



Legislative Assembly of Alberta

The 30th Legislature  
Second Session

Standing Committee  
on  
Alberta's Economic Future

Ministry of Advanced Education  
Consideration of Main Estimates

Wednesday, March 17, 2021  
9 a.m.

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**Legislative Assembly of Alberta  
The 30th Legislature  
Second Session**

**Standing Committee on Alberta's Economic Future**

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Goehring, Nicole, Edmonton-Castle Downs (NDP), Deputy Chair  
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\* substitution for Nicole Goehring

\*\* substitution for Drew Barnes

**Also in Attendance**

Eggen, David, Edmonton-North West (NDP)  
Loyola, Rod, Edmonton-Ellerslie (NDP)

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**Standing Committee on Alberta's Economic Future**

**Participant**

Ministry of Advanced Education  
Hon. Demetrios Nicolaidis, Minister



9 a.m.

Wednesday, March 17, 2021

[Mr. Neudorf in the chair]

**Ministry of Advanced Education  
Consideration of Main Estimates**

**The Chair:** Good morning. I would like to call the meeting to order and welcome everyone. The committee has under consideration the estimates of the Ministry of Advanced Education for the fiscal year ending March 31, 2022.

I'd ask that we go around the table and have members introduce themselves for the record. My name is Nathan Neudorf. I'm the MLA for Lethbridge-East and the chair of this committee. We will begin starting to my right.

**Mr. Dang:** Good morning. Thomas Dang, Edmonton-South and acting deputy chair.

**Mr. Rowswell:** Garth Rowswell, MLA, Vermilion-Lloydminster-Wainwright.

**Ms Armstrong-Homeniuk:** Jackie Armstrong-Homeniuk, MLA, Fort Saskatchewan-Vegreville.

**Mr. Reid:** Roger Reid, MLA for Livingstone-Macleod.

**Ms Rosin:** Miranda Rosin, MLA for Banff-Kananaskis.

**Mr. Eggen:** Good morning. My name is David Eggen. I'm the MLA for Edmonton-North West.

**The Chair:** Thank you very much.

Now we'll go to the members participating virtually. When I call your name, please introduce yourself for the record. Mr. van Dijken.

**Mr. van Dijken:** Good morning. It's Glenn van Dijken, the MLA for Athabasca-Barrhead-Westlock.

**The Chair:** Mr. Walker.

**Mr. Walker:** Good morning. MLA Jordan Walker, Sherwood Park.

**The Chair:** Mr. Toor.

**Mr. Toor:** Good morning. MLA Devinder Toor, Calgary-Falconridge.

**The Chair:** And Mr. Loyola.

**Member Loyola:** Rod Loyola, Edmonton-Ellerslie.

**The Chair:** Thank you very much. Due to the current landscape we are in, all ministry staff will be participating in the estimates debate virtually. Minister, if you could please introduce yourself and then go around the table and introduce those that are with you.

**Mr. Nicolaidis:** Sure. Demetrios Nicolaidis, MLA for Calgary-Bow and Minister of Advanced Education. I have my deputy minister, Curtis Clarke; Brad Smith, assistant deputy minister of financial services; Peter Leclaire, assistant deputy minister of insight, transformation, and innovation; Mike Fernandez, assistant deputy minister, operations and clients . . . [An electronic device sounded] Well, we just got started, but all right. Carmen Baldwin-Dery, assistant deputy minister, postsecondary policy and strategy; as well, my chief of staff, Jesse Robertson, press secretary and ministerial assistant.

**The Chair:** Thank you very much.

I'd like to note the following substitutions for the record: Mr. Dang as deputy chair is substituting for Ms Goehring, Mr. Toor for Mr. Barnes.

Before we begin, I would note that in accordance with the recommendations from the chief medical officer of health, attendees at today's meeting are advised to leave the appropriate distance between themselves and other meeting participants. In addition, as indicated in the February 25, 2021, memo from the hon. Speaker Cooper, I would remind everyone of committee room protocols in line with health guidelines, which require members to wear masks in committee rooms and while seated except when speaking, at which time they may choose not to wear a face covering.

A few housekeeping items to address before we turn to the business at hand. Please note that the microphones are operated by *Hansard* staff. Committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and videostream and transcripts of meetings can be accessed via the Legislative Assembly website. Those participating virtually are asked to turn on their camera while speaking and please mute their microphone when not speaking. To be placed on the speakers list, virtual participants should e-mail or send a message in the group chat to the committee clerk, and members in the room are asked to please wave or otherwise signal to the chair. Please set your cellphones and other devices to silent for the duration of the meeting.

Speaking rotation and time limits. Hon. members, the standing orders set out the process for consideration of the main estimates. A total of three hours has been scheduled for consideration of the estimates for the Ministry of Advanced Education. Standing Order 59.01(6) establishes the speaking rotation and speaking times. In brief, the minister will have 10 minutes to address the committee. At the conclusion of his comments a 60-minute speaking block for the Official Opposition begins, followed by a 20-minute speaking block for any independent members, and then a 20-minute speaking block for the government caucus. Individuals may only speak for up to 10 minutes at a time, but time may be combined between the member and minister. The rotation of speaking time will then follow the same rotation of the Official Opposition, independent members, and the government caucus, with individual speaking times set to five minutes for both the member and the ministry. These times may be combined, making it a 10-minute block. One final note. Please remember that discussion should flow through the chair at all times regardless of whether or not speaking times are combined. If members have any questions regarding speaking times or the rotation, please feel free to send an e-mail or message to the committee clerk about the process.

With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having a break? Seeing none, we will proceed in that direction.

Ministry officials, at the direction of the minister, may address the committee. Ministry officials are asked to please introduce themselves for the record prior to commenting. Space permitting, opposition caucus staff may sit, appropriately distanced, at the table to assist their members; however, members have priority to sit at the table at all times.

If debate is exhausted prior to three hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and the committee will adjourn. Points of order will be dealt with as they arise; however, the speaking block time and the overall three-hour clock will continue to run.

Any written material provided in response to questions raised during the main estimates should be tabled by the minister in the Assembly for the benefit of all members.

The vote on the estimates and any amendments will occur in Committee of Supply on March 17, today, 2021. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. The original amendment is to be deposited with the committee clerk, and as a courtesy an electronic version of the signed original should be provided to the committee clerk for distribution to committee members.

I now invite the Minister of Advanced Education to begin with his opening remarks. Minister, you have 10 minutes.

