funding of \$126,000 will in part fund a quality assurance officer to ensure operational standards are maintained with the delivery of services.

Mr. Chairman, the final line item on page B-147 is business unit 27700, After School Care, which funds the wages of part-time employees who provide supervision and organised activities to children at four pre-schools and one school for students with special needs.

In summary, the continued delivery of services for programme 1712 for the fiscal year 2019/20 has been allocated a total budget of \$1,935,000.

Subjective Analysis of Current Account Estimates

Sen. Jason Hayward: Mr. Chairman, I now refer to page B-148, the Subjective Analysis of Current Account Estimates for the Department of Education.

Note that we have already covered these expenditures as this page provides an aggregate of the detailed line item expenditures previously mentioned. The variances of significance for the categories are as follows:

- Salaries increased and Wages decreased by \$56,000 and \$53,000, respectively, mainly due to the reorganisation of substitutes.
- Training costs are \$32,000, 10 per cent lower due to that reallocation of local training funds to other line items.
- Transportation remained the same.
- Travel costs associated with overseas training increased by \$43,000, a 66 per cent increase, as per the reallocation mentioned above.
- Communication costs increased by \$33,000, a 5 per cent increase, in part reflecting the completion of a number of projects linked to Information Technology Support.
- Professional Services remained the same.
- Rental costs increased by a mere \$1,000.
- Repair and Maintenance costs decreased by \$10,000, or 1 per cent, due to a dip in expenditures for repairs and maintenance.
- Energy costs increased by \$33,000, a 2 per cent increase, mainly reflecting an underfunded budget in 2018 for electricity costs at some schools, for example, T. N. Tatum.
- Material and Supplies expenditure is \$40,000 [lower], a 2 per cent decrease, as a result of reallocation of electricity costs.

- Grants and contributions decreased by \$29,000 maintaining the funding to two senior schools.

Employee Numbers—Full-Time Equivalents

Sen. Jason Hayward: Mr. Chairman, pages B-149 and B-150 show that there are 1,120 FTE posts, a net change of six compared with the 1,126 FTEs measured in the revised 2018/19 [budget]. The decreased number of FTEs primarily reflects the regularisation of the substitutes and paraprofessionals. The department will continue to monitor and review the number of FTEs to ensure both efficiency and effectiveness with staff resources.

Performance Measures

Sen. Jason Hayward: Mr. Chairman, pages B-151 [to] B-156 list the Performance Measures for the Department of Education. These measures reflect the diversity of programmes and initiatives currently being undertaken by the schools and Department of Education staff in the areas for which they will be monitored and held accountable.

Mr. Chairman, let me acknowledge all staff at the Department of Education—our teachers, our principals, administrators, all other educators, and our support staff—for their commitment to public school education and our children. I want to especially acknowledge our Commissioner of Education who has done a sterling job in leading the Department of Education. It is the individual and combined efforts of everyone, plus the commitment to our students, that will enable us to achieve the intended outcomes for Plan 2022.

Mr. Chairman, that concludes my presentation on Head 17, the Department of Education.

The Chairman: Thank you, Senator Hayward.

We will now move on to Head 41, which is Bermuda College.

HEAD 41—BERMUDA COLLEGE

Sen. Jason Hayward: Mr. Chairman, Bermuda College is the only tertiary level institution in Bermuda. Its mission is: *Setting Bermuda's students on the path to success through the provision of comprehensive academic and technical education along with professional training, personal and academic support services, quality facilities, and interactive partnerships with local and international entities.*

As the only post-secondary institution on the Island, Bermuda College also realises the significant role it plays in the economic growth agenda of the Government. Bermuda College is committed to the success of Bermuda's students offering transfer programmes leading to success at the university level. It

also provides professional technical and training programmes leading to the success in the workplace and preparatory programmes leading to the success in the classroom.

Mr. Chairman, the College receives a grant from the Ministry of Education and the allocation for financial year 2019/20 is \$15,906,000, which is the same amount that was received during the 2018/19 fiscal year. The College also receives a capital grant in the amount of \$200,000.

Mr. Chairman, Dr. Duranda Greene is the President of the Bermuda College, which is governed by a Board of Governors. The Chair of the Board is Mr. Peter Sousa. The other members are: Mrs. Romelle Warner, Deputy Chair; Mrs. Cherie Dill; Mr. Thomas Famous; Ms. Delight Morris; Mr. Jerome Reid, Jr.; Mr. Bruce Sharpe; Mrs. Kathleen Sharpe-Keane; Mr. Nasir Wade; Mrs. Valerie Robinson-James, Permanent Secretary of Education (ex officio); Mrs. Malika Cartwright, National Training Board Representative; The Honourable Randolph Horton, Chairman of the Honorary Fellows; Ms. Necheeka Trott, Faculty Representative; Mr. Romeo Ruddock, Support Staff Representative; and Ms. Latifah Smith, Student Representative.

Mr. Chairman, Bermuda College, as an accredited institution with the newly named New England Commission on Higher Education, continues to be the most economical choice for Bermudians to start their journey into higher education. Not only does it afford great value for money when compared to the first two years of any four-year institution in the United Kingdom, North America and the Caribbean, but also offers a safe, personal, and student-oriented, student-centred learning environment.

2018/19 Highlights

Sen. Jason Hayward: Mr. Chairman, one of the major highlights of the College during this past year has been the completion and adoption of a new five-year strategic plan "Delivering Success." The plan was developed with the assistance of a consultant and input from various internal and external key stakeholders and was adopted by the Board in October 2018 and is currently being implemented.

The Dual Enrolment Programme, a partnership between the Bermuda College and the Department of Education, continues to be a success and is increasing in popularity. This past year the Bermuda College graduated 16 dual enrolment students from the first cohort of the Certificate in Applied Science Technology Programme.

To better serve students the College piloted a hybrid learning option for its students, whereby much of the course is offered online using the College's online course management system. These courses provide more flexible learning options for students

who are not physically able to attend classes for three hours or more each week.

Mr. Chairman, as the Bermuda College fulfils its mission of setting Bermuda's students on their path to success, the ability for its students to transfer their credits to overseas institutions to complete their baccalaureate degrees is key. To support the objective, in November the Bermuda College hosted its first "[Bermuda College] Transfer Pathways Fair" which saw several of its four-year institution partners visit the campus and share their programmes with college students.

Mr. Chairman, to support the Certificate in Applied [Science] Technology Programme, the College installed a mini aquaponics unit outside the Tech Hall Building. The unit is supporting 12 plant species which are fertilised by fish waste while plant roots filter the water for the fish; hence, there is almost zero waste within the system.

Mr. Chairman, as Bermuda's community college, Bermuda College continues to do its part to not only educate students, but also educate and inform the community at large through various events organised through the year. Such events include the College's annual Science Week activities and its public forums.

During the 2019 Science Week events, the College welcomed more than 600 public and private students and members of the general public to its campus. The public forum featured Bermudian, Dr. Carika Weldon, a Bermudian biochemist and researcher at Oxford University. More than 150 individuals attended her lecture entitled, "Knowing your Genetic Code; How DNA Sequencing is Becoming More Personal."

The Science Demo Day was attended by 260 middle school students, while the master class saw participation by 75 high school students. Other events included the increasingly popular Live, Love, Eat culinary arts demonstration with Chef Teneika Eve and her culinary art students which, once again, saw capacity crowds fill the cafeteria.

Mr. Chairman, in November 2018 the Bermuda College organised and hosted a "Race and Resistance" conference in collaboration with Oxford University and the Human Rights Commission. This conference saw participation from various local and overseas presenters and was attended by more than 250 individuals.

The Nursing Department also hosted a forum on Alzheimer's, which has become a major issue for Bermuda with our ageing population and this forum was attended by more than 90 individuals.

Mr. Chairman, in October 2018 the Bermuda College Foundation was incorporated as a Company Limited by Guarantee, and as the fund-raising arm of the Bermuda College its main objective is to increase private and individual support for the College.

Three new Honorary Fellows were inducted into the Bermuda College Company of Honorary Fellows. Mr. Andrew Banks, Mr. Peter Durhager, and Dr. Wilbert Warner were honoured and celebrated for the significant contributions they have made to their respective fields.

Output Measures

Sen. Jason Hayward: Mr. Chairman, supporting output measures for the Bermuda College's activities are as follows:

In 2018 Bermuda College graduated 150 students with associate degrees, diplomas, or certificates. Arts and Sciences, 58 graduates; Business 37, graduates; Hospitality, 17 graduates; Technical Education, 32 graduates.

In addition, six individuals received Bachelor of Business Administrative degrees through the Bermuda College's long-standing partnership with Mount Saint Vincent University.

ANNOUNCEMENT BY THE CHAIRMAN

SENATE VISITORS

The Chairman: Senator, if I could just pause for a moment, I would like to recognise the presence in the Senate this morning of MP Rolf Commissiong. Welcome sir. And also the presence of the Bermuda College, Dr. Duranda Greene. Welcome.

It is very nice to have you both here.
Please continue, Senator.

[Committee of Supply, continuing]

Sen. Jason Hayward: Mr. Chairman, in December the division on Professional and Career Education (PACE) awarded 104 professional designations and Workforce Development certificates. In addition, 14 public high school students received their certificates in nursing assistant as part of the Department of Education's Dual Enrolment Programme with 209 high school students earning their City & Guilds entry-level introductory award in Employability Skills at their high school graduation.

The awards represented 12 areas of specialisation, as follows:

- American Management Association Certificate in General Management, 7;
- American Management Association Certificate in Human Resources, 6;
- ACCA Introductory Certificate in Financing and Management and Accounting, 2;
- Certificate in Bartending, 11;
- Certificate in Major Appliance Repairs, 4;
- Certificate for Nursing Assistant, 25;
- Certificate for Nursing Assistant—Bridging, 6;

- City & Guilds Level 2 Diploma in Hairdressing, 7;
- Emergency Medical Technician (EMT), 15;
- Institute of Leadership and Management (ILM) Level 3 Certificate in Leadership and Management, 13;
- World Instructor Training School Personal Trainer Certification, 8.

Mr. Chairman, in fall of 2018 the College enrolled 712 students. There were also 527 registrants through PACE in the same period. This year student enrolment surpassed the numbers of fall 2017 when 652 students enrolled while 327 were serviced through PACE. The increase in student enrolment can be directly attributed to the \$300,000 additional grant received in 2017.

Mr. Chairman, in 2018, Bermuda College received \$15,906,000, or 78 per cent of its operating budget from the Government grant. The Bermuda College also received a special grant in the amount of \$300,000 to assist students in financial need with their tuition. As a result of this grant, a total of 198 awards, ranging from \$233 to \$8,600, were issued to students with financial need in both the academic and PACE divisions at the College during the 2018 academic year.

The College also received \$125,000 specifically allocated for training in the areas of landscaping, gaming and nursing. As a result of the additional funding seven landscaping students are on track to complete the programme over the next fiscal year and 14 nursing students were assisted in financing their mandatory overseas practicums at SickKids in Canada and Temple University in the United States.

Revenue of \$4,357,410 from all other sources, included: student tuitions and fees for credit courses, which were streamlined to a flat fee of \$155 per credit in fall 2018; revenue generated by PACE; bookstore revenue; testing centre revenue and rental income, including Coco Reef Resort. This amount together with the Government's Grant made up a total revenue figure for 2018/19 of \$20,257,410.

Mr. Chairman, during this period salaries and benefits accounted for \$13,389,000, or 66 per cent of the budget. This represents a 1.0 per cent decrease in salaries when compared to 2018/19. This decrease is mainly attributable to the College not filling select posts vacated during the year as it continues to decrease its labour costs.

During the 2018/19 fiscal year, the College expensed \$69,123 to develop its new five-year strategic plan "Delivering Success" and started the first year of implementation. This included hiring a consultant to assist with the initial phase of rebranding the College.

The IT expenditures for the year include \$200,000 on hardware purchases and \$400,000 on contracts and licences to support teaching and learning as well as the College's administrative functions. The College also upgraded its Internet bandwidth from

75 mps to 200 mps to improve the user experience on campus.

Maintenance and improvement of the physical plant of the Bermuda College continues to be part of the College's commitment to provide a safe and healthy environment for the students and employees. By the end of this fiscal period the College is projected to spend approximately \$280,000 in cleaning contracts, \$330,000 on maintenance, and \$45,000 on basic campus upgrades.

Bermuda College expends \$450,000 on insurance and is projected to spend \$1,095,000 on electricity and other utilities during the 2018/19 fiscal year.

A total of \$150,000 in financial assistance was allocated to students enrolled in academic divisions who demonstrated financial need. This amount was doubled during the 2018/19 academic year to offset the change in the College's tuition and fee structure which resulted in significant increases in tuition for full-time students.

The College expensed \$100,000 towards incorporation and operation of the Bermuda College Foundation.

As a result of \$500,000 in capital funding received in 2018/19, Bermuda College was able to continue to make much needed upgrades to its ageing plant. This included upgrades to its network infrastructure, replacing outdated computers, replacing chairs in some classrooms, replacing automatic doors, replacing lighting poles, and completing upgrades to the student centre. The College started the process of replacing carpets throughout the campus with tile flooring to provide a healthier work environment for its employees.

Mr. Chairman, the Bermuda College continues to utilise internal stakeholders as part of its annual budget process. The Budget Committee includes representatives from the Student Government Council, faculty, support staff, members of the executive, and a selection of budget managers. The goal of the Budget Committee is to prepare a balanced budget to present to the Board Finance Committee and, ultimately, the Board for final approval.

2019/20 Budget Year

Sen. Jason Hayward: Salaries continue to form a majority of the College's budget . . . and I have moved on to the 2019/20 budget year. Salaries continue to form a majority of the College's budget expenses and the College continues to review its operations seeking ways to decrease its labour costs while still providing a quality education for its students.

Mr. Chairman, "Delivering Success," the Bermuda College's new five-year strategic plan, will be a blueprint to steer the College towards its 50th anniversary in 2024. Being set aside is \$150,000 for imple-

menting the first year of the plan which includes the next phase of rebranding the College.

Utilising the \$300,000 grant to assist students with financial needs, the College will endeavour to ensure no student is prohibited from attending Bermuda College as a result of limited household income. It is anticipated that a similar number of students will be assisted with the 2019/20 financial assistance grant.

Mr. Chairman, \$125,000 will be utilised to provide training in three areas: landscaping, nursing, and compliance. As there continues to be a shortage of Bermudian landscapers and nurses on the Island \$40,000 will continue to be provided for students entering these two industries. With so many industries requiring compliance professionals, Bermuda College is working with its Compliance Advisory Board and will offer a range of compliance courses and certifications to those new to the industry as well as those who are currently in the industry but have no certification. Forty-five thousand dollars will be set aside to support students in this emerging industry.

Additionally, approximately \$40,000 will be used to support the development of the National Educators Institute, which will provide a centralised entity for public and private school educators and counselors at all levels to engage in and benefit from professional development, professional learning and research.

The \$200,000 capital grant will be utilised to continue upgrades to the College's ageing plant.

Looking Ahead

Sen. Jason Hayward: Mr. Chairman, as stated earlier, one of the action steps coming out of the "Delivering Success," Bermuda College's five-year strategic plan, was to rebrand the College. The process is expected to be completed by the beginning of the next academic year. In July 2019, Bermuda College will celebrate its 45th anniversary and its focus will be re-connecting with its alumni, with the ultimate goal to have an accurate database of their alumni, including the three antecedent institutions.

Excuse me, Madam President . . . Mr. Chairman.

The Chairman: We're doing well; I have only been "Madam" twice this morning.

[Laughter]

The Chairman: Sorry, Senator, please continue.

Sen. Jason Hayward: Bermuda College will continue to work with the Department of Education to provide college courses to qualified students through its dual enrolment programme. The Bermuda College will continue to forge alliances with professional credentialing

and accrediting agencies for Workforce Development, and professional certification, such as the Association of Chartered Certified Accountants [ACCA]; Building Owners and Management Institute [BOMI] for building owners and managers; and City & Guilds for the applied sciences.

As part of the new compliance offering, the College will establish partnerships with the UK-based International Compliance Association (ICA), the US-based Association of Certified Anti-Money Laundering specialists (ACAMS) and the Caribbean-based KIXKO.

During the 2019/20 academic year, the first Allied Health course will be offered through the newly established division of Nursing and Allied Health.

Bermuda College will develop a Marine Science Programme with the assistance of its newly established Marine Science Advisory Committee consisting of the various marine science professionals. The first courses are expected to be offered in the fall of 2020.

The Bermuda College also expects that the Bermuda College Foundation and the National Educators Institute will be fully operational during the next fiscal year.

Mr. Chairman, as I close I wish to thank the Board, the executive, administration, faculty and staff of the Bermuda College for their hard work throughout the year and I look forward to working with them in the upcoming year.

Thank you, Mr. Chairman, and this concludes the budget on Head 41, the Bermuda College, and my overall presentation of the 2019/20 budget for the Ministry of Education.

The Chairman: Thank you, Senator Hayward. That was quite a long brief, and you deserve to have a bit of a rest.

ANNOUNCEMENT BY THE CHAIRMAN

SENATE VISITORS

The Chairman: Before we continue, and we have one hour and 40 minutes left to debate these heads, so there is sufficient time for lots of questions. Before moving on, I would like to acknowledge the presence in the Senate this morning, the Minister of Education, the Honourable Diallo Rabain. Welcome, sir. We are pleased to have you with us this morning.

Hon. Diallo V. S. Rabain: It is good to be with you.

The Chairman: Yes, it is good to be back.

And I also acknowledge the presence in the Chamber this morning of the Permanent Secretary of Education, Valerie Robinson-James. Welcome Madam.

And also, our Commissioner of Education, Kalmar Richardson [*sic*]. Welcome also. We are very pleased to see you.

[*Inaudible interjection*]

The Chairman: “Richards,” I apologise.

There are lots of “Richardsons” and “Richards,” so I apologise if I messed up the “on” part there.

And I also wish to acknowledge the presence of the Comptroller as well.

Welcome this morning.

[*Committee of Supply, continuing*]

The Chairman: So, Senators, we have precisely one hour and 40 minutes for the debate.

Would any Senator wish to speak on these heads?

Senator Jones, you have the floor.

Sen. Marcus Jones: Thank you, Mr. Chairman.

May I first of all say good morning to my fellow Senators? Good morning to the wider audience that is listening with bated breath on such an important ministry in this country.

I do have to pause before I charge on to my analysis of the budget for the Ministry to extend to first of all say thank you to the Minister of Education, to the Commissioner of Education, to the Permanent Secretary, and also to the President of the Bermuda College. It is not an envious position and role that they play. As I have said in this Chamber many times, education should not be an overly political football because we have our future in the palm of our hands and we need to do all we can to be a united front, to be a collaborative force to bring education to the height that it justly deserves.

Now allow me, as I launch into my observations of the Ministry to first of all say that in looking at the Ministry I first needed to have a look at the overall spending of the Government and its deployment of labour in the Ministry of Education as it compares to the entire workforce of the Government. First of all, I am looking at A-1, the very beginning of the Budget Book. I am looking at the current account expenditures for 2017/18. We know at that point it was \$892,867,000, which we would love for it to be lower than that. So that was the bottom line expenditure for the entire country through the Government.

The Chairman: If I can just clarify that was also for the year ended March 31st, 2018.

Sen. Marcus Jones: Yes. That is what I said, 2017/18. Thank you for . . . yes, it is the current account. Thank you for your instructions, Mr. Chairman.

So, when I looked at the revised estimates for 2018/19, the current account expenditure was

\$931,988,000. I know therein lies a difference of somewhere around \$39 million of extra expenditure year on year. That is a sizeable amount. And many times we harp on the Government to ensure they tighten the purse strings, but as I looked at the \$39 million more spent in the expenditure by the Government, I turn to education and I look at the overall budget for the Ministry of Education and the increase of \$39 million . . . not much of that \$39 million extra expenditure year on year actually is reflected in the Ministry of Education.

And I say that just as a backdrop and a context. As I have heard the Government proclaim very strongly how education is its priority, it's very important. My only observation would be that with the challenges that the Ministry of Education faces, that we be able to dispense a little bit more of that \$39 million extra year on year into the budget for the Ministry of Education.

But as I steam along, we are looking now at page B-141, cost centre 1602 under Further Education. Now, for the listening public who will not have a Budget Book in front of them, that particular cost centre includes the Community Outreach, Community Education Programme and Department that at one point was dedicated to further education within the community. I take a step back and I want us to just take a quick look again at the mission statement for the Ministry of Education, *To provide strategic leadership, supervision, and policy direction that supports a transformative public school education system and lifelong learning for all children and adults.*

And as I read that mission statement, the phrase and the three words that stood out were *lifelong learning*.

Now, we know that back in the 2017/18 budget under the OBA Government, this particular department, Community Outreach and Community Education, which enhanced and put priority on lifelong learning, was moved from out of Community and Cultural Affairs by the PLP Government, with the Minister at the time saying, *The Government's platform aligned the Community Education Development programme with the Ministry of Education to ensure lifelong learning and accessibility to education.* Thus, the Community Education Development programme now falls under the responsibility of the Ministry of Education.

My apologies, Mr. Chairman; I should have asked you if I could actually read the quote.

The Chairman: Yes, you may.

[*Laughter*]

Sen. Marcus Jones: There it is. So, under that statement, which I would have agreed with, this department was then moved into the Ministry of Education where I believe it quite rightly should have been and remained.

We now find that in the year leading up to 2019/20, that entire department which really focused on lifelong learning, according to the Budget Book, was discontinued. And we recognise that employees and staff from that particular department were moved into different areas within workforce development and other places. But my question would be, What was the rationale, what was the thinking behind the dispersion of these staff members focused on lifelong learning [so that they were] moved into other departments?

Remaining on that page, B-141, we are now looking at line item 2600, which is General Administration. We find that the budget for 2019/20 is \$3,579,000, an increase of 42 per cent, representing \$1.053 million. My question would be, and I believe the budget brief did touch on it ever so slightly, but I would like a reemphasis of this particular line item with a 55 per cent increase. What ticket items drove those numbers so high?

Now, we are still at cost centre 1601, we are looking at line item 26080. I believe I am going to nix that question, because I was going to ask about the grants, the external bodies. But that question was asked within the brief, so I will move along.

Full-time staff. On page B-142 we find line item 2600, the number of staff increased from three to seven but the salaries decreased, which is indicated on, let's see . . .

The Chairman: [Page] B-142.

Sen. Marcus Jones: [Page] B-142. Top of the page, there. Getting so much help, which is so useful. We find that there was a decrease in \$131,000, [page] B-142. I would just like to get an explanation for that.

Switching now over to page B-143 and looking at Performance Measures. Now, we find that performance measures (for the listening public) are very critical for the Government when trying to ascertain and measure how well it has done. And for such a Ministry as Education, you appreciate the fact that the performance measures section of this budget is extremely, extremely critical.

One thing that stood out for me which was (again, we are still on page B-143, under business unit 26080) . . . one of the metrics for this performance measures was satisfaction from key stakeholders, i.e., students, teachers, and parents on students' learning experience and acquired skills from external programmes that received a grant. Now, we recognise that grants that were paid out and scholarships and the like were a fair amount of funding. And I would have to applaud the Government in its aspirations to fund these types of grants for our young people to be able to further their education and do well.

But this performance measure, I believe, is important for the Government to follow-up with the students, with the teachers, with the parents to find out how effective this funding arm is to the aspirations

of our students, and how the teachers and parents see it from the front line. And this particular performance measure has been discontinued. So if I can get an explanation from my Senator opposite of why this was discontinued.

Those by and large are my questions from Head 16, of which most of the questions that I had were actually answered. So, if I can get answers to that, that will be appreciated.

Now, we are now on to the Department of Education, Head 17. We are now on page B-145. Now, an observation that I did make was for a department to set a total budget for the 2018/19 budgetary year of \$114 . . .

The Chairman: Million.

Sen. Marcus Jones: Million.

The Chairman: It is on page B-147.

Sen. Marcus Jones: On page B-147. That is correct. That was the budget that was set. And after calculating a revised amount of the same demonstrates, and the calculation of revised totals came to the very exact same, that sure does demonstrate discipline within that Ministry. That should be a model throughout the entire Government. So, kudos to the Minister and his executive team.

Going back now to page B-145, cost centre, 1701, line item 2700. That label for that line is General Administration. We find that the amount funded for that particular line item in 2017/18 under a different administration was actually \$786,000, and this year 2018/19 it is \$515,000, which does not change in 2019/20. And this particular line item is responsible for covering the cost of purchasing educational and office supplies. Now, we all know that our teachers are dedicated and put their all into the classroom. What we also know is that many of our teachers dig into their own pockets to make sure that if there is any shortage of these supplies, educational or whatever, we know from the goodness of their heart, and in their desire to be able to provide a class programme and curriculum that has all the necessary supplies, they dig into their own pockets and they actually contribute to what is needed in the classroom.

My question would be, Are we making sure that the teachers are actually being reimbursed? I am going to assume that they are. But for the purposes of the public and those who know what goes on, I think it would be good for us to know and to ensure that the teachers are, in fact, reimbursed.

Moving down the line there, same page, cost centre 1701 (that is where we are), looking at line items 27031, which is School Improvement, and 27090 is Educational Standards. Now, I am looking to find out where the coverage or the funding for the Standards-Based Grading implementation is, which

cost centre that is in. I am assuming it is one of those two and the supporting IT [information technology], I believe it is Powersmart [*sic*], the software—

[Inaudible interjection]

Sen. Marcus Jones: “PowerSchool.” Thank you, Senator Simmons.

It is good to have a teaching professional on the Senate team that can correct us noneducational professionals.

But I just wanted to find out where that Standards-Based Grading expense is, which line item reflects that spending and the supporting IT.

There has been a combined 5 per cent decrease in budgeting for 2019/20. So, if I look at those two items, School Improvement and Educational Standards, well, suffice it to say, there has been a decrease. And I would just like some clarity on: (1) where the Standards-Based Grading expenses are attributed, and (2) the supporting IT. With the challenges and delays in implementing it, I would think that the country would want to know what is the justification for the reduction of funding in that line item, if, in fact, that appears to be the case.

Continuing on, cost centre 1701, looking at line item 27030, that is Human Resources. One of the things this line item covers is the cost of orientation of our new teachers annually. A question I would have is, How many new teachers entered the public school system in this budgetary year, and how many were male teachers, and how many were Bermudian? Now, I think that is important.

I remember when I was attending primary school many, many, many, many years ago there were more male teachers, I believe, just from my own estimation. There were more male teachers within the school system, and for a young boy that was growing up in the little village of Somerset, and at the time my father was not . . . I was raised by a single mother. We would wish that that was the exception and not the rule. In an age and time where our males are struggling with not having a male figure in the home, I would think it would be very important to have males as a part of the school system. It would really be advantageous and beneficial, especially for many of our males that are struggling that do not have a father figure in the home. So, I would be curious to know the number of male teachers, and, in fact, how many of those teachers are Bermudian.

Continuing on that same line item, 27030, we have now been able to understand that the SCARS training has been a part of the public school system as well. SCARS, for the listening audience, is Saving Children And Revealing Secrets. Now, I am not sure if that training is mandatory; but if it is not, if we can get an idea of how many teachers, either new recruits or existing teachers actually participated in that particular SCARS training. Unfortunately, we would wish that

this particular charity would not be needed within our community today, but it is desperately needed, and I think it is very important and beneficial that as many of our teaching professionals [as possible] are actually instructed through that particular programme.

ANNOUNCEMENT BY THE CHAIRMAN

SENATE VISITOR

The Chairman: Senator, if I could just interrupt you for a second just to acknowledge the presence in the Senate this morning of MP Scott Simmons.

Welcome, sir. Thank you very much for coming.

Senator Jones, please continue.

[Committee of Supply, continuing]

Sen. Marcus Jones: Thank you, Mr. Chairman

Looking now at line item 27160, which is Substitutes. Now, this was mentioned in the brief, and I would just request a little bit of clarity. If I look on that line item of substitutes, in the year 2017/18, under a different Government, \$4,707,000 was expensed on this line of substitutes. It was then budgeted for the year 2018/19, [and it was] \$3,055,000. The most updated calculation of that particular expense will be \$1.296 million, and then for the upcoming year of 2019/20 we have \$639,000, a difference of \$2,416,000. Now, I can appreciate the explanation that Senator Hayward read his briefing, that this \$2,416,000 reduction in that line item of Substitutes was then moved down into the Paraprofessionals line, which is line item 27079. So, where the decrease was in substitute teachers, it was increased in kind in the paraprofessionals.

Now, I would just like a little bit of in-depth clarification on the reason for that switchover. We know that many of our teachers, whether due to sickness [or] whether due to personal time . . . there are going to be many opportunities during a school year when you have over a thousand employees, teachers that are working within the system, you can imagine the number of missed days that will have to be covered by substitute teachers.

Now, I guess my question would be, the hourly rate for paraprofessionals (in my layman’s understanding), would be at a higher rate than that of the substitute teachers. So, I guess my question would be . . . I do not know if I agree with the rationale of a paraprofessional whose salary rate would be higher than that of a substitute teacher, utilising their expertise at a higher hourly rate having them just be the substitute for a teacher that was out for a sick day.

I guess what I am asking for is a little bit more clarification for the rationale and thinking of transferring that funding from the substitute teacher whose

salary rate may be that much less than that of a paraprofessional, and why the—

[Inaudible interjection]

Sen. Marcus Jones: Okay. Thank you, Senator Kempe. You can address that question when I am finished.

Okay, here we go. So, just a little bit of a clarification there would be most appreciated.

Okay, we are on the same page, B-145, line item 27073. We have the summer programme. Now in the year 2017/18, the amount was \$286,000 that was actually expensed for the summer programme. There was a zero budget for that year, 2018/19, when the most updated calculation for that particular line item was going to be \$21,000, and then next year \$18,000. Now that is not a large amount of money when you are talking about \$140,000,000. But I am just curious, Has the summer programme that the Government normally provides for our children during the summer, been fully abandoned, or has it been moved over to Youths and Sports? I am not sure. But a little clarification for me and the public would be appreciated.

Now, we know there are lots of private summer camps out there. But for the working public, the cost for families is pretty high. And I believe that the service that the Government has provided as a summer programme has been welcomed by the working man because it is affordable, and it definitely provides a diverse experience for our young people. So, if I can get some clarity on the summer programme, line item 2703.

Remaining on that same page, I am now looking at 27076, Early Childhood Development, and we were made to understand that leading up to the year 2018/19 there was a promise that an early childhood quality assurance officer would be hired for 2018. And if I look at that line item, when that particular promise was made, the 2017/18 budget or actual expenditure was \$175,000. The preceding year of 2018/19, [there was] \$114,000 budgeted, which was less than the previous year, and leading up to 2019/20, the amount will not change very much. So, I guess my question is, Has the need for this particular officer, the early childhood quality assurance officer, disappeared, or was it a budget limit for this expenditure, although the need persists? So, again, educate a brother. Let me know what that is all about and—

The Chairman: I think if you could address those comments to the Chairman, as opposed to any other part of the room, Senator, I would be grateful.

Sen. Marcus Jones: I do not want to leave you out of the conversation, Mr. Chairman. My apologies.

Continuing on to line item 27084, Alternative Education and Out of School Suspension. I guess, once again, I was naïve. I thought that all children

wanted to go to school and no one stayed home. But clearly the budget suggests to us that there is a need to have officers that will not only come behind students who are truant, but also provide what we understand to be two therapeutic Success Academies which offer interventions along with additional academic and career options. That is all a cost that can be found on that line item, 27084.

It also provides an alternative education service provider who offers additional options and pathways within the community of tutorial sites. In 2018/19 the budget amount was \$1.341 million, the amount that came in or the most updated revised number is exactly the same, to the credit once again of the Ministry, and then next year it is \$1.336 million. My question would be that this seems like a sizable amount of funding. How many students are in this academy or these two academies? And how many of the graduates of these academies actually reintegrate into the regular schools? I think it will be beneficial for us to know how many are in those academies, and how many actually matriculate into the regular schools.

Moving further down onto line item 27003, which is Office Accommodations. We understand that this particular line item covers the cost of one employee and operating costs for that particular department. We now understand that this particular employee and operations moved from St. David's to . . . and now I understand from the brief that it moved to the Church Street Building. I guess my question would be, How much was the cost of the transfer from St. David's to Hamilton, and also, what was the cost savings in rentals compared to now?

Maybe I need some clarity on that. The St. David's building was owned by the Government. I guess I can ask that question, Mr. Chairman?

The Chairman: You can ask for clarification from a statement that was made, Senator.

Sen. Marcus Jones: Yes. That is what I am asking.

The Chairman: Ah, Senator Hayward, could you respond on that point of clarification you were asked?

Perhaps you would like to phrase . . . I was going to suggest, why don't you leave that as a question for Senator Hayward to answer when he answers all the other questions, Senator. Please continue.

Sen. Marcus Jones: Thank you for your direction, Mr. Chairman.

So, yes, the answer would be written and given at a later point during this debate whether the buildings where the Education Department was in St. David's, was owned by the Government, or whether it was a rental office space, and the cost of transferring that whole department into the city of Hamilton. And comparing the rental cost, if it was a rental cost in St. David's, if there was a savings of having it here in the

city, and whether or not that whole move has been completed. I hope that I have made that clear. Those were the questions that I would have, Mr. Chairman.

The Chairman: Thank you, Senator. Please continue.

Sen. Marcus Jones: Now moving onto page B-147, cost centre 1707. During the course of the year past, we have heard statements from the Ministry in regard to middle schools.

I guess my question would be, What is the money allocated to fund the transition from the middle school system into signature schools? Whether this initiative was a part of the school plan of 2022, and if not, where is the empirical evidence that necessitates this transition? If that—

The Chairman: Senator, could you rephrase your question again? I think that Senator Hayward would like to have your question rephrased again, so that he can understand clearly what your question is.

Sen. Marcus Jones: Yes, Mr. Chairman.

Well, let's first of all go back to the line item that we are talking about. Again, we are still on page B-147 and we are looking at the totals that have been expensed on middle schools and what we are looking for to put in the budget.

In the year 2017/18, the actuals for all the middle schools which included Clearwater, Whitney Institute, Dellwood Middle School, T. N. Tatem, and Sandys Secondary, the total expense for those middle schools was \$16,875,000. Okay? And then this year that we are in now, for those five middle schools, it was budgeted for \$17,300,000, that being the budgeted amount, as well as what they are calculating is going to be the updated cost.

Now in 2019/20, the amount of money that is going to be allocated for those middle schools will be reduced by \$165,000. Now, in light and in view of the Ministry's desire to move and transition from out of a middle school programme into one where we are going to be moving into a Signature School system, my question is, With that reduction in funds afforded to middle schools that has been decreased, has there been money allocated either within the capital portion of the budget for the transition, and is this initiative a part of the school plan of 2022, and if not, what is the empirical evidence that necessitates this transition?

A question that I believe is justifiable, especially when such a monumental significant change in our public school system has been declared.

I hope I have made that clear, Mr. Chairman.

The Chairman: Thank you, Senator. Please continue.

Sen. Marcus Jones: I am moving along, Mr. Chairman, to page B-154, which is Performance Measures. I will say this, as I perused over the Budget Book, I

noticed that the Ministry of Education had five and a half pages of Performance Measures, clearly and significantly more than any other Ministry within the Government. And I said to myself, *They are definitely doing all they can to make sure that the service that they provide has all eyes on it*, and there are metrics involved and included to make sure that they are on target, which I definitely can appreciate.

You do not have the time or the inclination to go microscopically and look at all of these metrics. But there is one or two that I just wanted to bring to the attention of this Budget Debate. In the business unit 1708, Senior Secondary Schools, it is on page B-155, the metric is "percentage of schools achieving their school improvement objective for reading." All years prior to the coming year of 2019/20, there has not been a target that the Ministry has made for this particular metric, but it has done so for 2019/20, and that particular target is 50 per cent. So, 50 per cent of senior school students that are in the system . . . the objective is that 50 per cent of that student body, the student bodies I am assuming of both secondary schools would achieve a school improvement objective for reading that is 50 per cent. That seems low in my estimation.

Again, I am just asking for some clarity from the Ministry for the reasoning behind 50 per cent. We know that reading is an integral part of learning, that once our students get to the high school level of learning in this country we would like to be able to sleep at night knowing that there is more than 50 per cent of the school body that can read at a level that is satisfactory to be employable, and move to the next level of their academic career. So, I am questioning [this, because] in my opinion, the standard of 50 per cent for improved objective for reading is [low].

The same metric and target of 50 per cent is used for "percentage of schools achieving their school improvement objective for writing." [Also, "percentage of] schools achieving their school improvement objective for mathematics" is 50 per cent as well. So, if I can get some clarity on the rationale and the justification of, in my opinion, a low mark of 50 per cent for students to attain.

Mr. Chairman, in the interest of time, I am going to skip forward into Head 41, which is the Bermuda College, on page B-165. Again, most of the questions that I had were answered. If you just bear with me, I just want to just quickly look at my questions to make sure that I do not have any that are—

The Chairman: That's fine, Senator. Take your time and have a look.

[Crosstalk]

Sen. Nicholas Kempe: If I may in the meantime?

The Chairman: No, Senator. It is with Senator Jones, and when he is finished then I will ask if any other Senator wishes to address these heads.

Sen. Marcus Jones: We understand that the Ministry is dedicated to providing as much assistance to its students in the form of grants and scholarships for the students at Bermuda College. My question would be Mr. Chairman, What percentage of the student population is actually on scholarships? What would be the cost of tuition for a two-year associate [degree]? What is the average cost for a two-year associate degree at the college? I believe I have got some answers for the financial aid, which is \$150,000 that was dedicated for those who under normal circumstances may not have been able to afford to go to Bermuda College.

So, I guess my question there would be, What is the criteria for a student who is applying for financial aid? And I realise that the household income of their entire family would be considered. What would be the threshold of household income that the College would be considering to justify a student who actually needs the help to be able to go the Bermuda College?

And on that note, Mr. Chairman, I will take my rest, and allow time for my counterpart to furnish us with the answers.

Thank you.

The Chairman: Thank you, Senator Jones.

Would any other Senator wish to speak to these heads?

Senator Michelle Simmons, you have the floor.

Sen. Michelle Simmons: Thank you, Mr. Chairman.

I would like to start by first of all thanking all of the leaders at the Ministry of Education and at the Department of Education, and Senator Jones has already named them. So, in the interest of time, I am going to just say thank you to all of them. They are responsible for the administration and the moving forward of our public school system. Not an easy task, but I hope that they will realise that we all want them to succeed. We stand behind them, and we are very happy to have an opportunity to just reflect on the figures in the Budget Book. Hopefully, there will be something good that can come from all of this.

I would also like to thank all the teachers in the front line, all the principals, all the paraeducators, all the educational therapists, all the counsellors, the education officers, all the support staff, because they also play important roles in the education of our young people.

I am going to start on page B-141 and I am looking at cost centre 1601, the general cost centre, and in particular, the grants to external bodies. I also looked at page C-17, which provides some information about the grants to external bodies. But there is no information on which organisations are actually

receiving those grants. On page C-17 it says in line item 6869, Grants to External Bodies, and the amount budgeted for this in the next fiscal year is \$1,016,000. So, I would just like some clarity on which organisations or which individuals are actually receiving those grants.

Since I am on page C-17, I would also like to have a look at the Government scholarships and other scholarships. First of all, I am very, very happy that the Ministry has instituted several new scholarships, in particular for students in the public education system, where the need is greatest. I think we need to be very realistic about how we are going to move Bermuda forward in the future, because we need to make sure that our population is educated to take up those new positions, those new jobs that are being created, and the need, the greatest need is in public education. Because many families just do not have the deep pockets to be able to easily pay for the tertiary education of their children.

So, in those items, Government scholarships and other scholarships, I am just making a statement, and I am saying whatever the Government can do to even further enhance that would be greatly appreciated, and it would be in keeping with the Government's mandate to make sure that there are opportunities in this country for all.

So, I am going back to page B-140, and this could just be my lack of understanding. Employee numbers have decreased by nine people overall for the Ministry of Education, and I assume that this figure includes everyone who has any role to play in the Ministry or Department of Education. On page B-142, however, the amount for salaries, i.e., at the top of the page (and Senator Jones was looking at this earlier), has decreased by \$131,000. It seems as though that is not in keeping with the decrease in nine positions, and I had some speculation with myself as to why there was not a sharper decrease with nine positions disappearing, but I do not want to speculate. I am sure the technical officers have the answer to that question.

Some of my questions about the Ministry have already been addressed in the brief, and so I am going straight ahead to Head 17 for the Department of Education. I am on page B-145, and I am just going to touch on cost centre 1701, Central Administration, and, of course, I am going to the line item 27160, Substitutes. And, of course, hand-in-hand with that is line item 2709, in the next cost centre 1702. That is where the budget for paraprofessionals has been adjusted.

In the brief Senator Hayward shared with us that some paraeducators have been hired as substitutes. Is that as substitute teachers? That would be quite alarming to me, because paraeducators do not have the requisite qualifications to be in classrooms giving instruction to students as teachers. I am glad to see it has been rectified; but I think that we need to

ensure that wherever we can that the persons with the requisite qualifications are doing the roles for which they are qualified. So, thank you to the Department of Education for sorting that out.

I guess my question associated with that is . . . the budgeted amount for substitutes in 2019/20 is \$639,000. How many substitute teachers does that cover and how are they deployed? I know at the senior level, and maybe at the middle level there are allocated substitutes, or there were. I know I have been gone for a little bit, now. But there were allocated substitutes who were in the schools and they were functioning as members of staff. Because of the number of teachers in the senior level and also in our middle schools, those teachers could be quickly deployed to classrooms where they were needed.

So, I am just curious to know how many substitutes the \$639,000 will cover and also, how the substitutes have been allocated to schools. And if it is still the same at primary, and I guess at preschool, where people are called out in the morning, often at very short notice depending on circumstances.

On page B-145 still. In the briefing Senator Hayward did speak a bit about psychologists and school psychology. That is under cost centre 1702, Student Services, and the line item is 27063, School Psychology. I did not quite understand what was being said earlier in the brief, because . . . and I may have misinterpreted. I think Senator Hayward said, *The funding for psychologists is being redirected from line item 27072, which is Counselling, to 27063, which is the School Psychology line item.* If that is the case, why have both of those line items shown increases, and there is probably a good reason for it. Maybe there is something else that is being budgeted for there, but I just wanted some clarification.

The other question I have about the school psychologists is, How are they being deployed now? I believe there are now eight, and I wondered if they are deployed from a central location, or if they are based at the two ends and centrally, two ends of the Island and in the central parishes, and also, is eight sufficient? Because I realise that we have a number of students with unique needs and I wonder if the eight psychologists are able to fulfil the need for assessments, especially before students are placed on individual education programmes [IEPs].

Still on page B-145, and I am looking at line item 27061, which is Behaviour Management. I believe that Senator Hayward in the brief said that an additional educational therapist [ET] is being hired. Where is that ET being placed?

Still on page B-145, under cost centre 1703, Finance and Corporate, line item 27042, Buildings, Grounds and Equipment. I am pretty sure that last year there was an additional person who was hired, or was supposed to be hired, in that area. And I wondered why there has been a reduction of \$142,000 in that area for 2019/20, especially in view of the great

challenge the Department of Education has to provide ongoing maintenance to our schools. That is not an easy thing, and I think many of us have seen that a report was released yesterday about the state of our public schools. While I do not think we should be alarmed, we should be concerned that there is still much to do on an ongoing basis.

It is not a matter of riding in there and taking care of things and going away and never going back again. Maintenance in our schools has to be regular; it has to be ongoing. And in this climate, yes, we will have mould. But the trick or the key is, if we have an ongoing maintenance programme, then the likelihood of mould being able to take hold and stay there undetected will go away. So, I just need some clarification about why that has seen a reduction.

Okay, going over to page B-149. This is about line item 27074, Learning Support, and we are looking at full-time equivalents [FTEs] under employee numbers. Clearly, two more learning support teachers have been employed, or will be employed, and I just wondered where they were going. I am sure the listening public would like to know the answer to that, because there has been so much in the newspaper and in social media of late about the deployment of sufficient learning support teachers in the public education system. So, I was just wondering where those two learning support teachers will be deployed.

ANNOUNCEMENT BY THE CHAIRMAN

SENATE VISITOR

The Chairman: Excuse me, Senator, if I could just make a comment. I would like to acknowledge the presence in the Senate this morning of the Minister of Labour, Community Affairs and Sports, the Honourable Lovitta Foggo.

Welcome. It is very nice to have you here this morning. Thank you.

Please continue, Senator.

[Committee of Supply, continuing]

Sen. Michelle Simmons: Thank you, Senator . . . I mean Mr. Chairman. Okay . . . okay. I think . . .

[Pause]

Sen. Michelle Simmons: I'm sorry, I'm just checking.

The Chairman: That's fine, Senator.

Sen. Michelle Simmons: Oh, I know. Here it is. Still on that same page, line item 27160, Substitutes. I note that the number of substitutes accounted for by this line item has decreased by four. I just wondered how that had been effected? It seems as though the revised number for 2018/19 was at 12, and that is a

reduction from the 40 the previous year, and I wondered how it had been reduced further to eight, a reduction of four positions. And are they really substitute teachers or are they paraeducators?

Moving on to page B-150, I am looking at (and these are still employee numbers for people listening who do not have the Budget Book) line item 27520, Design, Development and Implementation. It is my understanding that those positions are education officer positions. And I do not know if anything else is included there. I have two questions there. There has been a reduction of one position. Is that for an education officer, and, if so, which position is it? Also, are there any vacant education officer positions? Okay.

I am on page B-151 now and going right through to page B-156. I, too, would like to congratulate the Department of Education for these performance measures. They have obviously every intention of keeping a close tab on how things develop, especially with regard to Plan 2022, which I brought along, because I have a couple of questions. The first measure I would like to just ask about is on page B-151, and it is the very first one. It reads under business unit 1701, Central Administration: *The percentage of examinees who attain the English, math and science International Certificates of Education (IGCSEs)*. I wondered if any grades are associated with that performance measure and, if so, what are they?

Also, on that same page, performance measure 8 (it is the eighth one down the page, I had to start numbering them) it reads: *Percentage of examinees who attain the IGCSE or other external certification*. Now, is that in any subject? Because, obviously the first measure I looked at refers specifically to English, math and science. Also, associated with that eighth measure that I mentioned, I am going to page 14 in Plan 2022, under Differentiated Learning Opportunities, and may I just quote from this, Mr. Chairman?

The Chairman: You may, Senator.

Sen. Michelle Simmons: Under Key Outcomes, it says: "By 2022, The Department" (and that is of Education) "will accomplish the following outcomes." And I am just quoting the second one: "70% of students taking GCSE's/ A-Levels, AP, or IB courses will pass them with a college-entry score." So, I just wondered if that performance measure in the Budget Book was directly linked to the key outcomes in Plan 2022? And I know that in Plan 2022 it lumps together IGCSEs, A levels, AP, IB. But I just would like to know how these are linked together.