**Mr. Nicolaidis:** Great. Thank you, Chair. Good morning, everyone, and thank you for giving me the opportunity to be here today and to speak about the Ministry of Advanced Education budget and our vision for the ministry. I want to start by talking a little bit about Alberta 2030. As individuals may know, we are undertaking a comprehensive effort to build a 10-year strategic plan for the Alberta postsecondary system, and indeed this is probably the most significant undertaking in our department today that is occupying a significant amount of our time and efforts, which, of course, is called Alberta 2030, building skills for jobs. Alberta 2030 will build a common vision and direction for our higher education system. Indeed, it's been made abundantly clear to me that our postsecondary system has lacked an overall strategic direction for a number of years, and I believe that it's essential that we develop this vision now more than ever.

The strategic plan is focused on six key priorities. The first is on improving access and strengthening the student experience. The second is on developing skills for jobs, that is to say to ensure that our students have the skills, knowledge, and competencies they need to succeed in whatever career and life aspirations they choose. The third key goal of Alberta 2030 is to promote innovation and commercialization of research. Of course, our institutions are home to groundbreaking research and new discoveries, and where possible it's essential that we create the right conditions to allow those new discoveries to turn into commercial activity for obvious benefits and reasons. The fourth goal is to build Alberta's postsecondary reputation internationally. The fifth goal is to strengthen the financial sustainability and improve affordability of the postsecondary system. Lastly, to create more effective and efficient governance models.

It's with Alberta 2030 and these goals in mind that we should examine the 2021 budget. This year will see the department begin to implement aspects of the initiative, but work has been ongoing for some time already. The strategy and road map for Alberta 2030 were developed with extensive stakeholder input. Over the past year we've conducted more than 115 one-on-one interviews, 31 round-table discussions, established a guiding coalition with representatives from our postsecondary community, received nearly 5,700 public survey responses, held six telephone and Zoom town halls, and reviewed more than 35 stakeholder submissions. This input has been invaluable to developing Alberta 2030 and, of course, I think, as you can understand, one of the most robust and comprehensive engagement efforts that has been undertaken in Advanced Education for many years.

We'll continue to reach out to stakeholders as we move forward with implementation, and indeed I believe that Alberta 2030 will have far-reaching positive impacts on not just our postsecondary system but on our province as a whole. It will prepare more Albertans for the jobs of today and tomorrow and help get Albertans back to work.

**9:10**

Furthermore, Budget 2021 continues to maintain and promote responsible spending across government. We're funding postsecondary education in a way that respects taxpayer dollars and provides students with value and transparency for their investment, and it does so while helping to prepare for Alberta's recovery by investing in people, infrastructure, and in the research capacity of our postsecondary sector. With respect of funding the operating and program support, or OPS grant, is the primary way that we fund 26 postsecondary institutions, and of course the agreements encompass a number of different funding streams into a comprehensive single agreement.

Under Budget 2021 the base grant for postsecondary institutions is \$1.9 billion. This has been reduced by 6.6 per cent from the previous year, and the reduction was determined using the same methodology from Budget 2020. The base grant supports the delivery of approved programs by postsecondary institutions and is used to cover cost related to instruction, student services, academic support, institutional support, network and communication services, and other areas.

Other funding streams include \$21 million for medical faculty funding, \$11.2 million to support students with disabilities, \$13.8 million for the Health Workforce Action Plan, \$38.1 million for the apprenticeship technical training grant, and \$151.4 million for capital, maintenance, and renewal. Not every institution is eligible for these funding streams. Of course, institutions such as the U of A and the U of C, with medical schools, are eligible for medical faculty funding.

At this point I should also take a moment to mention the introduction of investment management agreements for this fiscal year. We announced investment management agreements and performance-based funding in Budget 2020, but this was delayed due to COVID-19. We're planning to begin discussions with postsecondary institutions soon to have this new performance-based model in place. Furthermore, it's important to note that this will impact cash payments in future agreements but not impact funding in the 2021 year.

Under Budget 2021 we're also aiming to make tuition more predictable as a form of revenue for all postsecondary institutions. Tuition revenue is an important source of revenue for our institutions and an important investment that students make in their own future, but it's also important that we provide the right regulatory guardrails around tuition, which is why we are maintaining a cap on tuition at 7 per cent to ensure that postsecondary education remains accessible and affordable.

I'd also like to talk quickly about capital funding. We're continuing to accelerate investment in postsecondary capital projects. Over the course of the past summer we provided \$98 million in new stimulus funding to our postsecondary institutions to help update laboratory spaces and other important infrastructure on our campuses. As well, in total Budget 2021 includes \$191 million for all capital expansion and upgrading, including \$50 million in new funding for Mount Royal University for the repurposing of many unused facilities.

I'd also like to talk about work-integrated learning. This is a key aspect of Alberta 2030. To build on this, Advanced Education is supporting the expansion of internships with Mitacs with \$5 million in annual funding for the next three years. This expanded funding will support approximately 1,275 interns annually. Our \$50 million investment over three years is expected to leverage matching investments of almost \$22 million in federal funding and a further \$27 million in funding from other participating organizations. By providing new hands-on learning opportunities, we are supporting

Alberta's recovery and ensuring more students gain the practical skills they need to succeed. Of course, not only do internships benefit students; they help industry partners achieve their innovation potential, respond to current business challenges, and grow their competitive advantage. We think this great investment for students and businesses will help create additional opportunities for the future.

Furthermore – I think I have about one minute left, Mr. Chair – I'll mention quickly, as it relates to student aid, that we are increasing student loan funding by \$30 million to help students access student loans. As well, we continue to provide funding for new scholarships and expected demand of scholarships, primarily the Alexander Rutherford scholarship. As well, with respect to mental health, an area of significant concern for our students, we are continuing to invest in supporting mental health by investing \$26 million over three years to support and strengthen mental health on campus.

In conclusion, it's imperative that we strike the right balance between responsible funding and a well-funded system that'll prepare our province for future economic recovery.

**The Chair:** Thank you very much, Minister.

For the hour that follows, members of the Official Opposition and the minister may speak. Do the members and the minister wish to share their time?

**Mr. Eggen:** Yes, if that's okay with the minister.

**The Chair:** Minister, what's your preference?

**Mr. Nicolaides:** Yeah. That's fine as well.

**The Chair:** We will be setting the timer for 20-minute blocks just to keep track of the time. I will give a visual cue of one minute of speaking time left, which will be on the 20-minute block without the 10-minute time frames.

Mr. Eggen, you have up to 10 minutes of time.

**Mr. Eggen:** Thank you, Mr. Chair, and thank you to the minister and his staff for helping us with the budget estimate questions here this morning. I'll get started. My first question. It has been possible to obtain grant allocation information from some institutions around the province although certainly there's an issue around transparency, that I'll ask about later. The amounts that have been chosen to be disbursed from your ministry seem to not have, you know, direct relation to enrolment, research, capital costs, or any other issue that would have a direct bearing on building a budget for especially our universities but colleges and polytechnics as well. For example, our three largest universities bore half of the cuts that you chose to impose on our advanced education system. I would like to ask you if you could provide an explanation as to why you went after our three largest and most successful universities with the deepest cuts in your budget this year.

**Mr. Nicolaides:** Sure. Thank you for the question. I'd be happy to address that. First of all, of course, I completely reject the terminology and the categorizations that we're targeting anyone or attacking anyone. I don't think that kind of terminology is helpful and productive. But the member is right in the sense that advanced education does not have a funding formula, and it's something that, when the member was in government, they chose not to address either. There's actually no methodology for determining how funding is provided to postsecondary institutions, and I believe that's something that needs to be corrected.

As we were working at distributing reductions to our institutions, we looked at taking an evidence-based approach. I strongly believe in taking an evidence-based approach. We examined the funding per student levels at each individual institution, explored how they compare against one another and how they compare against comparator institutions from other provinces, and applied differentiated reductions based on those metrics. For example, the University of Alberta is the highest funded university across the U15. Those are the top 15 institutions across Canada, institutions like McMaster, McGill, the University of Toronto, UBC. The U of A received the highest amount of funding from the provincial government against those comparators, so the reductions will help to bring those institutions into additional alignment.

Again, as I mentioned, we don't have a funding methodology at the moment. We don't have a way to determine allocations. I believe that's something that the former government looked at but did not want to address. I think we do need an evidence-based approach to determine how we provide funding to our institutions. It's something that we've examined through the context of Alberta 2030, and it's something I hope that we can implement moving forward.

**9:20**

**Mr. Eggen:** Well, I know that Budget 2021, as you had mentioned in your introductory comments, cuts postsecondary by 6.6 per cent, \$135 million. Since taking office, when I add population and inflation to be factored in, your UCP government has cut postsecondary by more than \$600 million, 23 per cent. With the notion that you have around building accessibility and building research capacity and so forth, I just would really like to know how you can justify the level of cuts when we are trying to, in fact, buttress our postsecondaries to help us with economic recovery and to help to diversify the economy and to educate our young population here in the province.

**The Chair:** Sorry. Just one point of clarification for both members. I will try to introduce each speaker to help *Hansard* do the microphones as well.

**Mr. Eggen:** Oh. Sure. Sorry about that, Chair.

**The Chair:** No problem.  
Minister.

**Mr. Nicolaides:** Sure. Thank you, Mr. Chair and MLA Eggen. First, let me just say unequivocally that it's absolutely crystal clear to Alberta's government that our postsecondary institutions are critical and essential to the economic recovery and long-term economic vitality of our province. There's no question there. The question, however, relates around levels of funding, and as I mentioned, historically our institutions have benefited from disproportionately higher amounts of funding from the provincial government versus other jurisdictions.

Indeed, the MacKinnon panel noted that when we look at total revenue in the system, in Alberta approximately 55 per cent of the entire revenue in the postsecondary system is from government funding, and about 18 per cent is from tuition. In B.C. about 45 per cent of the entire revenue of the system was from government funding and approximately 25 per cent from tuition. In Ontario those numbers are about 30 per cent and 30 per cent.

We've enjoyed very strong economic times in our province in the past, and our institutions have benefited by receiving higher amounts of funding against their comparators, of course. We have very challenging financial and economic times that we need to address. Just to give you some additional clarity, in 2017-18 the U

of A received \$18,000 in funding per student versus McMaster, which received \$9,500; the University of Toronto, \$8,100. Actually, the University of Alberta has for the past many years been the highest funded university across the U15. Again, given our challenging economic times it's important that we address that.

**The Chair:** Thank you, Minister.  
Mr. Eggen.

**Mr. Eggen:** Yes. Thank you, Chair. I think it's important, as we use those numbers over the course of this morning – and you said it very clearly, Minister – that these are from 2017-2018. This is now 2021, and we've seen three successive budget cuts from this UCP government directed at our universities, colleges, and polytechnics. Certainly, the landscape has changed considerably, and I know that most Albertans want to ensure the standard of excellence that our postsecondary institutions have enjoyed as a result of investment in those same institutions. We have probably a third of the very top research capacity here in the country residing in the University of Alberta and the University of Calgary, and I'm just very concerned that the considerable cuts that have been directed at both the University of Alberta and the University of Calgary, for example, result in, you know, some loss of research capacity and loss of spaces and programing as well.

I would ask the minister, please, through the chair, if he can provide information on how many student spaces will be cut at the U of A and the U of C as a result of these cuts, how many programs are likely to be closed. I know that, you know, you're likely to tell me, "Well, the universities make these choices around these issues," but I think that you must have done an analysis of the impact of your decisions regarding this funding that you provide, because, of course, there's a direct correlation between these considerable cuts you made at these two institutions on research and on programming and so forth.

Can you explain what new programs the U of C and the U of A will be able to launch to help with economic diversification while they have to work with considerable cuts of tens of millions of dollars from their budgets? Please, if you could be as specific as you can, because I know you must have done some of this analysis before you made the choice to make these cuts.

**The Chair:** The minister.

**Mr. Nicolaides:** Yes, of course, and thank you for that recognition. Indeed, we had done a considerable amount of analysis because, as I mentioned earlier, it's essential that we make evidence-based and informed decisions. What our analysis showed was that our postsecondary institutions here in Alberta have a disproportionately higher spend than their comparators and that that higher spend existed primarily in the area of administrative costs. Our institutions are developing plans, of course, to work through the reductions and are showing tremendous leadership, and I want to thank all of them, all of our postsecondary presidents, for their leadership during these challenging times. Indeed, it's important that we all move through these challenging times together.

Just to give you some specifics, as you asked for, and some examples, I know that at the University of Alberta, for an example, they are engaging in a massive restructuring effort with the intent of removing duplicative and unnecessary administrative layers and managerial layers. They have currently approximately, I believe, 18 or 19 faculties, which is, again, on the higher end of the U15 and other comparable institutions, and they are working to consolidate those 18, 19 faculties into three and, by doing so, will be able to streamline administrative services and realize significant cost savings. According to President Bill Flanagan this year alone the U

of A will realize approximately \$95 million in administrative savings. I'm very confident that we can move forward on reducing significant administrative expenses and bring the overall cost of delivery down while at the same time not adversely affecting access or new programming.

I was just speaking with the Students' Association at Lakeland College, and one of the students there was completing his diploma and will be enrolling next year for the new agricultural technology bachelor program. Olds College, similarly, is also moving forward with new programming in ag tech. Bow Valley College has also recently announced a new program. SAIT has announced a new digital school to meet the growing demand for digital skills.