On that same page, I am going further down to performance measure, or, yes, performance measure, I have numbered it 12. It says: "Percentage of performance appraisals completed for school and Department of Education staff 100 per cent is the performance measure." I asked about that last year in the

Senate, and I am really happy to see that the goal of the Department of Education is to have 100 per cent of performance appraisals completed for school and Department of Education staff. It is the only way, i.e., by giving people timely feedback that they can know if they are being effective, and if not, they can improve their performance. That was just a comment, not a question.

The Chairman: Senator, I am going to suggest that we break for lunch. It is 12:30. We still have 25 minutes remaining on these heads when we return from lunch, so we will pick up the debate on that when we return at 2:15.

So, Senators, we now adjourn for lunch. Thank you.

Proceedings suspended at 12:30 pm

Proceedings resumed at 2:14 pm

[Sen. James S. Jardine, Chairman]

COMMITTEE OF SUPPLY

ESTIMATES OF REVENUE AND EXPENDITURE FOR THE YEAR 2019/20

MINISTRY OF EDUCATION

[Continuation thereof]

The Chairman: Good afternoon Senators and listening public.

When we broke for lunch, we had been debating Heads 16, 17, and 41, under the Ministry of Education, and Senator Jason Hayward was making the presentation. We then went into questions, and when we retired for lunch Senator Michelle Simmons was asking questions. So we will begin there.

Senator Simmons, you have the floor.

Sen. Michelle Simmons: Thank you, Mr. Chairman.

I have just a few more questions. I am on page B-151, and I am looking at performance measures 7 (that is the seventh one from the top), which says, *Percentage of students who graduate on-time (as measured by the cohort graduation rate.)* And down near the bottom of the page (in fact, it is right at the bottom of the page), we have *Percentage of students who graduate on-time (as measured by cohort graduation rate S1 to S4)*. They seem to be the same. And I am just suggesting one would be enough.

Also, on that same page, measures 6 and 18 are extremely similar. *Percentage of schools that attain year level attendance averages of 95 per cent and higher for all year levels.* And then second from the bottom, *Percentage of schools who reach 95 per*

cent of student attendance or greater. I believe they are the same.

Moving on, because I am quite conscious of the fact that we do not have a lot of time, on page B-152, business unit 1703, Finance and corporate services, on measures 2 and 7 under that business unit, are they both required? Because one talks about the percentage of classrooms for each school staffed with full-time certified teachers at the start of the school year, and the target outcome for the next fiscal year is 96 per cent. And then second from the bottom of the page, the percentage of classrooms staffed with full-time, certified teachers by the first week of school . . . it should be 95 per cent. And the first week of school comes just after the start of the school year. And I wondered why we had both of those and why one measure is different from the other.

On page B-155, at the very bottom of the page, this is in business unit 1707 from Middle Schools. I would just like some clarification about whether this measure should be there or with the primary schools. I asked about that very same measure last year.

On page B-155, I do not understand the difference between measures 10 and 11. And I am sure I am missing something, but I would hope one of the technical officers can assist.

The Chairman: Just for clarification, that is the one that says *Percentage of classroom lessons demonstrating proficiency*. And the next one, again, has the same wording, *Percentage of classroom observation demonstrating proficiency*. Are those what you are referring to, Senator?

Sen. Michelle Simmons: Correct.
And the measures are different.

The Chairman: Thank you.

Sen. Michelle Simmons: Still on page B-155 . . . I am going to pass over that.

And finally, on page B-156, under business unit 1709, curriculum and assessment, I will read out the measure at the top, which says *Percentage of primary and middle school curricula with priority standards, pacing guides and scope and sequence documents*. I was wondering . . . and I see the performance measures, the target outcome is 100 per cent. Currently, with teachers having to report their grades using a Standards basis, I was just wondering if all of our primary and middle school teachers who are the ones required, currently, to report via Standards-Based Grading if they all have Standards-Based curricula in place.

And then my last comment, not a question, because we really do not have time to do this, Bermuda College is also on our agenda. I just want to thank Bermuda College for all that it is doing to ensure that

we have an educated workforce in Bermuda. Of course, with my background, or at the senior level, I am particularly happy that they have advanced the dual enrolment programme. I have seen the excitement that some students have. They are very proud to say, while they are in high school, *I attend Bermuda College*.

That programme has assisted so many students to graduate with both their associate degree and their high school diploma at the same time. It has had a huge impact on quite a number. Of course, I am sure the college will continue to grow. It has already grown tremendously, and I would just like to offer my thanks and the thanks of the community at large, really, for all that Bermuda College is doing.

And, with that, I conclude my questions and comments. Thank you, Mr. Chairman.

The Chairman: Thank you, Senator.

Would any other Senator wish to speak on these heads?

Senator Kempe, you have the floor.

Sen. Nicholas Kempe: Thank you, Mr. Chairman.

First of all, I would like to thank the spokesperson for Education for allowing time for questions. Obviously, this is a beefy Ministry—

An. Hon. Senator: Junior Minister.

Sen. Nicholas Kempe: Junior Minister, my apologies.

I have a few questions, and I will try to keep them very brief.

The paraprofessionals and teachers were alluded to in earlier comments, but I guess I would like to scratch a little bit deeper on that. If we look at the 2017/18 actuals, there were 88—

The Chairman: Which page are you referring to, please?

Sen. Nicholas Kempe: We are going to be both on page B-145, when I speak to dollar value, and on page B-149 when I refer to number of employees.

The Chairman: Thank you, Senator.

Sen. Nicholas Kempe: The 2017/18 actuals show 88 paraprofessionals and 40 substitute teachers. And that is a total of 128 individuals between those two categories.

Now, I do not believe that the role of the paraprofessionals as substitute teachers is in fact substitutes; they have two completely different roles. But it seems like there has been an increase in paraprofessionals and a decrease in substitute teachers of about . . . they offset each other. So, in 2019/20, paraprofessionals go up by some 23, and substitute teachers goes down by some 32 individu-

als. But we end up with about the same, about 120, 125 individuals between those two categories. What the department is achieving between the actual spend on those two categories is about \$3 million. So, it would seem like we are substituting people without teaching certificates . . . or, sorry, we are substituting substitutes who have teaching certificates for people who do not have teaching certificates as a cost-saving measure.

Now, my question comes down to, How are we ensuring that teaching standards and quality of education are maintained through what appears to be an austerity measure? I am hoping for an answer on that, so I am not going to state any opinions on that.

When I look at the spend on training, I believe I heard that there is \$40,000 for the national educators' network, which I believe is in the grants and contribution line, and there was some \$130,000 increase in the training line between the actuals and the estimate. I just want to know if those are the two categories of increases, or if I am missing something there. And, I am focusing a lot on the funding of quality education and of advancing training, especially if that was one of the main elements of the Hopkins report for improving our outcome.

When we look at improving our outcome on page B-156, I am curious when will we start seeing the actual outcomes, revised forecasts, and target forecasts begin to increase. We see the *percentage of students who demonstrate proficiency in problem solving and reasoning at P5, M2 and S1; the percentage of students who demonstrate proficiency in writing; and the percentage of students who reach their literacy and numeracy targets*. The target outcomes do not seem to show any progression towards better outcomes. And I would like to see, as a result of an improving system, that those outcomes could show some continued increases.

One of the other questions has to do with the total employee count. I note that across government, and this is referring to page A-12 as a reference, there were some 318 more individuals employed by government between the 2017/18 actuals and the 2019/20 budget. But it appears that only three more net people, out of those 381, have been dedicated toward the Department of Education. I just want to know if that is because education has less of a need, or to just understand why such a small percentage of those 318 increased employees across government have found their way into education. I see that four went into Headquarters at the admin level. So I am just trying to understand what the justification is for that. Part of the Plan 2022—

The Chairman: Excuse me, Senator, just for a second.

Senator Hayward, you have a question?

Sen. Jason Hayward: [Microphone not turned on]

The Chairman: Senator Kempe.

Sen. Nicholas Kempe: I am trying to understand if the Department of Education is fully resourced from an employee standpoint. [There are] 318 added to government as a whole. Is adding three employees to the Department of Education sufficient in the Junior Minister's opinion?

So far as Plan 2022, one of the elements mentioned was the repairs, I believe. But it was also highlighted in a couple of school reports, both the recent one and the 2017 one. So I am wondering . . . and I am going to flip to the capital development related schedule, which is on page C-4, for those following along in the Budget Book. I note that the . . . sorry, you can also see a breakdown here of Education Minor Works, School Safety, for example. I note that both of those lines, the spending on capital development seems to have been halved, or more than halved, between the 2017/18 actuals and the 2019/20 estimates. And I just want to know, with those reduced spending figures, if it is going to be sufficient to remedy the works that have been highlighted.

And I have a few more questions, but I think that is sufficient for now. So, thank you.

The Chairman: Thank you, Senator.

Would any other Senator wish to speak to these heads?

No? Then Senator Hayward, I think you have quite a number of questions to wade through. And we actually have 20 minutes remaining. So there is time for you to answer those questions.

You have the floor, Senator Hayward.

Sen. Jason Hayward: Thank you, Mr. Chairman.

Under Head 17, clarification for substitutes and paraeducators, in September 2017 paraeducators were paid from the substitute teachers' budget. However, paraeducators were not employed as substitute teachers; they were employed as paraeducators.

There was a question regarding the hourly rate regarding substitute teachers and paraeducators. The hourly rate of paraeducators is less than the hourly rate of teachers. In September 2018 paraeducators' posts were moved to the student services cost centre. Regarding the allocation of subs, senior schools still use on-site allocated subs.

Mr. Chairman, on page [B-]141 there was a question regarding business unit 26000, General Administration, what—

Sen. Nicholas Kempe: Point of clarification.

The Chairman: Yes, Senator Kempe, you have a point of clarification? Was it on a matter that Senator Hayward just raised?

Sen. Nicholas Kempe: Yes it was, Mr. Chairman.

The Chairman: You have the floor.

POINT OF CLARIFICATION

Sen. Nicholas Kempe: I would just like to know on those two line items, the paraeducators, paraprofessionals, and the substitutes . . . I believe I heard the Junior Minister correctly in that one bucket was paid out from the other. But, can he explain why the spending in 2017/18 is \$2.9 million more between those two categories combined, when compared to the 2019/20 budget? There is something more than just a transfer of funds. There is a net decrease of \$3 million as well.

The Chairman: Thank you, Senator Kempe.

Senator Hayward, if you are not in a position to answer that question, you can proceed with the other ones while that answer is sought for you.

Sen. Jason Hayward: What I will do is I will answer the . . . I will utilise the answers I have now to the questions that have already been presented. And the additional questions I will seek to answer.

The Chairman: Yes. Please proceed, Senator.

Sen. Jason Hayward: And I was on page B-141, business unit 26000, General Administration. And the question was, What caused the 50 per cent increase in expenditure when comparing 2018/19 to 2019/20 year-over-year expenditure.

And the response to that question is, the increase of \$386,000 reflects an increase in salaries of three particular areas—a comptroller and two CEDP [Community Education Development Programme] posts transferred to the Ministry, the establishment of the policy analyst post, and annual salary uplift.

On page B-142, business unit 26000, General Administration, there was another question regarding why the salaries line item decreased by \$131,000. The response to that question, Mr. Chairman, is that the decrease is the net balance of the transfer of posts into the Ministry and from the Ministry. Four CEDP posts were transferred from the Ministry of Education to the Department of Workforce Development, and the comptroller post was transferred into the Ministry of Education. The net effect was a decrease of \$131,000.

Mr. Chairman, there was a question regarding why was the Community Education Development Programme removed if the focus of the Ministry was lifelong learning. And the response to that question, Mr. Chairman, is that the CEDP was not a department, as I stated, but it was a programme. An operational review of that programme was undertaken in 2017 to assess its continued relevance and effectiveness. This actually supported the Government's objective which was to align the Department of Workforce Development, the Community Education and

Development Programme, and the Libraries and Archives with the Ministry of Education to ensure lifelong learning. The data collected from the operational review revealed a high participation rate in the CEDP programme by non-Bermudians, and a high percentage of registration in exercise and leisure courses.

The CEDP programme was not serving the vulnerable Bermudians which was its intent when it was established back in 1979. The CEDP programme was discontinued with key staff transferred to the Department of Workforce Development to more effectively reach the vulnerable Bermudians that registered with the department and to continue to encourage them with opportunities for lifelong learning, as lifelong learning services continue to be delivered by the Bermuda National Library for both children and adults at the two libraries.

Mr. Chairman, on page B-17, there was a question, What does the total \$1,016,000 in external grants comprise? This total covers:

- 1) The sum of \$479,000 set aside to fund a merit-based Bermuda College Promise programme as mentioned in my presentation. This programme will award public school graduates with a GPA of 3.0 or higher for scholarships to attend the Bermuda College.
- 2) The sum of \$537,000 to cover grants awarded to various external bodies who service students in the public school system with meaningful programmes.

Examples of these external bodies which receive grants are WindReach, a provider of therapeutic services for students with special needs who require wraparound services as well; Bermuda Zoological Society for students who participate in the Bermuda Zoological Society Science Programme that is run during the school year; Bermuda Sloop Foundation for middle school students participating in the school's voyages which focus on self-leadership and team building while exposing them to a potential career in maritime seafaring.

Mr. Chairman, another question was asked in reference to page B-147, programme 1707, which is Middle Schools. The removal of middle schools is a mid-term objective for the Government. The Ministry is currently undertaking consultation from various stakeholders gathering data and information that will position the Government to develop a work plan for the removal of middle schools based on informed decision-making. The cost will be reflected in the 2020 budget accordingly.

Mr. Chairman, regarding the Bermuda College, there was a question, What percentage of students are being assisted by the government's financial aid grant? The answer is, approximately 20 per cent of the student body which includes both the academic and PACE [Professional and Career Education] divisions.

Mr. Chairman, a question was asked regarding, What is the total cost of a two-year associates degree at Bermuda College? Mr. Chairman, the answer to that question is between \$10,000 and \$17,000, depending on the programme. Tuition for all programmes is set at \$155 per credit at a cost of \$9,610 for a 62-credit programme.

Mr. Chairman, the question was asked, What is the household income used for the government's financial aid? The answer to that question, Mr. Chairman, is, the College uses the median annual household gross income from the Department of Statistics. The amount of financial aid granted to the applicant is based on how their household income compares to the median annual household gross income. If the applicant's household income is 50 per cent or less than the median household income they will receive an award amounting to 70 per cent to 80 per cent of their tuition. If the applicant's household income is 66 per cent to 70 per cent of the median household income, they will receive an award amounting to 30 per cent to 40 per cent of tuition. Applicant's whose household income is higher than 70 per cent of the median household income are not currently considered for assistance.

Mr. Chairman, a question was asked under Head 17, and the question was, Identify the cost centre for Standards-Based Grading and Information Technology as referred to in the brief. And the answer is, Standards-Based Grading is captured under cost centre 27031 and the Information Technology is captured under cost centre 27050.

Continuing with questions under Head 17, Mr. Chairman, the question was, How many students are at each of the Success Academies? The answer is, Success Academy for primary, there are 6 individuals; Success Academy for middle and senior, there are 10 individuals.

Mr. Chairman, a question was asked regarding how many students from the Success Academies are registered into schools . . . re-integrated into schools. The answer to that question is that primary students are re-integrated into primary schools or middle schools. Middle school students are re-integrated into middle schools or senior schools. And senior school students graduate from the Success Academy.

Continuing under Head 17, Mr. Chairman, clarification was sought for performance measure for 17018 schools, in reference to the 50 per cent target for reading, writing and mathematics. Mr. Chairman, it should be important to note that these performance measures relate to the percentage of school improvement objectives for reading, writing and mathematics that are achieved. These performance objectives do not refer to students.

Mr. Chairman, continuing under Head 17, there was a question asked regarding, Are teachers reimbursed when they pay for supplies. The answer to

that question is, teachers are required to follow a protocol if they want to be reimbursed for supplies. If a principal approves of the purchase in advance, the teacher is reimbursed by the school.

Continuing under Head 17, Mr. Chairman, a question was asked, What is the reduction of the \$142,000 for 2019/20 in relation to buildings/grounds? The answer was, the \$142,000 was initially set aside for an assistant director of facilities. Based upon a review, the post was not necessary.

Continuing under Head 17, Mr. Chairman, regarding school psychologist, I am pleased to report that there are seven positions. Five positions are filled. The other two posts will be filled for the new school year. The psychologists are deployed by east, west and central zones.

There was a question regarding early childhood education, Is a quality assurance officer needed (was that the question)? The answer to that is, yes. The quality assurance officer works in collaboration with the Department of Health in providing support and guidance to private preschools and childcare facilities. The postholder works under the direction of the Director of Early Childhood Education in partnership with childcare providers and preschools to improve and enhance the quality of programmes and services provided by private childcare settings that serve children from birth to five years of age. The postholder is particularly responsible for fostering developmentally appropriate practices sharing high quality curricula and encouraging adherence to recognised standards of childcare for this age range.

Mr. Chairman, a question was asked, Are teachers reporting using Standards-Based Grading? The answer is, no. The teachers are currently using traditional grading this year. Teachers are converting percentages to a score of zero to four. So, there is an equivalence scale that has been developed, and teachers are utilising that scale to convert percentages into zero to four grades. We are now revising and developing proficiency scales for full implementation of Standards-Based Grading.

[The cost] of the transfer from St. David's office to the 44 Church Street office for the Ministry was approximately \$60,000.

I believe that answers the larger portion of the questions that were asked.

The Chairman: Thank you, very much, Senator Hayward.

Obviously, if there are any other questions that anyone wishes to ask subsequent to this debate, I hope Senators will feel free to approach Senator Hayward with those questions.

So, Senator Hayward, I would ask you to move your heads, please.

Sen. Jason Hayward: Mr. Chairman, I move that Heads 16, 17, and 41 be approved.

The Chairman: Is there any objection?

No objection.

So moved.

[Motion carried: The Ministry of Education, Heads 16, 17, and 41 were approved.]

The Chairman: Thank you very much, Senator Hayward.

Senators, we will now move on to the next head for debate this afternoon. And this is with the Ministry of Labour and Community Affairs and Sports. And one hour has been allocated to this particular debate.

In this case, we are going to be debating Workforce Development under Head 60, which is found on page B-263 of your Budget Book.

This afternoon, Senator Hayward will again be presenting these heads.

Take a few minutes to pause and catch your breath, Senator. You have had a busy day today.

MINISTRY OF LABOUR COMMUNITY AFFAIRS AND SPORTS

HEAD 60—DEPARTMENT OF WORKFORCE DEVELOPMENT

Sen. Jason Hayward: Mr. Chairman, I move that the Committee do now take under consideration Workforce Development.

The Chairman: Thank you, Senator. Please proceed.

Sen. Jason Hayward: Mr. Chairman, I am pleased to present the 2019/20 estimates of revenue and expenditure for the Department of Workforce Development, Head 60, found on pages B-263 to B-268 of the Budget Book, [and also includes pages C-13 and C-19].

The mission of the Department of Workforce Development, found on page B-263, is to *provide services to employees, employers and job searchers which strengthen the workforce in alignment with international standards, and promote sustainability and stability within the community.*

Mr. Chairman, the objectives of the department are:

- to provide employability skills assessment and career development services to job seekers in satellite locations, and more diverse delivery mediums;
- to enact legislative changes to transition the current National Training Board into the National Workforce Development Board;
- to transition the current Department of Workforce Development into a one-stop career centre;

- to develop an electronic job referral database for the one-stop career centre aligned with the National Workforce Development Plan; and
- to create a National Certification and Training Committee designed to meet the needs of employers and workforce demands.

[Sen. Michelle Simmons, Chairman]

Sen. Jason Hayward: Madam Chairman, as noted on page B-264, the Department of Workforce Development has been allocated a total budget of \$4,296,000 for fiscal year 2019/20. This budget is \$447,000 more than the 2018/19 budget allocation, reflecting a 12 per cent increase. Madam Chairman, this increase is primarily due to four staff and the associated programmes being transferred from the Community Education and Development Programme to the Department of Workforce Development. The budget for the Community Education and Development Programme totalled \$443,000.

Madam Chairman, the Department of Workforce Development comprises the three programmes as noted on page B-264—General Administration, Career Development and Training, and Labour Relations, [programme] 6002 which is attached to Ministry Headquarters. Programme 6001, General Administration, is responsible for the overall management and administration of the Department of Workforce Development. As seen on page B-264, business unit 70000, Administration, has been allocated a budget of \$651,000 for the fiscal year 2019/20. This budget is \$65,000, or 11 per cent more than the 2018/19 allocation, due to an increase in salaries for an IT temporary additional post for a two-year period.

The IT post will assist with upgrading and implementing changes to the various computer software applications within the department. The post will also be responsible for website, database and systems support to the department. Lastly, the post will provide technical support for PC users, help desk maintenance for the Bermuda Job Board, data collection and system analysis of operational workflows and services.

This section is staffed by four full-time employees, consisting of the Director, an Administrative Accounts Officer, a customer service representative and a temporary IT Officer, as stated on page B-266.

Madam Chairman, the purpose of programme 6003, Career Development, is to provide client assessment, job readiness and job search support. Where appropriate, clients may be referred for training and other support services that may increase the individual's prospects for suitable employment and job retention.

The Career Development Administration is also responsible for understanding current employment trends and the needs of job seekers to design services to reduce employment barriers. As a result, the

section works closely with employers, the Department of Financial Assistance to assist abled-bodied clients, and the Department of Immigration in regard to work permit policies. The 2019/20 budget allocation for the Career Development Programme is \$1,357,000, an increase of \$724,000 compared with the 2018/19 budget allocation.

Madam Chairman, business unit 70300, Career Development Administration, has been allotted a budget of \$443,000 for the fiscal year 2019/20. This represents an increase of \$254,000, a 134 per cent increase over the original 2018/19 budget allocation, owing mainly to the transfer of three staff from the Community Education and Development Programme to this section. The budget for Community Education staff totalled \$239,000. This section is staffed by five full-time employees consisting of the Career Development Manager, two community education coordinators, a programme assistant and an administrative assistant, as stated on page B-266.

The Career Development business unit, 70400, has been allocated a budget of \$914,000 for the fiscal year 2019/20, an increase of \$470,000 over the original 2018/19 estimate of \$444,000. This increase is due mainly to the transfer of \$400,000 for the Summer Employment Programme from business unit 70016, plus the transfer of \$144,000 for the Community Education and Development Programme operational costs, less salaries transferred to business unit 70000 in the amount of \$87,000 to fund the temporary IT post. This section is staffed by three full-time Career Development Officers, as stated on page B-266.

Madam Chairman, the purpose of programme 6004, Training, is to provide administration and oversight of the National Training Board activities. This section supports the apprenticeship programmes, the distribution of scholarships, professional designation training schemes and national certification of designated trades. The 2019/20 budget allocation for the entire training programme is \$2,288,000, a decrease of \$342,000, or 13 per cent, compared with the 2018/19 budget allocation.

Madam Chairman, business unit 70014, Training Administration, has been allocated a budget of \$283,000 for the fiscal year 2019/20. This budget is \$44,000, or 18 per cent, more than the original 2018/19 allocation, owing mainly to the transfer of one Community Education and Development Programme assistant. This section is staffed by three full-time employees consisting of a Training Manager, a programme assistant and an administrative assistant, as stated on page B-266.