I am absolutely confident, as demonstrated by these very specific and real examples, that we can continue to not just offer the same courses and programs but offer new and innovative programs and courses while reducing administrative costs and costs of delivery in a way that we can be prudent with taxpayer dollars and not affect our economic recovery efforts.

**The Chair:** Mr. Eggen.

**Mr. Eggen:** Thank you. Through the chair, I certainly recognize how our colleges and polytechnics throughout the province are continuing to develop programs, you know, despite a reduction in the contribution by the province of Alberta. I know as well that certainly it's not possible to absorb the cuts, say, at the University of Alberta that have been imposed by this government through administrative savings. It's just that the two things don't add up.

I mean, I find it deeply ironic that in just these past 12 months we've seen that at the University of Alberta a faculty member has earned the Nobel prize in medicine while the same university has now endured the third round of budget cuts. It takes many long years – right? – and even decades to build the capacity in a field of study, like they have done at the virology department at the University of Alberta, to attract the quality of talent and to retain that quality of talent. It's many decades of hard work to build that reputation. That reputation, quite frankly, can be compromised in a matter of months by having these significant cuts through reduced provincial contributions, right? I'm asking how universities can possibly help with Alberta's economic recovery when they're forced to cut programs and jobs just to keep the lights on in the face of these significant cuts that we've endured over these last three budgets.

9:30

**The Chair:** Minister.

**Mr. Nicolaides:** Thank you, Chair. Thank you, MLA Eggen. Indeed, you're absolutely correct. I think we all as Albertans applauded the recent Nobel prize winner Dr. Michael Houghton and others for the work that they've done. I was very fortunate to join our Premier in December and recognize that important work, with a new investment of \$20 million over several years directly to the Li Ka Shing Institute of Applied Virology to support that important work. As well, we through various different ministries – Jobs and Economy, Agriculture, Health, and other ministries – continued to provide over \$184 million in dedicated research funding to our postsecondary institutions. These initiatives will continue to support the research and innovation strength.

Not to forget, I mentioned earlier a new investment from Advanced Education last year of \$15 million in funding over three years to support approximately 1,300 new research-based internships. This is essential to building the innovation capacity of our province and building the innovation talent right here at



home. These measures will help ensure that we are well positioned to assist in supporting the economic recovery of the province.

Again, we do have a higher cost dynamic that we need to correct. Our institutions are working diligently. I mentioned the U of A. The U of C has also developed a very comprehensive plan entitled growth through focus, in which essentially their plan is to grow through these challenges. We're also looking at reducing unnecessary red tape and bureaucracy on our institutions to increase their autonomy, to allow them to be more innovative, and to increase revenue from other sources. This isn't simply a matter of cost containment. Certainly, that's an angle that needs to be explored, but we have to look at both sides of the equation. There are opportunities on the revenue side. As I mentioned, we're working with institutions to remove red tape to allow them to be more innovative and entrepreneurial. I'm confident that through both of these measures we'll be able to address these challenges and continue to support Alberta's recovery.

**The Chair:** Thank you.

Mr. Eggen.

**Mr. Eggen:** Thank you. Through the chair, I think that making significant budget cuts to especially the University of Calgary and the University of Alberta and then characterizing it as somehow setting them free is a very creative use of language and logic that I think most people would see right through, quite frankly.

There's one piece of information that I definitely – this is the second budget in a row now where the UCP government has excluded the Campus Alberta grant list. Otherwise, we should be seeing, as part of a transparent budget, the distribution of operational funds to each of our 26 colleges, universities, and polytechnics. I just think that it's important for us to have that information consolidated on a budget document, and I would ask the minister, please, if you could make public this information. I mean, eventually we get it anyway. It would be easier if he could just give it to us here today.

**The Chair:** Minister.

**Mr. Nicolaides:** Thank you, Chair. Thank you, MLA Eggen. Of course, as I mentioned last year, each individual institution has their grant allocation and will receive their grant allocation. That information is all publicly available. Of course, the budget hasn't been passed and approved yet, and we still have not signed grant agreements with individual institutions, so those aren't signed and completed yet. Of course, when those agreements are signed and completed, once the budget is approved, then all of those specific allocations to individual institutions will be available and, furthermore, available, I should clarify, you know, through each individual institution. I think, as you noted, that several institutions provide that information, and it's all readily available.

**The Chair:** Mr. Eggen.

**Mr. Eggen:** Yeah. That's great. If you can give it to us after the budget gets through, presumably, in this very short time – I mean, we'll get the information sooner or later. It would just be in the spirit of good transparency to give us that information as the government normally does.

You know, we are looking and we're finding that in the individual allocations to universities the cuts have caused considerable stress on specific departments in universities. As you said, there's a move because of the budget cuts – I mean, let's be

clear – to have consolidation to some departments and faculties and so forth.

I know that you, this province and this government, have a special responsibility to some of these departments as well. For example, Campus Saint-Jean at the University of Alberta is the only French-language campus west of Winnipeg, as you probably know, and provides instruction in French in several subject areas. Campus Saint-Jean is an important source of our French-language teachers as well here in the province, which we always are in need of for both our francophone boards and for our French immersion programs, that are expanding considerably here in the province, too. Of course, Campus Saint-Jean is an essential part of our francophone culture and identity in Alberta.

I know that through the media we've seen that the Alberta government is spending \$1.5 million in legal actions to deny somehow this responsibility to the continued viability of Campus Saint-Jean, \$1.5 million for lawyers, while Campus Saint-Jean could at least keep the lights on and manage with an increase of \$1.1 million to their operating budget. I just want to know if the minister has given direction in this budget in regard to the University of Alberta and their intentions with Campus Saint-Jean: if this campus is going to be dissolved, if the program is being moved into another department, if there is an intention to sell the land on which Campus Saint-Jean is residing. I think that there are an awful lot of people in the francophone community across the province that want to know.

**The Chair:** Thank you, Member.

That tone was the first 20-minute block.

I do believe that the conversation is very relevant, but if and where possible you can tie it to the business plan and estimates for those . . .

**Mr. Eggen:** Yeah. For sure. I think it resides on page 25 of the operating support for postsecondary.

**The Chair:** Thank you very much, Mr. Eggen.  
Minister.

**Mr. Nicolaides:** Sure. Thank you, Chair, and thank you, MLA Eggen. Yeah. With respect to Campus Saint-Jean, as you mentioned, there is an ongoing legal issue there. The matter is before the court, so of course, as you know, I can't comment on the matter further.

You did mention, though, if I do recall, specifically, you know: what are the U of A's plans? I would simply refer you to the U of A for tomorrow restructuring effort. I know that I've looked at many of those documents, and there are different scenarios and plans as it relates to the academic restructuring that will occur. They've mapped out where individual faculties, departments, schools, and programs will land and what that arrangement will look like. I know that that information is on the University of Alberta's website, so I'd direct you there.

**9:40**

Furthermore, just to come back to the comment about the challenging financial and economic times that we all have to deal with and go through, I just want to provide a reference. This was published in the *Edmonton Journal* on September 30, 2020, and publicly in that article the U of A stated that in spite of job losses from their administrative restructuring, they are confident that the institution will be more sustainable and continue to grow as they work through this process. That's directly from the University of Alberta. They believe they'll be able to continue to grow, and I think that that's the case with many of our institutions.

As I mentioned earlier, many of our institutions are launching new programs as we speak, and there are many applications still being explored for new degrees. I know there are several applications from Red Deer College to offer new degrees that are currently being examined and reviewed. So we are seeing continued program development and expansion primarily in new areas, as I mentioned. I referenced SAIT's School for Advanced Digital Technology, the work being done at Olds and Lakeland and other institutions around agriculture, ag tech. Certainly . . .

**The Chair:** Sorry. Thank you, Minister.

**Mr. Eggen:** I appreciate that. Actually, through the chair, that leads to my next question. From the business plan, page 5, you have a performance metric for projected learners. You know, I note that the numbers of students have declined from last year, and I find that a bit curious. If you have an explanation as to why that might be happening – I mean, considering there are more graduating grade 12 students than ever before, we have a young population that is moving into postsecondary that need more positions. We see record unemployment in the last couple of years, and enrolment numbers really should be increasing, not declining. I'm wondering if you have tracked this in light of the considerable higher tuition rates that you have put into place or the fact that there are fewer positions that are available in postsecondary. What's your explanation for why our enrolment is doing what it's doing, as per the business plan, page 5?

**The Chair:** Thank you.  
Minister.

**Mr. Nicolaides:** Sure. Yeah. I know we have some enrolment data and projections. I'll just ask if my team can pull that for me. I know that it's in the material in front of me as well. I can't find it at the moment. Of course, one of the areas where we have seen some challenges as it relates to enrolment has to do with trades and apprenticeship learners. Individuals enrolled in those programs are connected very tightly to the economic conditions of the province. As you mentioned, over the past several years the province has been in some challenging economic times, so there's been a decrease in the number of individuals pursuing trades and apprenticeship-related education.

If memory serves me correct – again, I know the data is in here somewhere, and perhaps I can get to it at a further question . . .

**The Chair:** Sorry. Thank you, Minister. I'll allow you just to finish that thought, and we'll go back to Mr. Eggen.

**Mr. Nicolaides:** I was just going to say quickly that projections from our institutions show that we expect to see increases in enrolment levels. Yeah. Thank you. I have it here. We're looking at total enrolment projections to go from 174,000 in 2019 full-load equivalents to 175,000 in 2020 to 176,000 in 2021 and continuing to increase thereafter. Again, this is based primarily on enrolment projections and data from our institutions. I know, just recalling from memory, that, I believe, the University of Alberta mentioned that they're seeing a significant uptake, I think close to a 12 per cent increase, in applications this year. So we're certainly continuing to see a growing demand.

**The Chair:** Thank you, Minister.  
Mr. Eggen.

**Mr. Eggen:** Yes. Well, again, the numbers in your business plan seem to suggest otherwise. We know that students are graduating

here in the province of Alberta averaging more than \$31,000 of debt – right? – and then having tuition go up by 14 per cent, presumably another 7 next year and after that, too. We see significant operational cuts, too. You know, I just wonder how this UCP government – what's their plan for encouraging young people to enrol in the face of these high costs and significant cuts? I'm just wondering why the minister chose to allow tuition to exceed the rate of inflation. I think that any increase in excess of 5 or the percentage of the rate of inflation should deserve a very specific explanation. Seeing a 21 per cent increase over three years, again considering the considerable debt that students have to incur, I think that they deserve an explanation.

**The Chair:** Minister.

**Mr. Nicolaides:** Yeah. Thank you, Chair. You know, I think it's important as well. I fundamentally believe in the importance of providing a high degree of institutional autonomy. Of course, it is important, though, that we do provide some broad guardrails around tuition, and we've done that by maintaining a cap on tuition. But apart from that, I know that MLA Eggen noted that he would like more specific explanations and applications from institutions should they want to increase tuition, and I think that that will simply burden our institutions with additional red tape and bureaucracy. We need to free our institutions up to be more innovative, to allow them to engage in innovative and entrepreneurial activities, not saddle them with more red tape, applications, and explanations.

As it relates to tuition, I will note for the record in the committee today that I have an analysis of the 2020-2021 tuition rates across Canada. In Alberta today the average undergraduate tuition is \$6,098, which is almost equal to British Columbia, which is at \$6,055, and the national average is \$6,500, so our tuition is comparable to British Columbia, to other comparator provinces, still well below the national average. This doesn't just apply to undergraduate tuition; this applies to graduate tuition and international tuition. International undergraduate tuition in Alberta is \$27,400, in British Columbia today it's \$28,200, and the national average is \$32,000. For graduate tuition, it's the same dynamic. Alberta continues to remain affordable and continues to remain competitive.

Furthermore, I noted earlier, in my introductory comments, that we are continuing to provide additional funding for scholarships, student loans, and other financial aid instruments to ensure that every Albertan can pursue postsecondary opportunities, not to mention the introduction of new scholarships that our government introduced, including the high school apprenticeship scholarship, the Alex Decoteau award of honour, and recently a new award from the ministry of culture recognizing women in STEM.

**The Chair:** Thank you, Minister.

**Mr. Eggen:** Thank you, Minister. I appreciate that explanation.

You know, through the chair, I was specifically asking for yourself and your ministry to provide the justifications for these quite dramatic increases in tuition. The statistics that you just provided here now, I think, demonstrate the obvious need for us to cap the tuition rates at the rate of inflation, quite frankly. We are in line with most other provinces and their average tuition, and we want to encourage students to go to school, quite frankly. We want young people to continue. There's a very large contingent of young Albertans in grade school now that will need spaces. They'll need affordable education in our advanced education colleges, polytechnics, and universities here in the next very short time, and we need to provide for that, and it has to be affordable.

9:50

I would strongly suggest again – it's maybe a bit of a rhetorical question – to revisit this increase, another 7 per cent increase in tuition, because that's what's going to happen next year, to put a halt to that so that we can make sure that young people can go to school and people can go back and get retraining as they need to rebuild our economy and help to diversify as well.