Madam Chairman, monies budgeted for business unit 70015, Certification, remain relatively the same at \$616,000 for the fiscal year 2019/20. This is a small increase of \$1,000. The staff complement for this business unit is two Standard and Enforcement Officers, as noted on page B-266.

Madam Chairman, business unit 70016, Apprenticeship and Professional Development, has been allocated a budget of \$1,389,000 for the fiscal year 2019/20, a reduction of \$387,000, or 22 per cent. This decline is reflected in part by the move of the Summer Employment Programme funding of \$400,000 to the Career Development business unit 70400. The staff complement for this business unit is three Training and Assessment Officers, as noted on page B-266.

Madam Chairman, at this time, I will shift to page C-19, Grants and Contributions, which outlines additional monies budgeted of \$1,903,000 for fiscal year 2019/20. This budget is \$60,000 more than the original 2018/19 budget of \$1,843,000. These monies will fund the government-sponsored Scholarships, Apprenticeship Scheme, Sponsorship for Trainees, National Certification Training, and the Summer Student Programmes, as follows:

Monies budgeted for Scholarships remain the same, at \$525,000. This amount is forecasted for approximately 40 overseas and 60 local scholarship awards funded for 2019/20.

The funds allocated to the apprenticeship scheme remain the same, at \$446,000 for the purpose of supporting young Bermudians to gain entry to the workforce.

The funds allocated to Sponsorship for Trainees are \$114,000 for short-term training programmes, which are usually less than two years in duration. This budget remains the same as the 2018/19 allocation.

Funding for the National Certification Training Programme increased by \$20,000, to \$378,000. This certification training programme is steered by legislation and designed to ensure a benchmark standard for the designated trades. Currently, there are four designated occupations: electricians, automotive technicians, welders, and landscape gardeners.

Funding for the Summer Student Programme is increased by \$40,000, to \$440,000. A total of \$400,000 is allocated for the Summer Employment Programme, which provides career-related work experiences for college and university students. The allocated monies will fund approximately 80 students, giving them the opportunity to participate in a 10-week work placement during the summer months. The additional \$40,000 is for the Summer Internship Programme, a work shadow programme for high school students. The Summer Internship Programme was transferred from the Community Education and Development Programme.

Madam Chairman, revenue for 2019/20 is listed on page B-265, and is estimated at \$28,000. This budget estimates the expected revenues for fees charged to applicants registering for National Certification and Apprenticeship training in 2019/20. The statutory application fee for each applicant for national certification is \$265, and \$50 for apprenticeships. The budget estimates 100 new certifications at \$265 each, and 20 new apprenticeships at \$50 each.

Madam Chairman, the manpower estimates for the department, as outlined on page B-266, present twenty full-time posts, four more than in fiscal year 2018/19 due to the addition of four Community Education and Development Programme staff.

Madam Chairman, the performance measures for the Department of Workforce Development are found on pages B-267 and B-268.

The National Certification programmes are outlined in business unit 70015, on page B-267.

The number of persons sponsored for training during the year was 114, compared to 100 reported last year. The varied training programmes comprised the following:

- Canadian Association for Prior Learning Assessment Recognition (PLAR);
- Welding Inspector Training;
- Construction Association of Bermuda Safety Training;
- Bermuda Hospitality Institute (BHI) Guest-room Attendant Training; and
- Bermuda College Horticulture for Landscape Gardeners.

Madam Chairman, the department continues to provide professional development to ensure that Bermudians meet the standards for National Certification. A two-day training course was held in June 2018, through the Canadian Association for Prior Learning Assessment Recognition, to train members of the Occupational Advisory Committee and the Industry Assessment Panel. Participants developed a proficiency in methods for assessing individuals based on their informal learning, prior experience and on-the-job training.

There were 13 participants representing the automotive, electrical, and landscape industries, and the two Workforce Development Standard and Enforcement Officers, who completed this training. After the two-day training in PLAR assessment strategies, participants achieved certification as PLAR assessors to support National Certification. This creates a pathway for persons to obtain National Certification based on their work experience, demonstration and job portfolios.

Madam Chairman, significant progress has been made towards National Certification. The total number of registrants as of December 31, 2018, were:

- 226 electricians;
- 42 welders;
- 185 automotive service technicians; and
- 589 landscape gardeners.

There has been a reputable shift in the number of individuals who achieved National Certification this year. This is attributed to equipping the assessors with PLAR certification. As of December 31, 2018, the number of individuals certified included:

- 121 electricians;
- 29 welders;

- 168 automotive service technicians; and
- 99 landscape gardeners.

Madam Chairman, I am pleased to report that the total number of individuals certified as of December the 31st, 2018, was 417, compared to the 100 reported last year. The remaining non-certified registrants will continue to be assessed by the Occupational Advisory Committee for approval by the National Training Board.

Madam Chairman, the Apprenticeship and Professional Development performance measures are outlined in business unit 70016, on page B-267. The Scholarship Programmes included in this business unit are available to individuals who are 18 years old and who are interested in expanding their skills, knowledge and aptitude. Financial support is provided for local and overseas educational pursuits.

Madam Chairman, the Training Section awards scholarships based on local workforce needs, particularly in areas of under-representation by Bermudians. During the period 2018/19, the department provided funding for 42 students for overseas studies, of which 29 were new and 13 were continuing education. There were 58 students funded locally, of which 34 were new and 24 were continuing education. Additionally, 17 students were funded for General Education Diploma [GED] programmes. Therefore, the total number of students funded for this fiscal period was 117, a 23 per cent increase from the 95 reported last year.

Madam Chairman, the Career Development Section performance measures are outlined in business unit 70400, on page B-268. The Career Development Section prepares and supports individuals, particularly in the vulnerable population group, for work placement. As of December 31, 2018, a total of 1,499 persons were registered with the department as either unemployed or seeking alternative employment. In the previous budget year, 1,309 persons were registered with the Career Development Section. This was a 15 per cent increase in persons registered.

The department has been diligent throughout the community, encouraging registration for unemployed persons. As of December 31st, the department provided career development services for 799 persons during this fiscal year, of which 327 were new registrants. The career development services were varied and included:

- career and skill assessment;
- résumé critique and development;
- employability skills training;
- job search assistance; and
- career guidance.

As of December 31st, 364 career assessments were administered.

Madam Chairman, as a requirement of the 2015 Work Permit Policy, the Career Development Section received requests for referrals relating to 426 positions, which were restricted jobs within this fiscal

year. There were 420 suitable candidates referred. As of December 31st, there were 171 reported hires, compared to 116 for the previous year.

Within this fiscal year, significant upgrades have been implemented on the Bermuda Job Board, transitioning the referral process for restricted jobs, which were executed manually, to a fully electronic system.

This was a necessary enhancement to increase efficiency and shift to a paperless work environment. The soft implementation of a fully electronic referral system was incorporated in December 2018, utilising the Bermuda Job Board. Furthermore, the electronic Job Board was upgraded to encourage and solicit constructive feedback from employers who consider or hire applicants through referrals from the department. The feedback on individuals that were not hired is vital to address any development areas.

The Career Development Section increasingly utilises the Bermuda Job Board as a job search and referral tool to assist clients. Workshops are offered regularly and are designed to help persons with limited computer literacy skills to gain confidence and apply for jobs to increase their prospects of employment.

Madam Chairman, as of December 31, 2018, there were 14,639 candidates registered on the Bermuda Job Board, an increase of 2,308 from the previous year. The number of employers registered currently stands at 2,102, an increase of 228 from the previous year. There were 215 jobs posted as of December 31, 2018.

The Job Board continues to see considerable activity, with 155,335 job applications submitted to date since its initial launch in 2013. Since March 2016, there are 2,450 reported hires through the Bermuda Job Board, consisting of the following:

- 972 in 2016;
- 753 in 2017;
- 682 for 2018; and
- 43 hires to date for this year, 2019.

The Career Development Section facilitates employability skills workshops to equip job seekers with the tools necessary for employment success. As of December 31, 2018, 420 persons participated in training such as interview skills, résumé development and self-presentation skills.

The lower attendance to date is primarily attributed to no-shows and low registration. However, it is anticipated that the department will meet or exceed last year's total of 528.

ANNOUNCEMENT BY THE CHAIRMAN

SENATE VISITORS

The Chairman: While you take a breath, it's a long brief, Senator Hayward (thank you), I would just like to acknowledge the presence of the Minister of Labour

and Home Affairs and Sports, the Honourable Lovitta Foggo, in the Gallery, along with Permanent Secretary Mr. Christopher Farrow, and also the Director of Workforce Development, Mr. George Outerbridge. You are all very welcome.

[Committee of Supply, continuing]

The Chairman: Senator Hayward.

Major Achievements

Sen. Jason Hayward: Madam Chairman, I shift to highlight some of the additional work that was undertaken during the 2018/19 fiscal year. The Career Development team engaged in a public/private partnership to respond to the hospitality industry needs and to meet the demand of the workforce. The Guestroom Attendant Training Programme sought to identify an avenue for persons on Financial Assistance to re-enter the workforce. The Career Development Section worked across ministries and with industry stakeholders to create the well-timed opportunity for Bermudians. The success of the training initiative is attributed to this public/private partnership. The key partners that worked with the department included the Bermuda Hospitality Institute, Fairmont Southampton, Hamilton Princess and Beach Club, and the Department of Financial Assistance.

The Bermuda Hospitality Institute was instrumental in identifying an experienced facilitator and training curriculum through the American Hotel and Lodging Educational Institute. The department recruited participants, administered skills assessments, vetted candidates and sponsored the training. Additional help with résumés and interviewing skills was also provided.

The Department of Financial Assistance ensured that unemployed able-bodied clients were referred to participate. This training was made available to Financial Assistance clients to support them in returning to the workforce and making a valuable contribution to Bermuda's hospitality industry.

The Fairmont Southampton and Hamilton Princess provided facilities for classroom instruction and guided the practical component, pairing trainees with housekeeping staff to master the Fairmont standard and evaluate work performance.

Madam Chairman, each training [session] was held for a two-week period, including one week of classroom instruction and one week of a practical, hands-on component. At the conclusion, each participant completed an exam to measure their knowledge. Participants successfully completing the programme received a broad-based certificate from the American Hotel and Lodging Association, as a Certified Guestroom Attendant, a professional certification which indicates the highest standards of competence as a hospitality professional.

Madam Chairman, a total of three cohorts participated in this joint initiative, with the final cohort completing in April 2018. A total of 53 persons participated in the training, with a total of 21 reported hires at the onset of the tourism season. Three participants went further to obtain the Certified Tourism Ambassador Certification [CTA] through a partnership with the Bermuda Economic Development Corporation and are now engaged in entrepreneurship training.

Madam Chairman, the Career Development team collaborated with the Ministry of National Security on the 100 Jobs Initiative held in the spring of 2018. The job fair was attended by a total of 283 persons, with 32 persons being offered employment onsite and a further 77 potential hires reported by employers at the time, pending background and reference checks.

Following the 100 Jobs Initiative, the department continued to follow up with employers and candidates to determine the outcome.

Their efforts resulted in 29 subsequent confirmed hires over several months following the initial recruitment drive. As of December 31st, the total number of confirmed hires for the 100 Jobs Initiative was 73. Based on the success of the initial event, continuation is planned for early spring 2019.

Madam Chairman, the Career Development team has contacted employers to determine the level of support required for those employed to assist with job retention. Officers have met with candidates who did not secure employment. Additionally, officers continue to follow up with their clients who attended the initiative, but were unsuccessful, offering supportive services to improve their readiness for the workforce. Individuals have been sourced from the pool of candidates for the Hospitality Training and have also been referred for subsequent opportunities not related to the 100 Jobs Initiative.

Madam Chairman, the department is keen to increase awareness of their services through a wide-spread community outreach programme. For this purpose, the department has hosted Career Development, Training and Registration Drives in Somerset at the Allen Temple Church, and at the Devonshire Recreation Club. The intent was to take the department's services "to the streets."

Madam Chairman, the Summer Employment Programme, coordinated by the Career Development Section, assists Bermudian college and university students in the development of their career goals by connecting work experiences to their academic learning. Work assignments are professional in nature and based on entry-level job descriptions. Interns receive placements within government, private, and non-profit sectors, where they develop leadership and decision-making skills, time management, conflict resolution, and career and work competency standards.

Madam Chairman, the Summer Employment Programme commenced in May, with 95 students being placed in internships based on their areas of

study. Each intern completed up to 10 weeks [work] and received a \$5,000 stipend for work performed. This was originally budgeted for 80 students; however, because of the increased demand, approval was provided to put 20 additional students to work in the summer programme.

The Chairman: Senator Hayward, I was just thinking I should give you a time check.

Sen. Jason Hayward: Okay.

The Chairman: We have roughly 29 minutes left. And I am sure there are Senators around the table who would like to ask some questions. So I hope you can leave some time for that.

Sen. Jason Hayward: I will do, Madam Chairman.

The Chairman: Thank you, Senator Hayward.

Sen. Jason Hayward: Madam Chairman, the department sponsored eight Bermuda Electric Light Company [BELCO] apprentices for training in the United Kingdom. Three apprentices attended Uniper Engineering Academy, and five apprentices received training from Western Power Distribution. All eight apprentices were hired by BELCO in July 2018 and commenced overseas training the following month. The programme is a four-year apprenticeship, which consists of 18 months of overseas training in the United Kingdom and the remaining four years consists of on-the-job supervised training with BELCO.

The department sponsored five Bermuda Air Conditioning Group of Companies apprentices for training at the Bermuda College this [fiscal] year. The apprenticeship is for a five-year period, including theory and supervised training monitored by the Training and Assessment Officer.

Plans for the Upcoming Year

Sen. Jason Hayward: Madam Chairman, I will shift and try and highlight the work that will be undertaken in the 2019/20 fiscal year. The department, along with the National Workforce Development Plan Working Group, will lay the groundwork to support the implementation of the National Workforce Development Plan. The plan is very comprehensive and includes multiple recommendations. During this period, the department will work to achieve the following towards realising the plan for Bermuda:

- establish the National Workforce Development Board;
- create the framework for Bermuda's One-Stop Career Centre; and
- consult with key stakeholders to review the facility needs for the creation of Bermuda's first One-Stop Career Centre.

During the 2018/19 fiscal period, considerable consultation occurred with key stakeholders around the plan. Stakeholders and employers have given their support of the recommendations. The department recognises the importance of marketable work skills. During the consultation period, employers and human resource professionals consistently indicated the need for job seekers to develop and strengthen in the areas of soft and life skills.

Madam Chairman, these are critical characteristics needed for employee hiring and retention in the workplace, apart from the requisite technical skills. As such, with the transfer of staff from the Community Education and Development Programme, the Career Development Section plans to expand its offerings of employability skills training to include online and evening courses in community clubs, churches and schools. In other words, the Career Development Section will elevate the level of in-house training offered to clients and to the general public. Funds have been allocated to utilise experienced facilitators to deliver employability skills and additional training.

Madam Chairman, the Department of Workforce Development is making significant efforts to progress National Certification and recertification for electricians. In collaboration with Bermuda College, the department will launch an online training and testing platform, which will be facilitated through the Bermuda College National Training Alliance. This initiative will provide greater access to requisite courses for National Certification. Further, the online platform will be augmented by traditional on-demand classroom training. Both the online platform and traditional classroom training will be aligned with the 2017 National Electrical Code Standard.

Madam Chairman, the department is committed to ensuring that Bermudians are not disadvantaged and that they are prepared to meet the needs of the workforce. As I conclude my presentation, I would like to take this opportunity to acknowledge the hard-working staff of the Department of Workforce Development led by Director George Outerbridge. This group is at the forefront of assisting Bermudians in preparing for the world of work.

Madam Chairman, this now concludes my budget presentation for Head 60, Department of Workforce Development.

The Chairman: Thank you, Senator Hayward.

Would any other Senator like to speak to Head 60, Workforce Development?

Senator Robinson.

Sen. Dwayne Robinson: Thank you, Madam Chairman.

This was a very comprehensive brief. Most of my questions are actually answered, so I am very pleased by that. My two remaining questions are just for my personal clarification, Madam Chairman, the

average sponsorship per person, which is on page B-267, under business unit 70015, I just simply want to know the reason for the fluctuation in the amount of sponsorship per person. It probably could be because of the allocation or reallocation of funds. But just for my personal knowledge, I just want to ask that question.

Now, I would like to go to [page] C-19. I am looking at line item 6866, and I noticed there was a marked decrease in funding in this particular section, from 2017. But the funding has remained the same throughout the original estimate and the estimate of 2019/20. I was just wondering if less funds are being dedicated to the scholarships in this particular line item, or is there a marked decrease in those receiving or applying for these particular scholarships?

Sen. Jason Hayward: Which line item was that? For clarification, Madam Chairman.

Sen. Dwayne Robinson: Under the Department of Workforce Development, line 6866.

The Chairman: Thank you, Senator Robinson.

Sen. Dwayne Robinson: Thank you.

The Chairman: Would any other Senator like to speak to this head?

Senator Kempe.

Sen. Nicholas Kempe: Thank you, Madam Chairman. Thank you, Senator Hayward.

My questions were actually on a similar line. A lot of my questions were answered, but looking at the average sponsorship per person, I guess what I was trying to understand was is there a fixed bucket of money per sponsorship, and if more people applied than were expected does the amount per person get [reduced]? Or is it completely needs based, and it is [because] people who come and apply are above that median threshold and that is why the amount goes down? And how does that relate to the sitting target.

I think we already have the answers to why Career Development has increased this year and I believe it is because that is the entirety of the allocation from the Department of Education from the year we are in and from Cultural Affairs and Sports the year before. I think I have seen that same \$700,000 floating across a number of heads. But I did not want to make any assumptions.

Looking at the Job Board results, I am very pleased that this initiative is still going strong. Sorry, on page B-268, it is one of the performance measures. The board seems to be more and more engaging each year as it goes forward, exceeding forecasts, which is excellent news. It is also good to see that it is not just people registering jobs on the Job Board because they have to; but we are also see-

ing a number of individuals hired through the Job Board increasing and exceeding forecasts.

I guess my question comes down to . . . and I ask this because I do not have sort of cable subscription at home, is the cablevision channel that ran the Job Board adverts still running?

Looking at C-19, and, again, my colleague, Senator Robinson, has asked this. I noticed that this amount is similar to the amount in scholarships that were increased under the . . . I cannot remember whether it was the Department of Education or the Bermuda College line item. So I am wondering if the scholarships were transferred from Workforce Development to Education, or where that funding allocation went. I noticed that apprenticeships have been bolstered, but the actual scholarships line, I want to know if that was transferred to the Education budget in 2018/19.

Those are all of my questions. Thank you, Madam Chairman.

The Chairman: Thank you, Senator Kempe.

And, Senator Hayward, we recognise that you are getting answers to the questions, and I can talk for another half a minute . . . but I won't.

[Laughter]

The Chairman: Senator Hayward, do you have some answers?

Sen. Jason Hayward: Yes, the average sponsorship per person will fluctuate because the sponsorship is needs based. And so it is not a fixed amount set per head.

Scholarships remained flat with the cost centre; you will find the missing amount is actually the money that was transferred to Bermuda College.

The Job Board is still running on the cable television, free of cost on channel 87.

The Chairman: Are there any other Senators who may wish to speak?

Senator Hayward, if we cannot have answers to all of the questions, then maybe we can just defer until afterwards. But would you like to proceed and move your head . . . or do you have more answers?

Sen. Jason Hayward: I believe I satisfied the questions that were asked.

The Chairman: Okay.

Sen. Jason Hayward: And, with that, Madam Chairman, I would like to move that Head 60 be approved.

The Chairman: Is there any objection?

No objection.
So moved.

[Motion carried: Ministry of Labour, Community Affairs and Sports, Head 60 was approved.]

The Chairman: Thank you, Senator Hayward.

Now, we are moving on to the next Ministry, which is the Ministry of Health. We are going to look at Head 24, which is the Hospitals, and Head 55, which is Financial Assistance. I believe that Senator Jason Hayward is up again.

Do you need to take a breath? Have some more water.

We will be going to page B-184 for the Hospitals, and we have two hours for both of these heads.

Senator Hayward.

MINISTRY OF HEALTH

HEAD 24—HOSPITALS

Sen. Jason Hayward: Madam Chairman it gives me great pleasure to present the budget for the Ministry of Health, Head 24, Hospitals, which can be found on pages B-184 to B-185 of the Budget Book.

Madam Chairman, the mission of the Ministry Headquarters is *to make Bermuda healthier*.

Some highlights of the Ministry's performance measures are better demonstrated in the Ministry of Health Roadmap 2019, which serves as the Ministry's annual corporate plan and provides a helpful overview of the Ministry as a whole. The Roadmap 2019 has been published on our website at www.gov.bm under the Health Library.

Madam Chairman, Head 24, Hospitals, represents the amount dedicated by the Government toward hospital care for subsidised persons, which is 100 per cent of children from birth to age 18, or 21 if in full-time local education; 100 per cent for indigent; and 70 per cent of hospital costs for seniors aged 55 to 74; 80 per cent of hospital costs for senior aged 75 years and older. This contribution by the Government, funded from the taxes all of us pay, serves to dramatically reduce the burden of insurance costs on families and seniors. It is a tremendous contribution to the community and [accounts] for almost 50 per cent of all hospital funding.

Madam Chairman, page B-185 of the Budget Book lists the allocations of the Hospitals Subsidy Budget to the various population it serves. However, it should be noted that these are prorated estimates and, in fact, the legislation requires the hospital to provide the care to the eligible subsidised population for the contribution appropriate in the budget.

Madam Chairman, Bermuda remains severely challenged, like many developed countries, in providing affordable health care services to an ageing and increasingly unhealthy population. Having the Island's only hospitals, and being the largest provider of health care services, Bermuda Hospitals Board [BHB] is fre-

quently a focus in discussions of how to manage costs.

I would like to start with a national view. Madam Chairman, whilst diagnostic technologies and services, specialist physicians and surgeons, and leading-edge therapies have all been developed and provided at our local hospitals, and increasingly in the private sector, these do not address Bermuda's biggest issues related to health: a growing senior population that has increased from 14 per cent in 2010 to [a projected] 20 per cent in 2020, and people with multiple chronic diseases called "multimorbidity." We cannot lose specialist services which serve many people on the Island very well.

But the bigger question is how the entire system can respond to the community's most pressing health needs. These tend to play out in the hospital at the moment, as it is frequently the only safety net for some of the most vulnerable and unwell people in our community. This is the big picture that we have to address, and BHB is a willing partner in seeking to address it. For just as government, businesses, and individuals in Bermuda cannot afford the spiralling health care costs, neither can our hospitals.

Both King Edward and the Mid-Atlantic Wellness Institute are working with increasing demand, comorbidity, limited ability to reduce the surge of people in need coming through the doors, and limitations on discharging people safely, all in the context of restricted finances and suboptimal facilities to manage the increase.

BHB Financial Position

Sen. Jason Hayward: Madam Chairman, perhaps the most complex challenge facing our health care budget is that Bermuda Hospitals Board cannot fully reduce the country's burden of hospital costs on its own. An effective solution to reduce hospital costs requires the development of solutions outside of the hospitals, both to avoid admissions and to care for post-acute patients when they are discharged.

BHB is in the second year of its Financial Recovery Plan, which was developed in response to a one-off \$25 million budget cut to hospital subsidy in fiscal year 2018. The Financial Recovery Plan identified a total savings requirement of \$29 million over a four-year period. The expectation of a fixed income agreement being introduced in 2019 means that this plan is now being revised and further savings will have to be made.