I'd like to just move again to the business plan. On page 5, outcome 2, if you want to follow along, one of the indicators was a percentage of recent postsecondary graduates who report that a program that they took was worth the financial cost, which is a measure which has been declining in every graduate outcomes survey since 2010, so it's something that needs to be addressed, I think, for sure. Again, we have a stubbornly low participation rate in postsecondary in our province. This is perhaps a place to have a red flag and get a proper analysis. I was surprised to see that this performance indicator then was removed – right? – from this year. How does the government intend to track student reports of programs' value versus cost? You know, a business plan is kind of like your blueprint for how you move forward. I found this curious, that this was gone.

**The Chair:** Minister.

**Mr. Nicolaides:** Sure. Thank you, Chair. I'll have to confirm, but I believe a lot of that information is still collected in the graduate outcomes survey. I am seeing a head nod from one of my staff members here, so I can confirm that we do continue to ask those questions and get that information from students because, of course, that's a very important question, and we need to be focused on whether students believe the investment is worth while.

Through the graduate outcomes survey, which is publicly available – you can go online, and if you google it, you know, it'll come up, and that information will continue to be available. You noted an important point, which is that this metric has been declining since 2010. Obviously, this is a very comprehensive issue and has to do with job opportunities. We've had several years of economic challenge and the highest youth unemployment in decades. Obviously, when individuals graduate from their programs and they're not able to find appropriate jobs, that makes them perhaps second-guess their investment and their postsecondary experience, bringing those rates down.

Again, because of several years of economic challenge we know we have the highest youth unemployment rate, and we're working to address that. As I mentioned, through Alberta 2030 we're putting a very strong focus on work-integrated learning to help give our students a significant advantage over others. Furthermore, of course, Alberta's government is moving forward with a number of other initiatives from other ministries, including the jobs now program and other efforts, that will help address these challenges and help give our students more opportunities.

**Mr. Eggen:** Thank you. No. I appreciate that, and thank you so much for the answer.

**The Chair:** Mr. Eggen.

**Mr. Eggen:** Sorry. Yes. Thank you, Chair. Again, building a business plan – a business plan is like your template for the priorities and what's most important, right? If you take something out but you say that it's somewhere else but it's not in the business plan, then that sends a message as well. You know, friendly advice I would – your business plan has been reduced considerably anyway just in terms of these kinds of things, and I think a lot of

people were scratching their heads. It was a group in Calgary that asked me about that specifically, so that's why I asked it here today. There you go.

My next question is in regard to mental health supports. You know, you mentioned in your introductory remarks that there was a line item in your budget in regard to covering this important investment. I just would be asking you where that is in the estimates specifically and what the method is for distributing this money between institutions. Is it a per-student allocation or what? Just a lot of people are wondering about this and had a hard time finding it, specifically where it resides. I'm asking as well if that number has increased, because we know that the pilot was successful in that it demonstrated that we have a lot of need for increasing mental health supports here in the province for students. So I'm just curious to know: did you increase that from last year? Where does it reside in the budget specifically? What is the method for distributing this money between institutions?

**The Chair:** Minister.

**Mr. Nicolaides:** Sure. I'll confirm for you in a moment exactly in which line item you can find that in the estimates, just once I get over to that particular section.

But I can answer in the meantime your other questions, which is that – obviously, we know that mental health is a significant concern. Indeed, when I meet with student leaders – and I meet with our student leaders on a very frequent basis – one of the issues that is always front and centre is the issue of mental health. Mental health funding in Budget 2021 is the same as Budget 2020. There has been a change, though. In Budget 2020 the mental health agreement was for one year, and our students made it clear that being able to have a multiyear agreement would provide more predictability and help strengthen student services and support with respect to mental health. So we implemented their recommendation, and in Budget 2021 mental health funding includes a three-year agreement.

You asked about distribution. That is formulaic. That's done based on an analysis of a variety of different measures, including enrolment levels and expected enrolment levels, demographics and diversity of students, availability of other supports and services. Of course, the incredible individuals in the Department of Advanced Education have done a very thorough analysis in determining those measures and used that formulaic and evidence-based approach to distributing the grant.

In terms of where you can find that, that's contained under line item 3.1, operating support for postsecondary institutions.

**Mr. Eggen:** Okay. Great. Thank you so much. Through the chair, if you could perhaps provide a written version of how that mental health money is being allocated, I would be grateful. There's lots of, as you said – I meet with the student groups all the time, too. They bring this up all the time, and they want to make sure it's fair – right? – because, obviously, with the pandemic and everything else there's a lot of need for mental health supports, and it has to be commensurate with a student population, say, for example. If you could provide, you know, some insight as to how you determine those funds to each school, I think there are a lot of people that would like to know that.

My next question is in regard to your business plan again. This is page 5, item 2 – actually, no. I'm going to just wait. The business plan on page 5 – okay? – performance measure 2(b). I apologize. The indicator which is being used from Statistics Canada is on a three-year lag. The cited figures for Alberta, Ontario, and British Columbia are, as I said before, from 2018-2019, right before your

government took office and put out three successive budgets which cut postsecondary funding. Given the speed of the cuts over these last three budgets, how is an indicator with that kind of time lag an appropriate measure? This is a question that many people were asking across the province over the last couple of weeks.

**10:00**

Then, you know, by using numbers from different years, how can you be sure you're not cutting more than cannot be even handled by institutions, right? For example, even assuming that comparative provincial figures were accurate to that year, postsecondary institutions in B.C. and Ontario, for example, had decades to develop their current funding mixes. Is it reasonable to expect institutions in Alberta to make such sharp adjustments over this relatively short period of time?

Again, we want to strive for excellence here. I think we've done a great job. As I said, we have a third of the very top research being conducted right here in the province of Alberta for the country. We have our polytechnics, NAIT and SAIT, which have, again, an international reputation that has taken decades to achieve. This idea of making cuts based on comparators with different years and different statistics – there are a lot of people scratching their heads. Perhaps you can provide some insight as to why you are using these numbers like you're doing.

Thank you.

**The Chair:** Thank you, Mr. Eggen.

Minister, that sound was for our third set of 20 minutes. There are approximately 14 minutes and 45 seconds left. Minister.

**Mr. Nicolaides:** Sure. Thank you, Chair. I mean, it's important that we, you know, have a baseline. Of course, we are working with the most recent and available data that we have, which I think is a prudent and common-sense thing to do. If you're going to conduct an analysis, any kind of analysis, you're going to look at the availability of data and the availability of data that you have at that time. Of course, we continue to monitor that.

Of course, as I mentioned, we have updated national figures as it relates to tuition. We have updated figures as it relates to funding levels, and we continue to monitor and track that and have done projections and estimations. On the tuition side the projection is that tuition will be very closely aligned, tightly, with the national average. Of course, that is dependent on variables that are outside of our control. It depends on what other provinces decide to do when it comes to tuition, but making broad assumptions, as one can accurately do, looking at historical data, you can make assumptions about a future trajectory. Of course, it's not always a hundred per cent accurate, but we continue to evaluate that and make adjustments as we go.

Recognizing again – you know, you mentioned that some of that data might be a little old. Well, I have some of the more updated figures as well because I know I mentioned funding levels for institutions from I believe it was 2017-18. So 2019-2020 data: for example, the University of Alberta receives \$16,000 on a per-student funding basis; the U of C, \$14,600. Again, the national average in terms of provincial funding per student is approximately \$11,500, give or take. As per 2019-20, the U of A and the U of C are still significantly funded above other institutions as well.

**Mr. Eggen:** Thank you, Minister.

**The Chair:** Thank you, Minister.  
Mr. Eggen.

**Mr. Eggen:** Yeah. Again, always, if you can keep your data lined up in terms of years and so forth. Then making comparisons to similar institutions: let's make sure that we are looking at ways to maintain the level of excellence that we enjoyed, quite frankly, in our University of Alberta, University of Lethbridge, University of Calgary. They've slowly made their way up the ratings nationally and internationally through a commitment to excellence and through the different provincial governments as well. Certainly, we don't want to strive to mediocrity. You know, there's a direct correlation between funding and excellence, quite frankly. I know we always have to be prudent, and we must be prudent, and we expect you and any other government to do so as well, but we have to not compromise that standard of excellence that we expect, that helps to quite frankly attract students from our own province and international talent for research and so on and so forth, right?

For example, we know that the tech firm that came from Vancouver to Calgary – right? – which is a very hopeful thing, said explicitly that they moved here for quality of life and affordability and because of the universities, because they can support them, they can have a relationship together with them. They were basing that on the 2020 version of our universities. By continuing to cut them, I just fear that the level of education gets compromised but also that reputation that allows us to attract business, and quality of life can be compromised as well.

Sorry. A long rant and rave about that, but, I mean, it's really important. You know, a lot of people in Calgary and Edmonton and Lethbridge, all across the province, are really starting to get worried about the quality and level of commitment of this government to advanced education.

I want to just maybe move over to the strategic plan now. On page 9 of the strategic plan it talks about work-integrated learning opportunities, okay? In the previous budget we know that this UCP government cancelled the STEP and SCIP programs despite these programs' funding and having created a very wide range of jobs. It has a long tradition of excellence in providing jobs in relevant areas for students, which was intended, and then it was not replaced by anything, right? So we have more than 250,000 postsecondary students that need not just a high-quality education but work in relevant areas to make money for their tuition and to help with their learning. I just wanted to ask – again, this is coming from lots of groups across the province – where the minister expects these jobs for students to come from. What is the strategy to accomplish that? Why would you not reinstate the STEP and SCIP programs, that are just sitting there, that could really help us with student employment?

**The Chair:** Minister.

**Mr. Nicolaides:** Well, thank you, Chair. You know, in short, those programs were ineffective, especially from a cost standpoint, which led to the decision. But that doesn't mean, of course, that there doesn't need to be a priority placed on work-integrated learning, as I mentioned in my introductory comments. There does need to be, and Alberta 2030 will be putting significant emphasis on work-integrated learning, but we need to ensure that we're looking at work-integrated learning through the right lens.

As I mentioned, we've provided \$15 million over three years to support work-integrated learning opportunities to build the innovation capacity of our province. I think we can all agree that strength in innovation is a pathway to future prosperity and economic strength for our entire province, so building innovation talent in our province makes sense, which is why we moved forward with that.

We've also provided funding to Careers: the Next Generation to help more high school students participate in apprenticeship programs. We've provided money to Women Building Futures to help women pursue careers in the trades. As well, we're also looking at initiatives around microcredentialing. That will all be critical to helping our students develop the skills that are needed.

This is at its core the essence of Alberta 2030, as I mentioned. Building skills for jobs is about giving students the skills, ensuring that they have the skills that they need so that when they've completed their studies and are going further into their life pursuits and into their job opportunities, their career prospects, they have the skills, knowledge, and competencies that are needed to allow them to succeed. These initiatives will help them do that, will help us achieve that.

Indeed, you mentioned . . .

**10:10**

**The Chair:** Thank you, Minister. I'll just ask you to summarize your thoughts, and it'll be back to Mr. Eggen.

**Mr. Nicolaides:** Sure.

Indeed, you mentioned Infosys and their testament to the strong postsecondary system and the talent pipeline that we have in this province today and their testament to its continued success into the future. Again, as I've mentioned, we continue to see incredibly high-quality programs continue to be delivered, strength in international rankings. I know that just the other day SAIT, for the sixth year in a row, received the award as the best hospitality school in Canada. The University of Lethbridge most recently received top marks – a shout-out to our chair – as an undergraduate teaching institution. Many of the international rankings for our institutions continue to remain strong, so I think that we can continue to proceed in building those important work-integrated learning opportunities and strengthen skill development of our students.

**The Chair:** Thank you, Minister.  
Mr. Eggen.

**Mr. Eggen:** Sure. I mean, it's true, all of those things, and we're very proud of NAIT, SAIT, University of Lethbridge, University of Alberta, you know, companies recognizing that, making choices about moving here, young people making choices about moving to the province to be educated here.

But, you know, that all sits on a very fine knife's edge if you're not funding the institutions to the level that is commensurate with the level of excellence that we expect and that people expect as well. There's a lot of competition in the postsecondary world across this country, throughout North America, around the world at this moment, and certainly other jurisdictions are making sacrifices in other areas to make sure that they maintain and increase funding to postsecondary. It's the key to economic diversification. It's a key to the retention of young people in our province. Quite frankly, we can only judge you and your government on your actions, and you've made three successive cutting budgets to postsecondary, so respectfully I would – for the sake of our students and for the institutions and the province, if you can reverse that trajectory, I think that we'd all be better off for it.

Then in regard to students, I mean, it's great to talk about 2030 – right? – but we have 250,000 students that will be looking for summer jobs here in the next few weeks, quite frankly. You know, it's a tough job market out there. We need to make sure we're building something for them to have constructive work that is helping them to pay the increased tuition and helping them to

perhaps get some work that will provide some practical experience for what they might aspire to as a career. Again, we have to talk about – it's great to talk about 2030, but I think I'd like to talk about the next few weeks in regard to jobs for students and just want you to reflect on that, please, if you can.