Madam Chairman, in fiscal year 2018/19, BHB expects to achieve a break-even position, having delivered a deficit of \$21 million in the fiscal year ending 2018. This position is, however, non-recurrent and will be supported by a number of technical and one-off adjustments. These include changes to accounting policy on inventory, changes in depreciation policy, and a one-off change relating to the Nurses Superan-

uation scheme where provision for this payment is no longer required.

Although not cash-backed, this has allowed BHB to reach agreement on fee [charges] related to MRI and CT imaging without any requirement for additional funds, thus supporting the wider governmental financial position.

While there have been early successes in holding expenses close to the level last year, reduction in revenue related to dialysis and inpatient revenue are projected to decline to \$87 million, compared to \$91 million in 2018. Long-term care revenue for 2019 is projected to be \$27.5 million (compared to \$29.6 million in 2018), with average occupancy exceeding 95 per cent for both years. Dialysis revenue for 2019 is projected to be \$23 million, and has continued to cause significant pressure on BHB finances.

Madam Chairman, turning to financial year 2019/20, BHB expects operational expenses to increase by at least 1 per cent, reflecting the impact of inflation. This will add \$3.5 million to the forecast out-turn expenses position for 2019 of \$335 million.

BHB expects to continue to invest capital funds in its ageing infrastructure, but it is focused on its future strategic requirements by reserving funds within its capital programme for two key developments: (1) the development of an electronic health record which will benefit the entire population of the Island and will support strategies to improve population health; and (2) the production of a business case for the redevelopment of our KEMH and MWI sites. An initiative that will dramatically improve the facilities' health care is provided, while reducing annual running costs.

Madam Chairman, BHB has invested significant resources in the delivery of its Strategic, Clinical Services, and Financial Recovery Plans. These plans aim to deliver high-quality care within available resources. BHB will not negatively impact clinical quality or financial balance as a result of moving to capped revenue. However, in order to manage utilisation, which, along with inflation, is the main driver of costs, it may have to place clinical controls on the access to non-urgent care.

This may be accompanied by a review of the current clinical thresholds in place. The new funding model will require BHB to be more efficient in its use of resources. All processes and procedures will be carefully reviewed, and redeployment roles for staff will be sought where possible.

Hospital Utilisation and Capacity

Sen. Jason Hayward: Madam Chairman, like most hospitals, Bermuda Hospitals Board has evolved and grown in line with international best practice and technology. It can treat infectious diseases, manage trauma, mental health and substance abuse issues, and provide the latest specialists and therapies for diseas-

es such as cancer. BHB has also followed international standards by transferring intellectual disability residents out of the institutionalised hospital setting into its group homes.

Madam Chairman, BHB currently sees over 36,000 attendees annually at the Emergency Department, admits about 500 patients per month for inpatient care, has over 1,100 child and adult mental health service users, undertakes over 8,900 surgeries per year in the operating room, conducts over 56,000 diagnostic imaging tests and 3 million lab tests, supports the births of over 500 babies, and cares for 142 dialysis patients, 102 long-term care residents, and 108 hospice patients per year.

Its skill set is deeper with a range of specialists including cardiologists, urologists, neurologists and emergency. It runs every day, all day, and responds to national disasters, flu outbreaks, and anytime someone in our community has an accident, a stroke, a heart attack or other life-threatening illness or accident.

At the same time, as people visiting the Emergency Department may have experienced, BHB is under increasing pressure. It is not just the numbers of people coming into Emergency, but it is the complexity of the cases and the multiple health issues they have, the length of time that they need for assessment and diagnostics, and the increased likelihood of their being admitted to hospital. Admissions are up nearly 20 per cent compared to last year. People are having to wait in the emergency room for a bed on the ward, and at one point in January, 19 of the 23 emergency beds were filled with people on the ward. And yet, discharging patients remains challenging.

Families may resist their senior's return, there may not be a nursing home space, community care services are not available enough to support seniors safely back in their homes, and sometimes it is just because it is raining, or a family member does not come to pick up them up.

Madam Chairman, this is a major issue in King Edward, but there are similar problems at the Mid-Atlantic Wellness Institute where beds are also limited. The secure ward, Somers Annex, is over-filled by 30 per cent, and the Somers Ward inpatient unit is nearly 80 per cent full. Even in Child and Adolescent Services, where normally occupancy has historically not exceeded much above 20 per cent, inpatient occupancy in the last two months of 2018 was 88 per cent and 85 per cent [respectively], and this continued into January.

In pure numbers, mental health inpatient numbers rose from 207 in 2016/17, to 277 in 2017/18, a 35 per cent increase.

Madam Chairman, fiscal year 2018/19 also saw the culmination of work between BHB, the Ministry of Health, and the Ministry of National Security to relocate a prisoner with a challenging mental health

diagnosis to St. Andrew's Hospital in Northampton, England. Secure facilities and trained specialist staff of the kind required to house a patient with this individual's complex mental health needs do not exist in Bermuda. Working with Government, BHB did successfully provide round-the-clock care while the individual waited to be transferred to the UK at a cost of \$400,000. BHB continues to liaise with St. Andrew's so that ongoing needs are assessed. It manages an annual budget of \$280,000 to support this individual's care.

There are also changing dynamics in the group homes due to the ageing of people with intellectual disabilities and mental health problems. About 55 per cent of the people in mental health group homes are over 65. That is a considerably higher rate than the community, and the increasing physical health issues that this population is experiencing are straining the service.

Intellectual disability group homes are similarly pressured by the increasing number of ageing residents and increasing numbers of intellectual disability service users who are currently residing in the community and need more support. But the staffed group homes, being at capacity, cannot accommodate them.

Madam Chairman, this increased pressure was predicted by BHB's 2018 Clinical Services Plan, a document publicly available on the BHB website. It includes input and insight from over 450 BHB staff leaders, community partners and members of the public. This plan looked ahead to 2023.

On the acute care medical side, if no changes are made to strengthen community health and post-acute care and so reduce admissions and help BHB discharge patients, 75 more hospital beds will be needed in just four years. But beds in hospitals are not easily the answer as patients, especially seniors, quickly lose physical strength in a hospital bed and are more prone to infection and mental health issues. Hospital beds are also vastly more expensive than community care. Our country cannot afford it and our loved ones deserve better in care.

Reducing Utilisation

Sen. Jason Hayward: Madam Chairman, the Patient-Centred Medical Home has continued to care for people who have chronic illnesses who may be underinsured or not insured. Numbers have increased from 167 last year to 213. Last year, the Government provided the clinical data supporting reduced Emergency [Department] attendances, fewer admissions to hospitals and improved health outcome. And this has continued regarding referrals persons and demographics.

Of all referrals to this service, 57 per cent come from GPs, 11 per cent from the Department of Health, 29 per cent come from BHB hospitalists in the Emergency Department, and 10 per cent from specialists. Fifty-one per cent of patients are men; and

49 [per cent] are women, with the biggest age group being from 50 to 69 [years old]. Fifty-three per cent of patients are uninsured with the remainder on different health insurance policies. Nearly 50 per cent of patients are obese and 28 per cent of patients have five or more co-morbidities. The most prevalent diseases are hypertension (60 per cent) and diabetes (40 per cent).

BHB Strategic Activities

Sen. Jason Hayward: Madam Chairman, against the clinical pressure to do more is the pressure to reduce costs while improving quality. These are key platforms of the BHB strategy, which took on the Institute of Healthcare Improvement's triple aim in 2016 to reduce the per capita cost of care while improving quality and the experience of patients.

As part of this strategic plan, BHB recently partnered with the prestigious Johns Hopkins Medicine International [JHMI]. While the primary goal of this association is to support the education and training of its clinical staff, BHB is working with Johns Hopkins specialists to assess its stroke service with a view to making improvements and is going to accept residents from JHMI on one-month rotations, starting in the Emergency [Department].

BHB is also working with the acclaimed patient safety and service improvement experts from the Institute of Healthcare Improvement, initially focusing on reducing the incidence of falls, pressure injuries, and central line infections. A service improvement programme is also underway with the support of KPMG who are providing people experienced in supporting hospital services to become more efficient.

Madam Chairman, two service improvement projects provide good examples of this work. Weekly multidisciplinary board meetings which discuss patient cases in detail are now supplemented by daily 30-minute bullet rounds where the activity for each patient is reviewed. Delays are picked up quickly and potential roadblocks to discharge are highlighted earlier so discussions with families and patients can start before problems arise.

Pilots have run in two inpatient wards in the Acute Care Wing. The result has been a reduction in length of stay in both wards despite increases in admissions. It should be noted that a reduction of one day in length of stay can increase up to 15 per cent more capacity in a ward, helping open up beds more quickly to more people. Comparing December 2018 to December 2017, on one ward length of stay fell by 2.4 days, despite admissions rising by 39 patients over the same time period, and on the second ward, length of stay fell by 3.1 days, despite admissions rising by 27 patients over the same period.

Meanwhile a project in surgery has seen a reduction in surgery cancellations—a record of zero cancellations between September and December

2018, was only broken when a surge of admissions that included a number of very serious flu cases, impacted King Edward in January. Improving communication with patients prior to surgery is reducing one of the biggest causes of cancelled surgeries, patients not showing up, or showing up but not having completed their pre-surgical preparations or being too unwell.

Estates Management and Facilities

Sen. Jason Hayward: Madam Chairman, while the maintenance of the Acute Care Wing is paid for as part of the public/private partnership, the median age of the Bermuda Hospitals Board's General Wing and Mid-Atlantic Wellness Institute facilities is over 50 years old and has been subject to decades of under-investment. How BHB can best maintain or replace its ageing facilities in the future is already being investigated. As already mentioned, an Estates Master Plan has been developed, looking at several options as to how best to deliver services from our facilities. Further work is underway to finalise the business case for investment, which will deliver annual revenue savings.

BHB People

Sen. Jason Hayward: Madam Chairman, like many workplaces in Bermuda, BHB acknowledges that harassment, bullying and incivility contribute to a poor work environment. This past year, in response to an invitation by myself, the presidents of the two organisations partnered with me in my capacity as president of the Bermuda Public Service Union . . . the two organisations partnered with the Bermuda Industrial Union to roll out the Standing Strong Against Harassment, Bullying & Incivility Campaign. The campaign included a new policy, with tools to support employees and managers in combating harassment, bullying and incivility in the workplace.

The roll-out of the campaign featured over 30 presentations to 1,800 BHB staff, led by myself and the BHB Chief Operating Officer, Scott Pearman. Anchored by BHB's newly restructured Organisational Development Department, Human Resources is both supporting staff and managers by developing positive work environments and driving accountability via the introduction of an Attendance Management Programme which holds unjustified excessive leave while better supporting those staff with legitimate illnesses.

Bermuda Hospitals Board has also continued to offer opportunities to young people interested in health care careers. In 2018, a record 70 local students took part in BHB's Summer Student Programme and, for the second year, Bermuda Hospitals Charitable Trust donated \$350,000 to BHB to fund its scholarship programme and also support training for staff.

Madam Chairman, this concludes my presentation for Head 24, Hospitals.

The Chairman: Thank you, Senator Hayward.

Would you like to go on to the next head, Financial Assistance, after a brief pause? That is Head 55 in the Budget Book for those following, and it begins on page B-186.

HEAD 55—FINANCIAL ASSISTANCE

Sen. Jason Hayward: Madam Chairman, Head 55, Financial Assistance, found on pages B-186 to B-189 of the Estimates of Revenue and Expenditure.

The mission of the Department of Financial Assistance is *to ensure that Bermudians with insufficient financial resources have access to services in order to gain, maintain or regain a minimum standard of living while encouraging personal and economic independence.*

Madam Chairman, the total current expenditure is estimated to be \$51,484,000. This is \$200,000 less than the prior year because the grant funding for Teen Haven was transferred to the Department of Child and Family Services when the two departments were moved to separate ministries.

The Department of Financial Assistance budget constitutes 21 per cent of the budget allocation for the Ministry as a whole. This allocation of funds will continue to maintain grants, Financial Assistance programme support, and the child day care scheme during the fiscal period.

[Change in Chairman]

Sen. Jason Hayward: Mr. Chairman, before I present the budget, I would like to set the context about the Financial Assistance programme, as there are many misconceptions about the programme and the population it serves.

To begin, it is important to understand that most Financial Assistance recipients are seniors, disabled persons, and child day care recipients. Only 26 per cent are able-bodied adults. In fact, as at January 2019, there were 3,258 recipients in total, as follows: 1,184 pensioners, seniors; 896 persons with disabilities; 214 able-bodied unemployed; 352 persons with low earnings; and 612 child day care allowances.

Financial Assistance is committed to making work pay and its award structure provides a foundation for this as persons do not lose all benefits if they find some employment. More work is being done to advance this policy to help get more people back to work. Mr. Chairman, in light of the profile of the persons in need of such assistance and the type of support granted, it has become clear that in order to bring much needed improvements to the programme we have to focus on making the programme financially sustainable, improving efficiency, and ensuring a more equitable allocation of awards.

Mr. Chairman, I now move on to the presentation of this budget.

Capital Expenditure

Sen. Jason Hayward: There was no project planned for the year 2019/10

Manpower

Sen. Jason Hayward: The full-time equivalent [FTE] count for 2019/20 remains at 34, as detailed on page B-188. The caseloads at the department continue to remain steady, with Financial Assistance workers maintaining over 200 clients per worker.

Management Consulting Services has commenced a review of the organisational structure and operation of the department to determine the optimal design or framework to meet current and projected client demand. This was the first recommendation accepted from the 2018 Reform Group Report.

Output Measures

Sen. Jason Hayward: The Output Measures for 2019/20 budget estimates are listed as two business units at page B-187. They are, 65050, Grants and Administration; and 65080, General Administration.

[Sen. Michelle Simmons, Chairman]

Sen. Jason Hayward: Madam Chairman, cost centre 65050, Grants and Administration, is estimated at \$49,511,635. These funds maintain grants to Financial Assistance and the child day care programme. There is no change in the amount from the prior year, and all programmes remained static in activities whilst the department transitioned, with the introduction of a new director.

Madam Chairman, there are two types of grants awarded from these estimates. The first involves the issuance of funding to support community-based programmes such as the Society for the Blind, Meals on Wheels, STAR (Supportive Therapy for persons with AIDS and their Relatives), Salvation Army Shelters, and Teen Haven.

The total support to these helping organisations amounts to \$828,000. The remaining \$48,683,635 serves as the total budget divided between the assisted programmes for eligible individuals of \$45,283,635, and the child day care scheme of \$3,400,000.

Madam Chairman, this year, the department addressed recommendation number 5 of the Reform Group Report by eliminating the job search sheets once used by able-bodied and earnings-low Financial Assistance clients to perform job search activities. The recommendation read, "firmly establish the job search component for able-bodied unemployed financial as-

sistance clients under the Department of Workforce Development and target job searches as part of a case management plan that provides appropriate guidance.”

In a previous Ministerial Statement, there was mention that clients, who must participate in job search activities as a part of their eligibility requirement to receive a financial award, must now utilise the Bermuda Job Board. The officers at the Department of Workforce Development stand ready to assist them in finding suitable employment opportunities.

Madam Chairman, there were 38 investigated cases of alleged abuse during the reporting period. Some of the reported cases involved overseas travel, overstated timesheets from caregivers, receipt of financial assistance whilst being gainfully employed, undisclosed income, returned to the Island less than one year ago, and unreturned funds from rest or nursing homes where client passed without notification to the department.

Madam Chairman, a total of \$197,018 was owed at the beginning of the year. The investigative officers were successful in recouping \$29,729, leaving an outstanding amount of \$167,288 owing to the department. The department is working closely with the Attorney General’s Office to consider all options to obtain these funds.

Madam Chairman, the total estimate for cost centre 65080, General Administration, for 2019/20 is \$3,172,263. There is no change from the prior year. The largest expenditure in this unit is for the manpower that manages cases and conducts oversight; therefore, salaries represent the largest component, as can be seen in the analysis on page B-187. Nevertheless, salaries represent less than 6 per cent of the total spend on Head 55.

Major Policy Changes

Sen. Jason Hayward: Madam Chairman, there were no policies changes this current year. However, as a result of reform planning and feedback captured from the various audit reports, the following proposed changes are being considered for the coming year:

- Re-examine the overseas travel policy in an attempt to reduce abuse of the financial programme. The penalties should be more punitive. The department should have the authority to refuse future applications from individuals where it can be proven that they disregarded the rules on multiple occasions. Perhaps better known as the ‘three strike rule.’
- Amend the Financial Assistance legislation to clarify the definition of a “senior” as being distinct from a person who receives a pension before the age of 65. There are instances where employers are providing the option of early retirement. In some cases these individ-

uals are still able to work, and should be treated as ‘able-bodied.’

- Amend the Financial Assistance Act 2001 to more clearly define “financial assistance” by indicating what a “minimum standard of living” actually means in terms of a basket of goods and services. The cost of living from year to year has constantly increased making this welfare programme difficult to sustain. Extensive research in respect to the ‘low income threshold’ and other market data like rental and utility costs will be examined to determine where changes should occur.

Plans for the Upcoming Year

Sen. Jason Hayward: Madam Chairman, in keeping with the work performed by the reform group, the department will undertake to complete the following:

- Conduct more frequent public awareness media activities to ensure that the community is well informed.
- Request the Attorney-General’s Chambers to provide a legal opinion advising whether a person who inherits a property from a senior who has benefited from financial assistance could be statutorily required to pay back some portion of the funds to Government.

There has been much debate in the media in respect to this topic following its first announcement in the House. The department has many examples where parents convey property to their relatives without receipt of benefit. The parent is then removed from the home only to seek financial assistance. In this instance, the “reclaim” is two-fold: Where a senior conveys a property, receives no benefit of sale and then requests to be a recipient of financial assistance, the government should be able to recoup a percentage of the funds used to sustain the well-being of the senior from the inheritance;

Secondly, as expressly stated, if one inherits a property where the owner received financial assistance prior to their death, a portion of the sale should be provided to the government to recognise the benefit received during life.

Madam Chairman, nobody wants or intends to deprive seniors of their properties. But in the face of an ageing population and a rising need for assistance, the country has to find other ways to fund the long-term care of financial assistance recipients. It is fairest to taxpayers that seniors use their assets to fund their care, rather than the government paying and their next of kin keeping the assets.

- Review social policy in other jurisdictions to determine whether any mechanisms are in place to enable governments to recover financial benefits paid to seniors who own property.

- Financial Assistance staff will participate in extensive customer service training to improve client experience.

The department plans to work with the government nutrition team to promote a nutrient-rich shopping list. There are plans to increase the list of forbidden items, or those goods that cannot be purchased using a food card issued by the department. Currently the only items banned for purchase are alcohol and tobacco.

Madam Chairman, that ends my presentation of Head 55, Department of Financial Assistance.

The Chairman: Thank you, very much, Senator Hayward.

Would any other Senator like to speak?

ANNOUNCEMENT BY THE CHAIRMAN

SENATE VISITOR

The Chairman: But before you do, I would like to acknowledge the presence in the Gallery of Dr. Jennifer Attride-Stirling, the Permanent Secretary for the Ministry of Health. Welcome Dr. Stirling.

[Committee of Supply, continuing]

The Chairman: Any other Senator wish to speak?
Senator Robinson.

Sen. Dwayne Robinson: Thank you, Madam Chairman.

I am looking now at B-184, in the general summary 2401. My biggest question here as far as this section was the mental health initiative that the government had mentioned, and especially with us passing similar legislation to assist in these matters, I was interested as to why there had not been any additional funding to the Mid-Atlantic Wellness Institute. I figured that this would have been one of the leading places which would benefit from this additional awareness of mental health.

Now, moving over to the breakdown over here on page B-185. I noticed that the, as we all know, that the seniors are the largest subsidy. But I realised that the number here under Aged is the exact same number that is budgeted for 2018/19 that has been budgeted for 2019/20. However, we see in the revised estimate that this is already been eclipsed by \$9.2 million. So, I am wondering if that has already gone over, according to the revised estimate how exactly the Government intends to meet the 2019/20 estimate amount with an ageing population, Madam Chairman.

Moving to Head 55, I would like to ask if the same number of people are receiving financial assistance, [unless] this is just a result of efficiency, [why do] I notice that the amounts of expenditure and funding here are trending to decrease?

The Chairman: Which items are you looking at—

Sen. Dwayne Robinson: I am just speaking, speaking broadly, here.

The Chairman: Just in general, then.

Sen. Dwayne Robinson: As far as the 2019 estimates for pretty much all the categories. The decrease is not very large, but across the board there have been decreases in the budgeted amounts. So, I am just wondering if this is a result of the efficiency that was mentioned in the brief, or if there is just fewer people receiving financial assistance.

And my other question is, has the shift in directors, or the transition from one director to another, affected the 2019/20 estimate, and if so, can we get maybe a bit of a . . . I would not say a sneak peak, but a bit of a heads-up on what type of impact that might have if it did affect the 2019/20 estimate as far as funding goes.

Now, moving over to page B-188 where I have heard as well in the brief and from my own research that there will be increased scrutiny as far as how the awards are given and how they are received, I am wondering if we see here in the full-time equivalents that the staff has remained the same. I am just going to ask if this increased scrutiny is sustainable with the current staff? Will this be enough that they carry out that increased workload? Or is there a system that is currently in place to make it efficient that the current staff is able to keep up with this increased scrutiny as far as who is awarded?

And just to jump over to B-189, for my personal knowledge, I would like to ask under business unit 65080, number two. The goal here is to complete 700 site visits for financial assistance clients during the year. And as we see, this has not been achieved since 2017/18 and the target outcome of 2019/20 is only 500. So, it comes back to whether or not we have an issue here with resources or if this is just a strategy being employed by the Government.

But my question is, are there any negative implications for not visiting the targeted [number of] assisted clients? And if so, what might they be? And with that, I conclude my questions, Madam Chairman.

Thank you.

The Chairman: Thank you, Senator Robinson.

Would any other Senator like to speak?

Sen. the Hon. Joan E. Dillas-Wright: Madam President—

The Chairman: Senator Joan Dillas-Wright—

Sen. the Hon. Joan E. Dillas-Wright: Yes, thank you, Madam Chairman.

I would just like to, first of all, start with Head 24, the Hospital, and I wanted to ask a question about the patient-centred medical home. I mean, I am aware of, you know, the high numbers of patients that do turn up at the hospital. And some of them arrive because of financial situations or whatever, they will go to the emergency department rather than go to their GP and if they do have, as I say, financial problems, then that is where they will end up and it ends up putting quite a number of patients, you know, having to wait for beds. But I know that the hospital did introduce the patient-centred medical home [programme] and I wanted to find out how many diseases must the patient have, or the client in the emergency department is presenting. Is it—because it has been stated that the average individual will have about five medical issues or medical problems and it could be hypertension, diabetes and a whole host of things. So, I just wanted to know if there was a criterion for the number of diseases they must have to be entered into this patient-centred medical programme.

The other question I wanted to ask is, How many doctors are assigned to this programme? And do they volunteer or are they, you know, budgeted and paid by the hospital? So that was one thing.

I wanted to ask, just for my own edification I suppose, a little bit about the nurse superannuation scheme, and I am aware of it in the past and I just wanted an update on exactly . . . I know it has ended, and I just wanted to have some information about the scheme and whether or not there are any more nurses at the hospital, or staff at the hospital, who would have qualified or if they have all been dealt with.

I want to ask a question about dialysis because dialysis has certainly been a major issue in the Island and, so, I think I heard the Junior Minister say that there were about 140 people on dialysis. I just wondered, I know there has to be some communication with the dialysis programme in the community, and I just wondered whether they are also put on a . . . if we have patients who are on dialysis who qualified for a kidney transplant, whether or not the hospital has some means of working with them or do they do their own programme and with the overseas provider.

I was not sure, I have not checked with regard to the costing now of the dialysis, so if I can just be given some information about the current cost and the number of patients. I think he did say 140, but I just wanted to know whether or not that is a constant number or are we still adding to it. And the other thing is I know we have an arrangement with the New England Bank for transplants and I just wondered—I am sure that continues, but whether or not there has been any transplants this past year.

I may have some more, but I will just go over to the . . . I just wanted to ask a question about . . . yes, okay. The MWI . . . I think we are . . . as somebody who knows the hospital quite well, I think it is really disturbing that the number of clients who are

living in the group home, the residents are ageing. And so, aside from the fact that we have a number of, you know, in the regular population that we have these individuals . . . and I wonder if there are any plans for them in terms of how much help they are going to require because if they are ageing and they are also having the physical problems. I know that there is something in the budget about rebuilding . . . not rebuilding it, but doing some renovations to MWI. I just wondered if these clients who live in these residences in the community whether or not they have been factored into whatever the future holds for these clients.

With the St. Andrews hospital, I was pleased at long last to see that there was an arrangement with St. Andrews, although it is costing the board and MWI tremendous amounts of money. I think in the past there was always the view that Bermuda . . . we do not have that many patients at MWI who need a secure environment and what it would cost at the time to have built such a forensic unit. I mean, at one time it was talked about doing it at the other end, at the prison service, having part of it turned over. But anyway, \$400,000, is it dollars or is it pounds? I am not sure I heard it right. But that is a tremendous amount of money, and I wanted to know in terms of a time frame, is there continuous treatment or is there any plan for review after a year or two? Or is there any plan for—in the future—that this person can be brought back to Bermuda, you know, treated and returned? Usually such individuals commit criminal offences. So, I do not know if this individual was committed for a particular span of time.

I think I heard that . . . I just want confirmation that they said there were 75 for the group homes. I am sorry I am going back and forth (I just picked up my notes, here) . . . that 75 more beds are required for the learning disabled. And I just wanted to know, are these clients, patients, are they in MWI at the moment or are they waiting to be placed or are they in the community who have aged, and they need to be in a group home or an environment?

I was glad to hear that the Johns Hopkins . . . I mean medicine, that is a very, very good arrangement. It has been in the past and we know that Dr. Malcolm Brock is there, so we do have some history of some communication and they have been extremely good in providing nurse training as well as helping our doctors when they have to . . . creating their skills and things like that.

I will go over to financial assistance, and I may have to come back to the hospital, but I just wanted to ask . . . I was very concerned to see, I mean, this has always been a problem, but when you read that the case workers there have 200 clients—

The Chairman: Which page are you on?

Sen. the Hon. Joan E. Dillas-Wright: I am sorry, I beg your pardon. I am on page B-188, financial assistance.

The Chairman: Thank you.

Sen. the Hon. Joan E. Dillas-Wright: My question is, in terms of what is the ratio of clients that are healthy, clients per case worker, because there is always the issue of burnout with people who have, you know, the very high number of clients that they have to see. So, that was a question that I had for that. I may have another question on financial assistance, but those are my questions for the moment.

Madam Chairman, thank you.

The Chairman: Thank you, Madam President.

Would any other Senator like to ask questions? Senator Kempe.

Sen. Nicholas Kempe: Yes, thank you, Madam Chairman.

So, thank you again to the, I believe the spokesperson this time for leaving us time for question—

The Chairman: Junior Minister.

Sen. Nicholas Kempe: The Junior Minister of Health, as well?

The Chairman: He is the Junior Minister.

Sen. Nicholas Kempe: Okay, well there you go. My apologies, Junior Minister.

I would like to expand, I guess, on a couple of questions that have been asked by the two Senators that preceded me. When we look at the King Edward Memorial Hospital line, we see that the age subsidy is the one—

The Chairman: Can we have the page?

Sen. Nicholas Kempe: Yes, my apologies, Madam Chairman. It is on page B-185.

The Chairman: Thank you.

Sen. Nicholas Kempe: We see that there was that \$10 million, I guess, not an overspend, because we are not in the actuals yet, but the revised estimate is running at about \$10 million more than the original estimate. And given the fact that we do have an ageing population, and the trends are running for that weighted average in the community to be ever more senior in age, I guess I would like to know on two fronts, what is it that caused the overspend so far this year? And what has been put in place, or what information and trends that seem to buck the population

trends that we are seeing in census reports and that kind of thing justify that the subsidy amount be put again next year at the same amount it was budgeted for this year, when there has been such a large swing? It is the only line item that has such a large swing. So I would just be curious to find a little bit more about why it happened and why we think it will not happen again next year.

When I look at the Financial Assistance head, Head 55 on page B-187, I guess I am going to look at the employee number, or number of employees, from a slightly different angle.

We note that there is some wildly . . . not wild, it is not that huge of a fluctuation, but we have a fairly significant fluctuation between the 2017 actuals, the original for this year, the revised for this year and the estimate for that year. The difference between the highest and the lowest spending amount is about \$164,000. Is that due to changes in employees and there being uncovered posts? Is it due to overtime? Because \$164,000, given that there has been no change in the [number of] full-time equivalents during that entire period and yet \$164,000 swing in salary spend . . . my question is, given that I believe the average employment cost in the civil service is about \$85,000, what is the cause of that fluctuation? If it is overtime, has the department considered an additional hiring, because \$164,000 would cover approximately two more employees. So, I just wanted to get a little bit more information into what was going on there.

I am pleased to see that we have realistic target outcomes again. Last year the forecasts were increased both on the percentage of awards to day cares for the last month and increased with the number of site visits. However, there was no increase in funding. So, I was questioning how that would have occurred last year and the revised forecast and the target forecast seems in line with a department that has had a pretty static amount of resources attributed.

If I may, I am flipping to the grants and contributions page in Schedule 1 on [page] C-17, Madam Chairman. And I will give people a second to find it if they are flipping there.

The first line . . . and my apologies if I missed it from the brief, but the grants to external bodies line has had a fair amount of . . . So I just was not sure if that was transferred into other grants and contribution lines that are detailed in the budget or where that went. I am also curious with the LCCA medical care overseas, what has caused the almost 33, 40 per cent decrease in the revised estimate this year? That seems to buck the trend. The actual, the original budget and the estimate for next year all sit a little north of \$2.8 million, but this year so far, the revised estimate is at \$1.8 million. So, I just wanted to get a little bit more perspective into why we have that discrepancy on the revised estimate this year.

My other question is on Summerhaven. I would just like to know what it is that caused the origi-

nal estimate for this year to be almost half of the actual spend from 2017/18 because the revised estimate showed that it was back up to the 2017/18 levels and yet we are budgeting for a decrease again for 2019/20.

My last question, Madam Chairman, relates to health insurance. I am on C-18 now, on the following page. I just want to know what caused the almost \$1 million increase in reimbursement of the HI fund from the 2017/18 actuals to the 2018/19 original, revised and 2019/20 estimates.

Thank you, Madam Chairman.

The Chairman: Thank you, Senator Kempe.

Would any other Senator like to speak?

Okay, Senator Hayward, we are going to back to you for some answers to the questions.

Thank you.

Sen. Jason Hayward: Some money has been moved from the Financial Assistance [FA] department and is now under the Attorney General's Ministry.

Sen. Nicholas Kempe: A point of clarification.

[Crosstalk]

Sen. Jason Hayward: That is what you were asking for, Summerhaven or Teenhaven—

POINT OF CLARIFICATION

Sen. Nicholas Kempe: Summerhaven.

Sen. Jason Hayward: Oh, Summerhaven. Let me begin with [Senator] Kempe's questions. The questions applicable to [pages] C-17 and C-18 that Senator Kempe asked are not covered under the Heads 24 and 55.

The number of persons on financial assistance has increased. But the budget is decreased due to efficiencies that will be achieved.

The director change did not impact the funding level at all.

When we talked about the structure of the Financial Assistance department, Madam Chairman, the question was asked and the answer is that, as I stated in the brief, the department is going through a management service review to ensure our programme is staffed appropriately. So at the end of that management service review, we would have the answers to the questions that were asked.

In terms of the touchpoints regarding the staff within FA, the visits are projected to increase because FA has now been able to acquire a vehicle for visits.

Madam Chairman—

Sen. Nicholas Kempe: I am sorry, just a point of clarification on that note.

The Chairman: What is your point of clarification, Senator Kempe?

POINT OF CLARIFICATION

Sen. Nicholas Kempe: It is about the number of visits in the performance measures for financial assistance.

The Chairman: I believe that is on page 189.

Sen. Nicholas Kempe: Yes.

The Chairman: [Page] 189.

Sen. Nicholas Kempe: I believe Senator Hayward is referring to business unit 65080, point number two, and the target outcome for 2019/20 is the same as the revised forecast for 2018/19 and the same as the actual outcome. Is that 500 expected to be greater than what is listed in the Budget Book due to the new vehicle?

The Chairman: Thank you, Senator Kempe. Senator Hayward?

Sen. Jason Hayward: I am not going to get into the technical side of the desired outcomes. Right now, we have a number of visits. The Senator asked, do you expect visits to increase next year? We were hindered in the number of visits we can do due to the lack of a vehicle. The visits will increase. Whether or not that has an impact on that particular line item or that performance indicated in the book, I do not know.

The Chairman: Thank you.

Do you have a few more questions?

Sen. Jason Hayward: Yes, I do, in regard to MWI.

We are actively considering how challenges of ageing clients can be addressed. That is a problem that we do acknowledge. In addition, St. Andrews forensic medical health . . . it will be more expensive to provide the treatment there. This case is being treated and his return is planned in three years. The intent is that the treatment will mean he will live in our community safely.

Patient-centred medical home, a question, Madam Chairman, was asked around that. And this has been very successful in reducing hospitalisation. Only one condition is needed for an individual to be eligible.

Contracts, doctors and . . . it is largely nurse led. Big programmes. Unfortunately, we do not have the information you require on the nurse's superannuation fund. But we will endeavour to get that response to you.

Madam Chairman to Madam President, these dialysis providers collaborate when patients move between them. Overall, there are 201 dialysis patients.

There were roughly around four or five kidney transplants this year.

Regarding MWI, on page B-184, they will receive some additional funds from the current year to support mental health, the Mental Health Act.

Under page B-185, the \$10 million, this is to cover subsidising dialysis premiums. Adjustments will be announced which will prevent subsidies incurring these claims. And so it is an adjustment that will be made. The announcement will be made, but it will prevent the subsidy incurring those sorts of claims and that is why you see the difference in that amount.

Sen. Nicholas Kempe: A point of clarification, Madam Chairman.

The Chairman: What is your point of clarification, Senator Kempe?

POINT OF CLARIFICATION

Sen. Nicholas Kempe: Yes, I am just unclear if the \$10 million has been incurred this year. Where is it going to come from next year? Are we expecting fewer dialysis patients?

The Chairman: Thank you, Senator Kempe.
Senator Hayward?

Sen. Jason Hayward: The \$10 million did occur this year. We are not expecting fewer dialysis patients, but what we are going to do is do a premium adjustment and, like I said, that will be announced that would prevent subsidies incurring on those claims. And so, the financial outlay would not be the same in the future.

The Chairman: Were those all the questions?

Sen. Jason Hayward: Madam Chairman, I believe that answers the majority of questions that were supplied by fellow Senators.

The Chairman: Okay. And if there are any others then hopefully, they can be followed up later.

Sen. Jason Hayward: Thank you. Madam Chairman, I would like to move that Heads 24 and 25 be approved.

The Chairman: Is there any objection?
No objection.
So moved.

[Motion carried: The Ministry of Health, Heads 24 and 25 were approved.]

The Chairman: Thank you, Senator Hayward. You have done very well.

[Laughter]

The Chairman: Three lengthy briefs.

We are now moving on to non-Ministry departments—sounds a bit strange, but non-Ministry departments. We are going to look at the Parliamentary Registrar, that is Head 63, found on page B-20 and we will hear the brief from Senator Vance Campbell.

Sen. the Hon. Kathy Lynn Simmons: No, from me.

The Chairman: Oh, oh, from the Attorney General, I apologise.

Sen. the Hon. Kathy Lynn Simmons: Thank you, Madam Chairman.

Madam Chairman, I move that the Committee do now take under consideration Head 63 which is the Parliamentary Registrar.

The Chairman: Thanks. Do proceed, Madam Attorney General.

NON-MINISTRY DEPARTMENTS

HEAD 63—PARLIAMENTARY REGISTRAR

Sen. the Hon. Kathy Lynn Simmons: I would now like to present, Madam Chairman, the brief for the Parliamentary Registrar, which is Head 63, found on pages B-20 through B-23 of the Estimates of Revenue and Expenditure.

Senators are reminded that these are non-Ministry departments.

Mandate

Sen. the Hon. Kathy Lynn Simmons: The mandate of the Parliamentary Registrar is to serve the electorate of Bermuda, irrespective of their race, creed, colour, or political affiliation, with respect and unbiased attention to their needs, whilst pursuing the full objectives of the democratic process.

And you can find the department objectives on page B-20 and they are as follows:

- Maintain and ensure that the continuous registration process is ongoing, open, compliant and transparent.
- Maintain a complete, accurate and up-to-date register for voters.
- To protect the rights of qualified citizens to register and prevent the unlawful or fraudulent registration or removal of persons.
- To provide prompt and timely issuing of apostille certificates in efficient manner.

[Change in Chairman]

Sen. the Hon. Kathy Lynn Simmons: Mr. Chairman, the Parliamentary Registrar is appointed by the Governor under the provisions of the Parliamentary Election Act 1978, and as such, is required to discharge the duties conferred or imposed under that Act. The Parliamentary Registrar is subject to the general direction of the Governor, and in the exercise of his statutory duties, is assisted by such number of public officers as may from time to time be authorised to be employed.

The Parliamentary Election Act 1978 (as amended) and the Bermuda Constitution Order 1968 are the instruments by which the activities of the Parliamentary Registry are governed. On occasion the Houses of the Legislature may pass other Acts such as the Capital Punishment Referendum Act 1989, the Independence Referendum Act of 1995, the Referendum Act of 2012 and the Municipalities (Election) Order 2011 that have a direct effect on the office's activities.

Mr. Chairman, the staff at the Parliamentary Registry consists of five full-time positions under the direction of the Parliamentary Registrar, Miss Tenia Woolridge. It is intended that the department will have two additional workers to assist with election preparations for the Bermuda Municipal Elections scheduled to take place in May 2019.

Mr. Chairman, the Parliamentary Registry continues to make strides in improving our processes and procedures for registration of voters and general maintenance of the Parliamentary Register. We continue to look at the quality of our service delivery (and I am speaking first-hand to that) and have committed to allowing staff to take the necessary training in order to ensure continued quality of service. As always we are committed to maintaining the Parliamentary Register to ensure it is accurate in accordance with the Parliamentary Election Act 1978.

In this current fiscal period the department conducted bye-elections for constituencies 22, Paget East, and 25, Warwick North East, on the 7th of June, 2018. These bye-elections saw a turnout of 52 per cent and 54 per cent, respectively. Both elections were conducted and managed with great efficiency and integrity, and there were no reported incidences of electoral fraud.

Mr. Chairman, the Parliamentary Registry is committed to continued dialogue with all stakeholders of the democratic process with a view to ensuring the integrity of the process and identifying areas for improvement. In the next fiscal period we intend to push forward with initiatives to improve the electoral process for all voters, including those with visual impairments who can benefit from tactile voting devices that will allow them to vote independently in the future.

This year during Voter Awareness Month in April, the Parliamentary Registry will hold a series of presentations throughout the senior schools, with a focus on educating new voters on the electoral pro-

cess in Bermuda and the voter registration process, giving voters the opportunity to ensure they are registered to vote correctly, to apply to register to vote for the first time, ensure they know which constituency they live in and if that constituency has proposed boundary changes that will take effect in the next General Election.

Furthermore, Mr. Chairman, the department will be pushing forward to integrate all the apostille receipting and invoicing within Accountant General Enterprise Resource Planning, known as the E1 system, thereby shifting away from the uses of several spreadsheets for reconciliation. In addition, it will manage and operate its own bank account to meet the demand and preference by international and major private sector clients for the domestic and wire transfer mode of payment rather than cheque. Overall, this initiative will align with the Internal Auditor recommendations for improvement in the audit trail and efficiency of the revenue stream.

Administration—73000

Sen. the Hon. Kathy Lynn Simmons: Mr. Chairman, I now turn my attention to the specific estimates of expenditure and revenue in the five cost centres of the Parliamentary Registrar's Office.

The total budget allocation for the Parliamentary Registrar's Office in respect of fiscal year 2019/20 as shown on page B-20 of the Budget Book is \$1,571,000, which remains relatively unchanged to the original budget for 2018/19.

Mr. Chairman, with regard to administration, which is cost centre 73000, the proposed budget for the Administration of the Parliamentary Registry for 2019/20 is \$944,000, which is an increase of \$79,000, or 9 per cent over the original budget for 2018/19. This increase is mainly due to the alignment of bona fide administrative expenditure to Administration, cost centre 73000. The funds in this cost centre enable us to carry out the daily functions of the Parliamentary Registry to include:

- supplies and issuing of voter identification cards;
- supplies and issuing of apostille certificates;
- overtime costs associated with voter awareness month initiatives;
- general office supplies and cleaning;
- printing of all registration forms and parliamentary registers;
- content management of the website; and
- maintenance of the PRO+ electronic register and database.

Boundaries Commission—73005

Sen. the Hon. Kathy Lynn Simmons: Mr. Chairman, with regard to the Boundaries Commission, cost centre 73005, the proposed budget for the Boundaries

Commission for 2019/20 is \$38,000 which represents a decrease of \$5,000 from the original budget in 2018/19.

General and Bye-Elections—73010

Sen. the Hon. Kathy Lynn Simmons: Mr. Chairman, with regard to General and Bye-Elections, under cost centre 73010, the proposed budget for the General and Bye-Elections cost centre for 2019/20 is \$250,000, which represents a decrease of \$61,000 from the original budget in 2018/19. This decrease is mainly due to the allocation of bona fide administrative expenditure to cost centre 73000. The proposed budget will serve to cover the costs of any Bye-Elections that may occur over the next fiscal period.

Municipality Elections—73015

Sen. the Hon. Kathy Lynn Simmons: Mr. Chairman, with regard to Municipality Elections, cost centre 73015, a proposed budget allocation for that cost centre of \$76,000 has been allocated to this cost centre for municipal elections. This will cover the next ordinary municipal election scheduled for May 2019, which will see elections for the Corporation of St. George's and Corporation of Hamilton.

Electoral Reform Research—73017

Sen. the Hon. Kathy Lynn Simmons: Mr. Chairman, with regard to Electoral Reform Research, cost centre 73017, a proposed budget allocation of \$263,000 to this cost centre is for electoral reform research and development.

The current global trend of mature democracies stands on some form of political finance regulations and regulated environments. It is necessary to ensure the effective management of money in politics and is important to maintain the integrity of the democratic process. The Parliamentary Registry will continue to press forward with research and deliberation with the government on this topic. The funds will be used for legal advice, research and any overseas training required.

Subjective Analysis of Current Account Estimates

Sen. the Hon. Kathy Lynn Simmons: Mr. Chairman, I would like to turn your attention to page B-21, subjective analysis of current account estimates.

Under that cost centre we see the salaries increase of \$8,000. The estimate for 2019/20 is \$515,000, as I said, an increase of \$8,000, or 2 per cent increase over 2018/19.

With regard to Advertising and Promotion, which is a decrease of \$33,000, and I will give details. The advertising and promotion budget is \$280,000 in 2019/20, which represents a decrease of \$33,000, or

a 11 per cent decrease over 2018/19. The aim of the advertising and promotion requires the use of a variety of media outlets and out-of-home advertising vehicles to ensure coverage of all demographics of the electorate.

Professional Services, that budget is \$261,000 in 2019/20, which represents a decrease of \$7,000, or 3 per cent over 2018/19. These services include independent legal advice, field registration officers and internal software maintenance of the electronic registration system known as the PRO+. Additionally, the office is working on improving the online registration process in an effort to make it more efficient and secure.

The Materials and Supplies budget is \$126,000 in 2019/20, which represent a decrease of \$3,000, or a 2 per cent decrease over 2018/19. This line item consists of expenses associated with office and election supplies including all stationary items, repair and replacement of any broken polling booths or ballot boxes, uniforms and badges for election officers and agents.

The Other Expenses budget is \$20,000 in 2019/20, which represents a decrease of \$1,000, or a 5 per cent over 2018/19 figure. This line item consists of expenses associated with training and development of staff, team building, and other administrative expenses that arise from the day-to-day operations of the Parliamentary Registry.

Revenue

Sen. the Hon. Kathy Lynn Simmons: Mr. Chairman, revenue is generated from the issuing of Apostilles. Total revenues for the 2019/20 fiscal year are estimated at \$350,000, an increase of \$75,000, or 27 per cent over the approved budget 2018/19. The Parliamentary Registrar's Office continues to provide prompt and timely issuance of apostille certificates to our international and private sector clients.

And I will now draw your attention to the performing measures on page B-22, which are worthy of note. If you look closely, you will see that with regard to the number of new voter registration forms processed they are looking to have a target outcome that is increased with regard to Form 1, new registrations. That figure is anticipated to go to 500, and Form 2 to 250. The Registry will continue to review legislation, we see that category, with the view to strengthen and modernise the legislation to accommodate technological advances and efficient administrative processes. And Senators can read these performance measures accordingly.

So, Mr. Chairman, in closing, I would like to thank the staff of the Parliamentary Registry for their commitment and dedication to their duties over the past fiscal year.

The Chairman: Thank you, very much, Madam Attorney General for your presentation.

Would any Senator wish to speak to these heads?

Senator Kempe, you have the floor.

Sen. Nicholas Kempe: Thank you, Mr. Chairman.

Thank you, Madam Attorney General for your presentation. I still have a couple of questions, though, as it relates to the Parliamentary Registrar.

The first one relates to the relation between the salaries line and the full-time equivalents of employees. We see that both the revised . . . sorry, for those following along, it is on page B-21.

The revised 2018/19 estimate shows a spend of \$405,000 for six full-time equivalent employee members. And the 2019/20 estimate shows the exact same number of staff, however, a \$110,000 increase in salary spend. If you could provide some clarity on that figure it would be appreciated.

I would also like to know what is driving the increase of \$40,000 in the travel spend between the 2017/18 actuals and the 2018/19 both revised budget and estimate for the upcoming fiscal year. I am hoping this is an errata, Mr. Chairman, but if we look farther down the page under the Revenue Summary, at line 8440, Apostille Fees, we have a revised estimate of zero dollars, however, \$275,000 was budgeted, and for the next year we are budgeting an increase on this year's original budget of another \$75,000. So, this zero dollar apostille fee, I would just like to understand how that came to be, and how it is included in the book.

I also have a question about the election reform research, which is detailed on page B-20 under the general summary. It is line 73011 [*sic*]. We had over this year and the upcoming year, about half a million dollars in spend. And I know this is an initiative that goes back to—

POINT OF CLARIFICATION

Sen. the Hon. Kathy Lynn Simmons: Point of clarification.

Sen. Nicholas Kempe: Yes.

Sen. the Hon. Kathy Lynn Simmons: I am sorry, I don't see—

The Chairman: Yes, I was just going to ask the same question.

Senator Kempe, can you please refer to the page and the section that you are speaking of?

Sen. Nicholas Kempe: Yes, I am speaking of [page] B-20—

The Chairman: Yes.

Sen. Nicholas Kempe: —the General Summary, the last line, “election Reform Research” line item 73017.

The Chairman: Thank you, very much. Continue.

Sen. Nicholas Kempe: So, we have a revised estimate of \$273,000 and an estimate for the upcoming year of \$263,000. So, more than half a million dollars right there. However, this is an initiative that goes back to I believe the 2014/15 budget. The name of the line item changed, but if I am looking at the performance measures on page B-23, it appears to be the exact same initiative, which generally revolves around absentee voting.

My understanding was that there had been conclusions relating to absentee voting and the general premise of it was that you cannot have both secure and anonymous digital solutions to absentee voting because you need to verify that the person on the other end of the vote is someone eligible to vote. And without having fixed term elections, the Parliamentary Registrar felt that the timeline to send out postal ballots for the absentee voting was too short to implement. But I would just like to know what changed from that conclusion from two years ago to justify an additional half a million dollars, or more, in spend furthering that conversation. Is there something else about fixed term elections that we are unaware of? Could the Attorney General enlighten us on that?

Thank you, Mr. Chairman.

The Chairman: Thank you, Senator Kempe.

Would any other Senator wish to speak on this head?

If not, then Senator, Madam Attorney General, you can answer those questions please. Thank you.

Sen. the Hon. Kathy Lynn Simmons: Thank you, Mr. Chairman.

Unfortunately, the representative for this head is not here to answer those questions. And so what I can do—the comptroller was [planning] to come and I think we are a bit ahead of time—and so I will take it under advisement and come back, hopefully, today.

The Chairman: Thank you, very much, Madam Attorney General. So those answers will be furnished at a later date.

So, Madam Attorney General, if I could ask you to move your head please.

Sen. the Hon. Kathy Lynn Simmons: Thank you, Mr. Chairman.

I move that Head 63 [Parliamentary Registrar], be approved.

The Chairman: Is there any objection?

No objection, so moved.

[Motion carried: The Non-Ministry Departments, Head 63 was approved.]

The Chairman: We have now reached the end of the debate for today on the various budget heads and, Madam Attorney General, I would ask you to—

[Inaudible interjection]

The Chairman: Oh, Senator Campbell is doing that? I would ask you to close out the debate for today, please.

Sen. Vance Campbell: Mr. Chairman, I move that the Committee rise and report progress, and ask for leave to sit again.

The Chairman: Is there any objection?

No objection.

So moved.

Thank you.

[Motion carried: The Committee of Supply agreed to rise and report progress, and sought leave to sit again.]

The Chairman: Thank you, very much, Senators, for all of your attention this afternoon.

Senate resumed at 4:50 pm

[Sen. the Hon. Joan E. Dillas-Wright, President, presiding]

The President: Good afternoon, Senators, we are now back in the Senate, having had a healthy debate on the department heads.

We will now move on to the business at hand, which is, continuation of the Orders of the Day.

The second order is the second reading and resumption of the Municipalities Reform Act 2019.

Sen. Crystal Caesar: It is my Bill.

The President: You can take the second reading?

BILL

SECOND READING

MUNICIPALITIES REFORM ACT 2019

[Continuation thereof]

Sen. Crystal Caesar: Madam President, I move that the Bill entitled the [Municipalities Reform Act 2019](#) be now read for a second time.

The President: Is there any objection to that motion?

No objection.

Senators, I do believe that every Senator has spoken on this Bill, and it was just left to me to make my contribution.

In the Senate on Wednesday, we deliberated on what was and is a weighty subject, namely, the modernisation of the municipalities in today's Bermuda, implying that Bermuda today is different from the Bermuda of yesterday. I listened very carefully to each and every one of you and to all of the views and sentiments of each and every Senator here.

The idea of setting a platform for the growth and development of the municipalities in Hamilton and St. George's as centres of commerce, tourism, with a culturally vibrant milieu, and a thriving community is laudable. Also the idea, or notion, that what obtained for Bermuda years ago for the respective municipalities of Hamilton and St. George's no longer applies today; certainly not in a modern Bermuda. But what, we may ask, is the hallmark of a modern Bermuda? And how is that to be measured?

What we are given to believe is that a modern Bermuda will be marked by more tourists, a culturally vibrant milieu, more economic activity and a spirit of vivaciousness by the citizens, you and I, and all those listening. Of course, more tourists, increased economic activity and a spirit of vivaciousness is not necessarily translating into a better and more decent Bermuda which, presumably, is to be built upon and around a 21st century technological apparatus characteristic of a smart city.

The fact that key personnel, such as the representatives of the municipalities have been able to impress upon Government that St. George's should have its own Municipality Act, apart from Hamilton, speaks to this fact. I just want to share that I was sent an email that was sent to the St. Georgian individuals, the residents and various others, and it was sent to me. And when I read it, I thought to myself, *Wait a minute now*, and I had already looked at *Bernews* and, if I may, I would like to read what this said.

The title is "Stand-alone Legislation for St. George's." And it says, "Government will develop 'stand-alone legislation for St. George's'" And this was attributed to the Minister, Walter Roban.

ANNOUNCEMENT BY THE PRESIDENT

SENATE VISITOR

The President: I am sorry, Minister, I should have acknowledged that you, the Deputy Premier, are in the Gallery and is listening. I want to welcome you, sir. I do apologise.

[Municipalities Reform Act 2019, second reading continuing]

The President: And a spokesperson on his behalf said, “Home Affairs Minister Walter Roban on Friday reconfirmed his pledge that the Government would develop stand-alone legislation for St. Georges that recognises the unique qualities and heritage of the Old Town.”

Minister Roban went on to say, “MPs Renee Ming and Kim Swan made a solid case on behalf of the people they represent and serve, and we listened. Their call on the floor of Parliament for a model featuring the direct election of the Mayor and three Councillors while advocating for greater financial attention to support infrastructure, tourism marketing support for St. George’s and the preservation and enhancement of the World Heritage Status, is one that working together, we will pursue.”

So, I was struck by that, because the fact that key personnel, such as the representatives of the municipality, have been able to impress upon Government that the town should, by having its own Municipality Act apart from Hamilton, speaks specifically to this fact. I have just read the article for you.

Indeed, this fact also underscores that both municipalities cannot be conceptualised in the same way regarding the development of a smart city. Indeed, what St. George’s has, Hamilton does not. I think we all agree with that. Yet, each complements the other. The acquiescence of the Government to the request of St. George’s MPs on behalf of the residents for their own Municipality Act, separate and apart from Hamilton, in which they would elect their own mayor and at least three of the councillors, as opposed to the appointment by the Minister is a recognition of this fact. But if it is the case that the Government has been giving thought to reforming the municipalities, yet the Government has acquiesced to St. George’s request, then it means that the process in modernising the municipalities is emboldened, and that it will require additional time before the process can be brought to a satisfactory conclusion.

What has been promised to St. George’s, while in the public domain, is not reflected in this Bill that is before us today. Indeed, the Bill before the Senate entitled “The Municipalities Reform Act 2019” speaks to both the Hamilton and St. George’s municipalities. It seems to me, then, that because the effort to modernise the municipalities is a process, more time will need to be expended to formulate the right fit for Bermuda’s two municipalities. Consequently, at this point I will support any movement for more thought to be given to this objective. If it is another year waiting or if an amendment is made it will not be too long to get the right fit regarding the modernisation of Bermuda’s municipalities. I am not saying it is not needed; I am saying that I have an issue right now.

However, the Government is to be commended for wanting to inject new life into the municipalities. But in doing so, it needs to take the people along democratically which, in consequence, will take some

time. Otherwise it will experience backlashes, as is presently the case, that in the long run will evade its ultimate objective.

Therefore, Senators, I cannot support this Bill.

I think it goes without saying that Hamilton is the focus for the smart city, because it is the economic seat of Government and its physical location has the hallmark for such development. My reading of smart cities is that they are built around technology, perfecting commerce, business, transport, infrastructure, health care, city living. Smart city development requires a shift in thinking, and is aimed, if you will, at the young population. And I would not say that it is entirely, because I know I am at an age now, but there are people who need additional help when it comes to working with technology.

And I can tell you that I have been to Singapore . . . I have been to several places where a smart city exists. And there are ads all around, and you can pick up your phone and . . . it’s fantastic.

And I also think of Bermuda as . . . sometimes [while] growing up we could go somewhere where we could hear music. You know, we have been talking about how dead Bermuda is. And I think that one of the Senators has said that after hours there is not very much [going on]. So we do need a vibrant city, we do need change.

However, back to this, most, if not all Bermudians believe that . . . sorry, I left out a paragraph here.

Arguably the people in the cities of St. George’s and Hamilton are linked by a common democratic bond and share in what is now a cultural trait that taxation without representation is contrary, both to the culture and to the ethics of democracy. That is simply to say that most, if not all, Bermudians strongly believe in this principle grounded in the fight of our forefathers. Yet, this cultural norm has not been reflected in this Bill, and has not been reflected in any attempt to get the community’s feelings about the Government’s plan for those two municipalities.

If there was a community, or, more specifically, the residents of both Hamilton and St. George’s, specifically the residents and the country as a whole, they have not even been told about the survey results. It has been reported here by one Senator, and we were told it was a 90 per cent against, and probably 4 per cent or more for. So, if you want the people to be supportive, they must be given all of the information.

Government plans to modernise the municipalities, then. But what does that mean when St. George’s has a World Heritage Site that is culturally different? (I think I am repeating, and I am reinforcing my point.) The question is asked, because in recognition of this fact the two MPs from the old town have argued, and they argued really well for St. George’s having its own municipality, and they did make a very strong case. And we also know, as I have indicated, it

was accepted by the Minister, it has been shared with the public through *Bernews*, and the idea of each municipality being brought together as a quango no longer obtains, if this is what is in the public domain.

If, like any other Bill, the Municipalities [Reform] Bill is to be considered as a statement of intent, then the concessions made to St. George's MPs regarding the municipality of St. Georges clearly indicates that this Bill, the Municipalities Reform Act 2019 needs to be revised. That is my view. People do not have to agree with me, but that is my view.

The revision is all the more necessary because St. George's and Hamilton constitute the municipalities each of which were to be administered by a quango, that is what is reflected in the Bill, and that the Minister would appoint the mayor of each and at least four councillors. Now it appears that with St. George's to be given its own Act and the ability of the residents to elect their own mayor and three of its councillors, then the clauses in this Bill apply specifically to Hamilton. The premise for the formulation of a quango to administer each of St. George's and Hamilton, in my estimation, has now changed. And, as such, a new premise will now need to be formulated for the administration of Hamilton. Until that is done, I am not in a position to support the Bill that is before us today.

Those are my comments, Senators.
Senator Caesar.

Sen. Crystal Caesar: Thank you, Madam President.

It looks like it is just you and I to speak today, as all the other Senators have had an opportunity to weigh in on this debate.

I had originally intended to begin with another statement, but, if I could, I need to clarify some information that I believe Senators may not understand. As we know, oftentimes news media quotes a Minister. And there is the [possibility] to misquote a Minister. And at this juncture I have to point out that *Bernews* actually has misquoted the Minister, as that was spoken of specifically, indicating that St. George's would be given its own municipality Act and that they would be able to elect the mayor and councillors. That is actually incorrect; the Minister and I have spoken in this regard, and he is aware of the article in *Bernews*, and this it is actually not the case.

The Minister has undertaken to give St. George's a stand-alone municipalities Act, but it does not mean that elections will be a part of that. So I need to make that clear to all at the table.

So, I believe we have made a decision based on hearing that somehow St. George's will now be given a stand-alone Act and they will be electing their councillors and mayor. That actually is not factual. So the decision-making around maybe how one has come to their decision may need to be revised.

We have had 96 years of the municipalities in Bermuda, both in the Corporation of Hamilton and in

St. George's. Growing up I had someone quite wisely say, and I am sure we have all heard it, *What is the definition of "insanity"? Insanity is doing the same things the same way and expecting a different result.* We all agree that the municipalities need attention, upgrading, upkeep in some form or fashion to keep trend, not just with Bermuda, but with the world. Examples cited are, specifically in Hamilton, that the dock is in really bad shape. We know that cruise ships are becoming more technologically savvy, a lot of them are newer, the older models are being replaced. And our current dock in Hamilton is unable to allow them to berth sufficiently.

We have heard not just in the past, but most recently just last week that the residents of North Hamilton, and businesses for that matter, have felt largely overlooked in support of their upkeep, maintenance and attention. Something as simple as trash pickup, where . . . if one were to go one or two blocks, Front Street trash cans are empty; North Hamilton's are full.

We have also heard that the fire hydrants actually belonged to the government and that is why they have not been updated or maintained. If I could re-read what the Bermuda Fire and Rescue Service Act 1982, section 19, actually says, with your permission, Madam President—

The President: Indeed, you may.

Sen. Crystal Caesar: "On 1 April 1983 any engine, equipment, vehicle and other movable property" (moveable property) "and assets belonging to the Corporation of Hamilton and used by that Corporation in connexion [*sic*] with its fire services shall be transferred to, and shall vest in, the Government."

I am not quite sure, but I do not believe that the fire hydrants move, nor do the underlying infrastructure move, so one may deduce who the fire hydrants belong to. And an example has been given that some years ago that they were not working, they have not been maintained, and, unfortunately, that led to the demise of one of our Front Street buildings.

In addition, it has been acknowledged by the Corporation of Hamilton that they have an ageing sewer system which pumps raw sewage into our ocean. Are they screened? Yes. But the water is not treated. Hamilton has a plan to update that pumping system. Updating does not actually include a more sustainable and environmentally sensitive water treatment process. And, therefore, it might be more efficient, but this water will still be untreated, and I, personally, think it is quite egregious in this more eco-friendly world in which we live that such an undertaking would even be considered. Who knows? We may be violating some sort of international ecological best practice.

Now I turn to St. George's and some of the examples that have been cited in terms of why St.

George's needs attention. We have all been there. It is an ageing city. It is a fact; the city is ageing. Therefore, the infrastructure is ageing. I spoke previously on the financial stability, the resources, both monetarily and through experience, at the Corporation of St. George. We had the auditors of KPMG give a *qualified* audit because of the lack of financial stability in the Town of St. George.

In addition, we have heard much about the new marina which is planned for St. George's. What one may not actually know is that the Municipalities Act does not allow for the newly envisioned marina to actually go forward. So remaining the same means no marina.

Government's vision is to see our municipalities become smart cities. And our learned Madam President has given us a definition of smart cities, but I would like to expand, as well, as to what a smart city is, because I hear it. We do not live in one, so I do not know what it is exactly. So I had to look it up. A smart city . . . the aim is to promote cities that provide core infrastructure and give a decent quality of life, which means social services, which the Corporation of Hamilton does not yet do. It is left to government to do. It includes access to water, electricity, a clean and sustainable environment—a clean and sustainable environment through the use of technology information and data. It enhances the quality and performance of services, such as, energy, transportation and utilities. Redundancies save money and streamline responsibilities. It reduces resource consumption, wastage and overall costs. And I could go on and on, but I think we get the idea.

The argument has been made that we should look to countries like New Zealand or Australia. And I ask why? Their populations are 4.8 million and 24.6 million people. Why are we comparing ourselves to countries with dissimilar demographics and size? Previously I spoke of Cayman, Barbados, and the Bahamas. Cayman's population is very similar to ours, 61,559 people; [Barbados], more, but similar demographics nonetheless, 285,719; The Bahamas, 395,361. So why are we comparing ourselves to populations that actually do not reflect the same demographics and size, one would ask?

It has been suggested that municipalities have a great working relationship with the government, and I beg to differ. I remind colleagues of the quite tenuous relationship to date that the corporations have had with government, and quite litigious. For instance, there have been at least four writs served by the corporation in relation to labour issues recently, right up to 2017/18. Three of these writs questioned the authority of the permanent arbitration tribunal because the corporation did not want to appear in front of the tribunal to resolve labour issues. I don't know about anyone else, Madam President, but that does not seem cooperative to me.

In addition, it has been cited that there are at least six other cases between 2013 and 2015 in which the corporation has brought an action against someone or the government. In addition, in 2015, the former Senator the Honourable Michael Fahy, had to take action to direct the Corporation of Hamilton due to actions that he deemed to be untenable by the Corporation. That is not a good relationship—quite litigious right up to just a year ago.

Much has been said about the abolition of elections. But I ask Members to think about why the municipalities were set up from the very beginning. The Municipalities Act of 1923 indicated that a municipal freeholder—and that definition is a person who owns a freehold estate valued at more than a certain amount—could vote. Now, let's think back to 1923. Was that one man, one vote? Who was protected by that Act, and why do we continue to want to hold on to that? I find it alarming that we cannot take ourselves out of what we are used to and think more progressively. Let's come into the 21st century.

It was a PLP Government in 2010 that enacted the Municipal Reform Act to make the process more democratic. And what did that PLP Government do? It allowed the residents of those municipalities [to vote]—not people who owned businesses, the residents, those who were most affected by what happened in those municipalities. Not to say that owners could not be [affected] as well, but up to that date [the residents] had not had a say in how the area in which they lived was maintained, upgraded and kept up.

Turn around in 2013, what happened? Businesses were then allowed to vote again. So, again, conceivably, let's think about it. A business owner lives in Warwick. They vote in the general election, so they have one vote. They own a business in Hamilton. That municipality has an election; they vote again. And they have a branch of that store in St. George's. That business owner votes again.

Now, at one point, it depended on how many businesses you owned. It could have been 1, it could have been 10, and you were able to vote based on the number of businesses you had. Is that fair? I ask Senators to think about that. That is how municipalities were set up originally. Is that what we want to continue? We heard in the Senate previously that we are eroding democracy. But I say no. I say we are actually moving it closer to what democracy is supposed to be—one man, one vote.

And what about the larger democracies? Bermuda, all of us, all 60[,000] plus residents of us . . . should we not all want the collective success of not just the Corporations of Hamilton and St. George's, but of Bermuda as a whole? Why should we allow one man or woman to vote in a general election then again in one municipality and then another, and another? That bothers me. It is not one man, one vote. It is not democracy. And most recently, if the corporation has its way, the democracy that we know today will be no

more. It will harken back to 1923. And we all know that this is harkening back to a despicable vestige of slavery from almost 100 years ago. That means residents will no longer be able to vote, only business owners. And why? Why should they be given the privilege?

Have we really not evolved as a society that we cannot see the problem in this? It is a sorry day in Bermuda when we want to protect white slave owners, or former slave owners' business assets. That is shameful. And I certainly hope that this is not what we are going to do today. And what about the ability to meet the needs of a country to show off our gems? St. George's was our original capital, our founding capital. We want to show it off in pristine condition. They do not have the money. They do not have the resources to do that. Why would we not allow economies of scale to assist?

And one thing that I wanted to point out that I did miss is that the sewage system in St. George's is actually not being planned by them, it is being planned by the government. What does that tell you? They do not have the ability to do it. We have the economies of scale. The government has the economies of scale to assist to make this happen, and the capital, Hamilton, again, where a growing number of visitors have begun to return to our shores . . . why would we not want that place to be a smart city to have all the amenities to be . . . why would I direct some of my Airbnb tourists there? I tell them to stay in Somerset. There is not much going on in Hamilton after a certain hour. Tourism is our second pillar of the economy, so we need to make sure that the entire Island is taken care of. We cannot allow 700 people to determine the future of this Island. Someone would come and say, *Oh, it is a beautiful island I have come to. But, Hamilton? I can't even get a Wi-Fi signal. I can't find out what's going on in that country.*

I ask Senators, remaining the same will do what for us, exactly? Don't we want to see change? Don't we want to see this country grow and excel together? Shall we not be brave and do something different for a change?

So, I am going to finish with a quote that I was originally going to start with, and that is, *What is the definition of "insanity"? Doing the same thing the same way and expecting a different result.*

Madam President, with that said, I move that the Bill entitled the Municipalities Reform Act 2019 be now read a second time.

The President: Yes, it has been moved that the [Municipalities] Reform Act 2019 be now read a second time.

ANNOUNCEMENT BY THE PRESIDENT

SENATE VISITORS

The President: I was hesitating because I want to acknowledge the presence of the Premier of Bermuda, and also many of his Cabinet who are here in the Gallery.

I also wanted to acknowledge the presence of the Permanent Secretary, Ms. Rozy Azhar, and the Parliamentary Counsel. I wanted to acknowledge that they are all here. Thank you, for your presence.

[Municipalities Reform Act 2019, second reading continuing]

The President: Any objections to the second reading?

An Hon. Senator: Yes, we object.
We would like to call a division as well.

The President: You need more than one . . . so all three of you are objecting?

Another Hon. Senator: I object to the Bill.

The President: The Clerk will take a division.

DIVISION

[Municipalities Reform Act 2019, Second Reading]

Ayes: 5

Sen. the Hon. K. L. Simmons
Sen. Anthony Richardson
Sen. Jason Hayward
Sen. Crystal Caesar
Sen. Vance Campbell

Noes: 6

Sen. Nicholas Kempe
Sen. Marcus Jones
Sen. Dwayne Robinson
Sen. Michelle Simmons
Sen. James S. Jardine
Sen. the Hon. J. E. Dillas-Wright

The President: The division is six to five, the motion is defeated.

[Motion defeated: Second Reading of the Municipalities Reform Act 2019 was defeated by majority on division.]

The President: Thank you, Senators.

We will move on to the third item on our Orders of the Day, and that is the second reading of the Land Tax Amendment Act 2019, Governor's recommendation signified.

Whose Bill is that?
Senator Campbell, you have the floor.

BILL

SECOND READING

LAND TAX AMENDMENT ACT 2019

Sen. Vance Campbell: Thank you, Madam President.
I move that the Bill entitled Land Tax Amendment Act 2019 be now read the second time

The President: Is there any objection to that motion?

No objection.

Carry on Senator Campbell.

Sen. Vance Campbell: Thank you, Madam President.

The Bill now before the House is the [Land Tax Amendment Act 2019](#). This Bill provides for revised land tax rates for various annual rental value (ARV) bands.

Madam President, land tax is charged under the authority of the Land Valuation and Tax Act 1967 and the Land Tax Act 1967. It is assessed on the annual rental value of each valuation unit depending on whether the unit is a private dwelling or a commercial property.

The Tax Commissioner's land tax officer calculates the amount of land tax charged on all valuation units and demands notes are issued to taxpayers half-yearly. The amount of tax is determined by multiplying the ARV by the appropriate tax rates. Annual rental values are established every five years and are updated periodically to reflect improvements to property. The owner of each valuation unit is liable for tax.

Madam President, private dwelling units are taxed on an extremely progressive scale of tax rates. There are seven annual rental value bands with a minimum rate of 0.8 per cent and a maximum rate of 47 per cent. Bermudians who are 65 years or over, who own and occupy a private dwelling are exempted from tax on the first \$45,500 of the annual rental value. Commercial properties are currently taxed on the single rate of tax at 12 per cent.

Madam President, the progressive rate structure for private dwellings is heavily skewed to higher value properties, making the property tax highly sensitive to reassessments in value. To illustrate that the tax structure is heavily skewed, the assessed value of properties up to \$44,000 ARV band accounts for 84 per cent of the tax base, but is only 18 per cent of the tax revenue, while properties at the higher band with an ARV over \$120,000 account for 1.6 per cent of the properties, but provide for 43 per cent of the taxes collected.

Madam President, currently, the land tax bills range from \$28.80 per year to \$228,720 per year, further illustrating the highly progressive nature of the system.

Madam President, in their report presented to the Government, the Tax Reform Commission recommended that the land tax structure for residential property should be amended by levying a flat rate of \$500 for ARVs under \$22,000. This procedure would replace the bands under \$22,000 with a \$500 flat rate which will provide for a more equitable distribution of the land tax burden. The view of the Tax Reform Commission [TRC] was that the existing rate structure is not fairly weighted. It is clear from this proposal that the TRC considered that the tax rates for the two lowest bands were too low. An important principle in any

tax system is the ability to pay, and from this proposal it appears that the TRC are of the view that persons owning properties of \$22,000 or less could afford to pay \$500 per year, or \$41.66 per month for their properties. The Tax Reform Commission expects that this proposal for a residential tax rate reform to yield an increase in revenue of approximately \$8 million before seniors' exemptions.

Madam President, Senators will recall that the TRC also proposed a tax on residential rents which would have yielded \$26 million. During the prebudget consultation process, the Ministry carefully considered all land tax proposals and it was announced in the 2019/20 National Budget that Government would be amending the land tax rate structure for residential properties to generate additional revenue. The proposal is as follows: All properties with an ARV of \$1 to \$22,000 will pay a flat rate of \$300. All properties with an ARV above \$22,000 pay a flat rate of \$300 plus the [following] rates.

So, from \$22,001 to \$33,000 that rate would be 3.5 per cent, which is what it currently is. So that will not change. The next band, \$33,001 to \$44,000 at 6.5 per cent will not change. So the only change will be the flat rate of \$300.

And then five, \$44,001 to \$90,000, the rate would move from 12 per cent to 17 per cent. And then [band] six, Madam President, that is from \$90,001 to \$120,000, the rate moves from 25 per cent to 30 per cent. And above \$120,000, Madam President, that rate will move from 47 per cent to 50 per cent. Madam President, this proposal will yield an additional \$12.6 million in land tax revenue per annum.

A little more information about the impact of this proposal, Madam President. In the first band the average increase in tax per year is expected to be \$224. In the second band, the expected average increase is expected to be \$113. In bands three and four the increase is \$300, which is the flat base rate. In band five the average increase in tax per year is expected to be \$1,094. And in band six, \$3,299. And in the highest band, above \$120,000, the average increase in tax per year is expected to be \$5,542.

Madam President, the maximum dollar exemption afforded to seniors under the new rate structure [which] will be effective July 1st 2019, is \$1,941 per annum.

Madam President, the reality is that to maintain government services at a reasonable level and to avoid financial failure, the Government needs to increase revenue. Madam President, the Ministry of Finance is confident that this approach will provide the government with additional revenue from land tax and believes that the revised rate changes are both equitable and fair. The proposed amendments maintain the progressive nature of land tax with those who own the most expensive homes paying more land tax than others. These points are clearly evident when one examines the figures I have just provided.

Madam President, there may have been some misunderstanding in the public relating to these new land tax rates, and the Government would like to apologise for any confusion around them.

With regard to commercial land tax, Senators are aware that in the 2018/19 Budget Statement, as a temporary measure, land tax rates on commercial properties were increased by 5 per cent, raising an additional \$15 million in land tax revenues. This provision will expire on June 30, 2019, and the legislation provides for the rates to revert back to 7 per cent. It is now proposed to amend the land tax on commercial properties from 7 per cent to 9.5 per cent, and the land tax on tourist properties from 7 per cent to 8 per cent.

Madam President, with your permission, I would like to read the definition of a tourist property as contained in clause 2 of the Act.

ANNOUNCEMENT BY THE PRESIDENT

SENATE VISITOR

The President: Just before you do, I would just like to acknowledge the presence of the Financial Secretary, Mr. Anthony Manders. Welcome, sir.

Do carry on, Senator Campbell.

[Land Tax Amendment Act 2019, second reading continuing]

Sen. Vance Campbell: Thank you, Madam President.

Under clause 2 [new section 2](a) “‘tourist unit’ means a valuation unit which is used as or forms part of a hotel, cottage colony, guest house, lodging house, club or tourist accommodation for reward, but does not include a vacation rental unit as defined in section 15A(1) of the Bermuda Tourism Authority Act 2013.”

Madam President, vacation rentals will be taxed under the residential, or private, tax code under the appropriate band.

Madam President, Government has always maintained that everyone in Bermuda needs to do their part in helping to pay off the deficit. Therefore, the primary purpose of this Bill is to amend the land tax rates to ensure additional revenue to the Government so that this Government can continue to do the work the people elected us to do, which is to provide a better and fairer Bermuda.

Before I close, Madam President, I do want to go, with your permission, to [clause] 4 of this amendment Act.

The President: Yes, continue, Senator Campbell.

Sen. Vance Campbell: [Clause] 4, indicates that after section 2 of the principal Act insert section 2A, “In respect of any valuation unit (other than a private dwell-

ing) which is situated in any of the economic empowerment zones designated under section 2A of the Economic Development Act 1968, tax shall be charged, levied and collected at the rate of 7% of the annual rental value of the unit.”

This will remain the same; it is currently 7 per cent, it will remain at 7 per cent, Madam President. I just wanted to make that clear.

The President: Absolutely, I think it’s important that you do. Thank you.

Sen. Vance Campbell: Madam President, in closing, Senators are advised that the land tax valuation department is in the process of conducting the five-year revaluation of land, which is due to go on deposit the 31st of December *[sic]* 2020 and come into effect on January 1, 2021. During this process, the Ministry will have to make further adjustments to rates to maintain the level of land tax collected. Also during this time, the Ministry will look to transition the land tax structure so that it is less susceptible to large changes in valuation.

With those introductory remarks, Madam President, I conclude my presentation. Thank you.

The President: Thank you, Senator Campbell.

Would any Senator care to speak on this Bill? Senator Kempe, you have the floor.

Sen. Nicholas Kempe: Thank you, Madam President.

So, I listened to the spokesperson for Finance talk about how Bermudians may have been confused. And I would like to talk a little bit about why that may be.

If we look at the Bermuda Tax Reform Commission’s Report, yes, they did talk about a \$500 flat fee on the first two bands. But, they spoke of that as a replacement for everything in those first two thresholds. They did not prescribe adding \$500 to band three, band four and band five and basically everyone that pays tax getting hit with an additional fee. What they spoke about was replacing the percentage being levied at the lowest level so as to cover processing fees, which is a concept that the Finance Minister spoke to at the budget breakfast.

What we were sold in the Budget Statement was a proposed tax rate of 0.0 per cent, which is essentially what [clause] 3 [new section 2](a) gives us here, and replaces with the \$300 flat fee. But, what we are looking at on the amendment here is just that. That we are getting hit with this base charge on top of it. So, whilst we are talking about the progressive nature of land tax, someone who had a home paying at an ARV of \$11,000 for, they were paying \$88 on their land tax. Now, they are going to be charged \$300, which is an increase of some 240 per cent. And I understand we are starting with low values so the per-

centages will be quite high. But, even if we get it up to a kind of middle of the road assessment number, where we are into band three, for example, a home that has an ARV of between \$22,000 and \$33,000, the land tax is going to go from \$671 to \$971, which is a 30 per cent increase. And that is right in the middle bands of the ARV scale.

You look at band four, again, it is going to go from a land tax of \$1,386 to \$1,686, which is an 18 per cent increase. So, trying to pass off this additional charge as being thinking of the Tax Reform Commission I think is somewhat misleading, Madam President, because the Land Tax Reform Commission only spoke about replacing the percentage calculation on the lowest two bands for a flat fee so as to cover the collection and the basic contribution for trash collection and the other items that the Senator across from me mentioned. But what they did not speak to was adding an additional flat fee on top of bands that were in the higher levels. It was a replacement value.

So, I would also like to query the calculations that are put in here for the total yield for land tax slated to be at \$85 million. Is the figure that is in the Budget Book accurate? Or is it what is in the Land Tax Amendment? It is somewhat misleading.

The President: Thank you, Senator Kempe.

Would any other Senator care to speak on this Bill?

Senator Michelle Simmons, you have the floor.

Sen. Michelle Simmons: Madam President, we seem to have two different things which have been presented. And I have tried to understand, but I am failing.

In the Budget Statement, the proposed tax rates in bands where the ARV is between zero and \$11,000 and also \$11,000 to \$22,000 . . . the proposed tax rate is 0.0 per cent. In the Land Tax Amendment Act 2019, for those two bands respectively, the rate of tax is given as 0.8 per cent and 1.8 per cent, which are the old rates. But, I am confused because I thought that those rates should be set at zero. I thought that was the proposal.

I understand about the flat rate. But I just need some clarification as to whether in the first band and the second band there are still respectively rates of tax at 0.8 per cent and 1.8 per cent, because it is totally different from what is in the Budget Statement. And that is my only question.

Thank you.

The President: Thank you, Senator Michelle Simmons.

Would any other Senator care to speak on this Bill?

Senator Jardine, you have the floor.

Sen. James S. Jardine: Thank you, Madam President.

I, too, share exactly the same views as Senator Simmons. I was totally confused when I read this, because when we received our Budget Statement there was a Schedule in there which I thought made it quite clear that for ARV bands one and two the proposed tax rate was zero. And that each person falling within any of those bands paid \$300 once. When I see this, I see \$300 plus 0.8 per cent, which is where I get confused.

Perhaps I could receive some clarity on that, for those first two levels, one and two. I do not have an issue with the remaining levels, I understand there is a payment of \$300 once, and then you pay the sliding scale as you go up. But I was confused on levels one and two, where I thought that they paid \$300 only, and nothing else, [which I understood] when I looked at the Budget Statement book for 2020. So perhaps I could get some clarification of that.

Thank you, very much, Madam President.

The President: Thank you, Senator Jardine.

Would any other Senator care to speak on this Bill?

No? Then Senator Campbell, you have a few questions to answer. And as you are conversing with the Financial Secretary, we will give you a few moments.

[Pause]

Sen. Vance Campbell: Madam President, I am just getting clarification.

The President: Yes, I have already informed the Senators. We understand that you are conversing with the Financial Secretary to get the answers to the questions that have been posed. So we will give you the time you need.

[Pause]

The President: We are still waiting for Senator Campbell to get his responses to the questions, which are quite important.

[Pause]

The President: All right, Senator Campbell.

[Inaudible interjection]

The President: No, that's fine. It is important for the Senators to get their answers to the questions. So you have the floor.

And thank you, Financial Secretary, for . . .

[Pause]

The President: For the listening audience, we are still getting our questions answered.

[Pause]

The President: All right, Senator Campbell.

Sen. Vance Campbell: Madam President, I will start with some of the other questions, because we are still working on clarification.

The President: Carry on.

Sen. Vance Campbell: The first thing I want to stress is the Report of the Tax Reform Commission. The results, the points that they have in there are recommendations.

The Government did not have to go hard and fast with everything that they recommended. And in some cases, the Government has gone with a variation of what they have recommended. That is the first thing. They were only recommendations.

Sen. Nicholas Kempe: Point of clarification.

The President: Point of clarification, Senator Campbell. (He has to respond.)

Sen. Vance Campbell: I will accept.

The President: All right, carry on Senator Kempe.

POINT OF CLARIFICATION

Sen. Nicholas Kempe: When the Senator says a “variation,” can he please confirm whether the variation is more or less than the Tax Reform Commission’s report?

Sen. Vance Campbell: Madam President, I provided an example in my brief where I said the Tax Reform Commission recommended a flat rate, a base rate of \$500. And the Government has chosen to go with \$300. That is an example of what I am talking about.

The President: Thank you, Senator Campbell.
Carry on.

Sen. Nicholas Kempe: Point of order, Madam President.

The President: What is your point of order?

POINT OF ORDER

[Misleading]

Sen. Nicholas Kempe: The Senator may be inadvertently misleading the Senate. For homes over \$22,000 the effective flat rate is now \$586, as op-

posed to \$500. So it is actually higher than what was in the Tax Reform Commission’s report.

The President: Thank you.

[Pause]

Sen. Vance Campbell: To one of the other questions, I believe what we have to remember is there are two parts to this Bill. There is the residential and then there is the commercial. In the instance of the residential, some of the bands have increased. And in instances of commercial we have to remember they have come down from 12 per cent. So what we have in that \$85 million [which] I believe Senator Kempe was concerned about, that is the net effect of moving the residential bands up and the commercial bands down from 12 per cent to 9.5 per cent, and 8 per cent as far as the tourist accommodations.

The President: Thank you, Senator Campbell, for that explanation.

Carry on.

Sen. Vance Campbell: We are still waiting . . . we are trying to get on the same page in regard to this last matter, Madam President. So if you could give me a few more minutes. Thank you.

The President: Carry on.

[Pause]

The President: We are still waiting for answers to the questions. And we will give the Financial Secretary time to give his explanation (for the listening audience). We are still waiting for information.

Senator Campbell.

Sen. Vance Campbell: Madam President, I apologise for that. I am being advised by the technical people that in spite of our interpretation of what we see here, the maximum tax in bands one and two will be \$300.

The tax for bands three to seven will be the base rate of \$300 plus the applicable tax rate in that band. I am not sure if that clarifies the confusion that Senators have expressed.

The President: There are three Senators who want to respond. So, Senator Jardine.

Sen. James S. Jardine: Madam President, I think what I was trying to get at, and correct me if I am wrong, is that in the Budget Statement it said levels one and two were going to be 0.0 per cent, and that is now 0.8 per cent and 1.8 per cent [respectively].

The President: Senator Campbell, did you hear the—

Sen. Vance Campbell: No, I didn't, Madam President, I was—

The President: Senator Jardine, would you repeat?

Sen. James S. Jardine: Thank you, Madam President. I see Anthony shaking his head on the other side, so, presumably, I got that wrong.

The President: Senator Richardson.

Sen. James S. Jardine: But, what I am saying is that in the Budget Statement it showed the bottom two levels, one and two . . . the rate of tax was going to be zero and zero, and are you now saying that is not zero and zero but 0.8 per cent and 1.8 per cent?

Sen. Vance Campbell: That is what we are trying to get clarified.

Sen. James S. Jardine: Ah. Okay.

The President: Senator Kempe, do you want clarification?

Sen. Nicholas Kempe: Yes.

Could Senator Campbell please advise what the tax bill for a home valued under the ARV banding of \$22,001 . . . what it was prior to this tax amendment and what it will be after it passes?

Sen. Vance Campbell: Madam President, I did explain that. I do not have the exact dollar value, but the bill prior to this, the . . . sorry, you said band three?

Sen. Nicholas Kempe: A home valued \$22,001. I have it being \$586 and change, versus \$286 and change prior to this Bill. The Tax Reform Commission recommended that it be \$500. My point is that this Bill actually makes it more onerous than what the Tax Reform Commission was proposing. So any allegations that they have eased off of what the Tax Reform Commission [proposed] is misleading for all homes over \$22,000.

The President: We are awaiting a response from the Financial Secretary.

Senator Campbell, you are smiling.

Sen. Vance Campbell: I am smiling. I am.

The President: You have the floor.

Sen. Vance Campbell: The lightbulb has gone off, Madam President. When we calculate the land tax, we still have to account for tax in each band even though you may be in, say, band five. You still have to calculate an amount in band one, band two and three, and band four and then band five. So, that is why we still

have to have the 0.8 per cent and the 1.8 per cent in the bands one and two.

But for someone whose home only falls in band one, their tax will be \$300. For someone whose home falls in the next band, band two, their tax will be the same.

Sen. Nicholas Kempe: Point of clarification.

The President: Senator Kempe.

POINT OF CLARIFICATION

Sen. Nicholas Kempe: Will the Senator concede that both the Tax Commission Report and the Budget Statement did not suggest that calculation format?

The President: Senator Campbell.

Sen. Vance Campbell: No. I think . . . No, I will not concede that, Madam President. I think it is a misunderstanding or a lack of understanding in how the land tax amount is calculated. And that is where the confusion is. And I am guilty of that myself in basically . . . this is something I should know.

The President: Thank you, Senator Campbell. Carry on.

Sen. Vance Campbell: I should know. But I think that is where the confusion is, that our mind thinks, *My land is \$33,001 so I go straight to that band and just think 6.5 per cent plus three*. But we have to calculate the incremental amounts in each band until we get to the value—

Sen. Nicholas Kempe: Point of order, Madam President.

The Senator may be inadvertently . . . I absolutely calculated each \$11,000 at its respective rate and added them up. Progressive payroll tax, progressive land tax are all added up the same way. So that is not a *confusion* on my part, the numbers are the numbers.

The President: Senator Campbell, carry on. That was not a point of order.

Sen. Vance Campbell: Madam President, I think I have explained what the confusion was. I see now it is from some of the other Senators who had that same confusion where it is now clarified so, with that, I think that is the last question that I had, or point that was unclear for the Senators.

The President: So you will do the second reading.

Sen. Vance Campbell: I will do the second reading.

The President: Thank you.

Sen. Vance Campbell: Madam President, I move that the Bill entitled the Land Tax Amendment Act 2019 be now read a second time.

The President: Is there any objection to that motion?
No objection.
Carry on, Senator Campbell.

[Motion carried: The Land Tax Amendment Act 2019 was given a second reading.]

SUSPENSION OF STANDING ORDER 26

Sen. Vance Campbell: Madam President, I move that Standing Order 26 be suspended in respect of this Bill.

The President: Is there any objection to that motion?
No objection.
Carry on.

[Motion carried: Standing Order 26 suspended.]

BILL

THIRD READING

LAND TAX AMENDMENT ACT 2019

Sen. Vance Campbell: Madam President, I move that the Bill entitled the Land Tax Amendment Act 2019 be now read a third time.

The President: Is there any objection to the third reading?
No objection.
Carry on, Senator Campbell.

Sen. Vance Campbell: Madam President, I move that the Bill do now pass.

The President: Is there any objection to that motion?
No objection.
The Bill entitled the Land Tax Amendment Act 2019, is passed.
Thank you, Senators.

Sen. Vance Campbell: Thank you, Madam President.

[Motion carried: The Land Tax Amendment Act 2019 was given a third reading and passed.]

The President: We will move on to the fourth item of the Orders of the Day, the second reading of the Dental Practitioners Amendment Act 2019.
Senator Richardson, you have the floor.

BILL

SECOND READING

DENTAL PRACTITIONERS AMENDMENT ACT 2019

Sen. Anthony Richardson: Madam President, I move that the Bill entitled the [Dental Practitioners Amendment Act 2019](#) be now read a second time.

The President: Is there any objection to that motion?
No objection. Carry on, Senator Richardson.

Sen. Anthony Richardson: Madam President, I am pleased today to present the Bill entitled the Dental Practitioners Amendment Act 2019.

Madam President, the Ministry of Health is responsible for the legislation that provides the framework for the regulation of healthcare professionals. The Dental Practitioners Act 1950 is the legislation that guides the regulation of dentists, dental hygienists, and dental technicians. The Bermuda Dental Board (the Board) is the regulatory authority charged with ensuring high standards of professional competence and conduct for the dental profession and to advise the Ministry on issues pertaining to them. Accordingly, the Board and the Ministry's efforts to advance standards for professional practice are ongoing.

Madam President, the Bill entitled the Dental Practitioners Amendment Act 2019 proposes to improve the regulation of dentists by making explicit provision for appropriate indemnity insurance coverage and registering dentists for specified procedures.

Madam President, the Board has registration criteria that set forth what is required to satisfy an application for registration as a dentist. Required documentation includes those documents that attest to the education and professional qualifications, experience and character of an applicant. Additionally, the Board requires proof of indemnity insurance coverage for practice as a dentist, and this requirement is currently outlined in standards for the profession in their statement of conduct.

Madam President, indemnity insurance is a best practice standard for healthcare practitioners and it serves to protect the practitioners and the public from claims of negligence and malpractice. The Bill will update the Act and make indemnity coverage an expressed legal requirement for dentists. Most recently, this requirement was established in the Psychological Practitioners Act 2018. The proposed amendment for indemnity insurance coverage will not require any additional change to current practice because dentists already have a requirement for indemnity insurance coverage through established standards for their profession.

Madam President, the Bill clarifies that the statement of conduct prepared by the Board includes standards for ethical conduct, standards of practice

and scopes of practice for the dental profession. This amendment aligns the Act with the Ministry's other legislation for health professionals.

Madam President, the Bill proposes that the Board have authority to register dentists for specified procedures and to enter these qualifications on the register. The Board has identified several procedures which require additional oversight in order to maintain high standards of professional competence and conduct. These specified procedures include dental implants and restorations, sedation, sleep medicine and cosmetic procedures involving neurotoxin (Botox) and dermal filler injections. Some of these procedures carry an increased level of risk for patients that may require an increase in the level of indemnity insurance coverage.

Additionally, the Board needs to assure that dentists have received adequate education, training, and continuing education to perform these procedures. Madam President, the Board has best practice standards drafted for each of the specified procedures mentioned in this brief for inclusion in the statement of conduct for dentists. It is important to note that the proposal for the addition of standards will undergo consultation with the dental profession. This consultation process allows the Board to receive feedback and set reasonable and realistic timelines for compliance. Dentists who plan to perform or are currently performing these specified procedures will be given the opportunity to be a part of the discussion before they are held to any new standards.

Overall, Madam President, the Bill entitled the Dental Practitioners Amendment Act 2019 ensures that the Board can continue to uphold high standards of professional competence and conduct essential for the safeguarding of public health.

Thank you, Madam President.

The President: Thank you, Senator Richardson.
Would any Senator care to speak on this Bill?
No? Senator Richardson, you can carry on with the second reading.

Sen. Anthony Richardson: Madam President, I move that the Bill entitled the Dental Practitioners Amendment Act 2019 be now read a second time.

The President: Is there any objection to that motion?
No objection.
Carry on, Senator Richardson.

[Motion carried: The Dental Practitioners Amendment Act 2019 was given a second reading.]

SUSPENSION OF STANDING ORDER 26

Sen. Anthony Richardson: Madam President, I move that Standing Order 26 be suspended in respect of this Bill.

The President: Is there any objection to that motion?
No objection.
Carry on.

[Motion carried: Standing Order 26 suspended.]

BILL

THIRD READING

DENTAL PRACTITIONERS AMENDMENT ACT 2019

Sen. Anthony Richardson: Madam President, I move that the Bill entitled the Dental Practitioners Amendment Act 2019 be now read a third time.

The President: Is there any objection to the third reading?
No objection.

Sen. Anthony Richardson: Madam President, I move that the Bill do now pass.

The President: It has been moved that the Bill entitled the Dental Practitioners Amendment Act 2019 be now passed. Is there any objection?

No objection.
The Bill is passed.
Thank you, Senator Richardson and all Senators.

Sen. Anthony Richardson: Thank you, Madam President.

[Motion carried: The Dental Practitioners Amendment Act 2019 was given a third reading and passed.]

The President: We will now move on to item 14 on the Order Paper.

MOTIONS

The President: There are none.
Item 15.

CONGRATULATORY AND/OR OBITUARY SPEECHES

The President: Would any Senator care to speak?
No? We have had a full day.
Item 16. Adjournment.
Attorney General, Senator Kathy Lynn Simmons.

ADJOURNMENT

Sen. the Hon. Kathy Lynn Simmons: Thank you, Madam President.

I move that the Senate do now adjourn until Monday, March 25th.

The President: Is there any objection to that motion?

No objection.

Senate stands adjourned until Monday, the 25th of March.

Thank you all, Senators.

[At 6:14 pm, the Senate stood adjourned until 10:00 am, Monday, 25 March 2019.]

[This page intentionally left blank.]