**The Chair:** Minister, you have about two and a half minutes left in this block.

**Mr. Eggen:** Okay. Great. I'll just go with one more question.

**The Chair:** Yep. Mr. Eggen.

**Mr. Nicolaides:** Sure.

**The Chair:** Sorry. Hang on.

**Mr. Eggen:** Oh, sorry. No. I didn't really have a question. I mean, here's my question. Okay. Is that okay? Yeah. Thank you, Chair. The other part didn't really have a question mark in it.

If you could look at the fiscal plan – this is all the way down on page 104 – in the fiscal plan it says that the funding source chart claims that the total operating expense is \$4.613 billion for the 2022 estimate, \$4.650 billion in the 2022-23 budget, and the target for '23-24 is \$4.682 billion. But on the next page in the operating expense chart each of these numbers is exactly \$5 million less. You know, there are people out there that have been asking me: what is the reason? So perhaps you could help us with this in terms of an explanation.

Thank you.

**The Chair:** Minister, now you have one minute and 30 seconds.

**Mr. Nicolaides:** Okay. I'll try to be quick. I'll have to look into that and get back to you on that point, on the specific line item that you mentioned. I know that my team is looking at that right now.

Just to quickly address the other point that you raised, of course, we do have to be proactive, we do have to think about the future, and we do have to put plans in place today that will materialize tomorrow. Furthermore, you're right, and I fully agree that we do need to take action now and for the next few weeks, which is precisely why last year I announced funding for a new initiative for Mitacs to support 1,300 paid research-based internships for students, why we continue to support Women Building Futures, Careers: the Next Generation, and other measures that are all oriented to help our students gain the practical experience and expertise that they need.

There's more that will come as we launch Alberta 2030, initiatives that we can implement right to help more students access work integrated learning opportunities. The benefits of doing so are just so clear. They help set our students up for success. They have faster transitions to work and on average earn higher incomes than their counterparts that don't . . .

**The Chair:** Thank you, Minister, and thank you, Mr. Eggen. That concludes our first hour block with questions from the Official Opposition.

We will now move to the government caucus for 20 minutes of questions from members, and I believe, Minister, it will continue to be shared time.

**Mr. Nicolaides:** Okay.

**The Chair:** Ms Armstrong-Homeniuk? Who is first?

**Mr. van Dijken:** Chair, MLA van Dijken.

**The Chair:** Mr. van Dijken. Just for the record I do note that Internet connectivity is a challenge, so he will not be putting on his video. Please proceed, Mr. van Dijken. You have up to 10 minutes.

**Mr. van Dijken:** Good. Thank you very much, Chair, for the opportunity to participate, and thank you, Minister and your staff, for coming to be with us in committee today, going over what I believe is transformational change that will serve our postsecondary institutions well into the future.

Minister, I'm going to start with your fiscal plan on page 104, where it's indicated that Alberta 2030, building skills for jobs will begin in 2021-22. It's highlighted there that

this strategy aligns with the Recovery Plan by transforming the adult learning system to focus on providing the high-quality education, skills and training needed to get Albertans back to work, meeting current and future labour market demands, and driving innovation to make Alberta competitive in a 21st century global economy.

There's a lot in that statement, and I believe that it's good to have a vision that will allow Alberta to continue to be a world-class postsecondary system.

Minister, I'm just wondering if you could tell us how you plan to have this initiative rolled out and why you believe it is a necessary initiative to implement at this time.

**Mr. Nicolaidis:** Well, thank you for the question. I think we need this now more than ever because of the environment that we're in due to COVID and due to the economic challenges. A robust and comprehensive strategic plan for any postsecondary system during this time: I think that everyone can agree that that is essential and beneficial.

Furthermore, there is some additional context, of course, as to why we're engaging this effort. This stems out of one of the recommendations of the MacKinnon panel. Out of the five members of the MacKinnon panel three were professors or faculty members at universities or had spent some time in a postsecondary environment, so they knew the sector very well. One of the things that they noted was that the postsecondary system appeared to lack overall strategic planning and strategic co-ordination. They recommended that we move forward on developing a vision for the future in consultation with the postsecondary system.

**10:20**

That was one of the key elements in terms of context. I know there has been, I believe, a recurring requirement from the Auditor General to look at developing a strategic plan for Advanced Education, which was a second important piece that highlighted the need for this work to occur. Thirdly, the dynamics are changing very quickly. The profile of learners is changing. Global demands and global trends in higher education are shifting very rapidly. The skills necessary for success in the workforce are also changing rapidly. I know that a recent report by, if memory serves me correct, the Conference Board of Canada suggested that a significant amount of occupations in Alberta and across Canada would face significant disruption because of automation and technological advancements. With all of that as pretext, I think it's essential that we start to really think about how the nature of work will change, what the skills are that are in demand by employers today and what they will likely be in the future, and how we can ensure that our postsecondary system is strategically thinking about those initiatives, working in tandem together to achieve better results.

That work is ongoing. As I mentioned in my opening remarks, we've had what I believe to be one of the most robust and comprehensive engagement efforts in the Alberta postsecondary

system for at least a couple of decades, if not longer, that involved over a hundred one-on-one interviews, and these were with individuals such as our postsecondary presidents, student leaders, faculty representatives, employers, and other officials from other ministries. We had over 30 round-tables, over 5,000 survey responses, town halls, a truly wide and broad engagement effort. As well, of course, we brought in the services of consultancy to provide us with their analysis and their global insight and expertise. We're now at the point of trying as best as possible to synthesize all of that information, develop a clear vision, develop a series of goals, and I shared those in my opening remarks, what those six priority goals of Alberta 2030 will likely be, and we are hopeful to be able to conclude that effort later this month and move forward with implementation in the beginning of April.

Indeed, as you can understand, throughout the context of a 10-year strategic plan we won't be able to do everything right away, but we are currently trying to map out a variety of different initiatives, get a better understanding of which initiatives we can move on quickly, which initiatives may require some additional investigation and analysis and discussion before we can begin. But I'm confident we'll be able to move forward with a number of very important initiatives that will help set our students up for success because at its core that's the essence of Alberta 2030. We have to ensure we continue and are always thinking about our students and ensuring that they graduate with the skills, competencies, and knowledge that they need to succeed in whatever they pursue. It's a really broad effort, as I mentioned, and I perhaps just want to take the opportunity to thank not just the officials from my department who have led this effort but also all of those who have contributed, answered surveys, participated in town halls or other interviews to express their views and opinions and help contribute. I'm confident we can build a vision with broad consensus as we move forward.

**The Chair:** Thank you, Minister.

**Mr. van Dijken:** Thank you, Minister, for that answer, and thank you for the work. I understand that it cannot all happen in a very short time frame, but I do believe that it's necessary to be able to plan to ensure that we have a system that is going to answer the needs for generations to come.

One thing that I highlight is with regard to skilled workers. I believe the department of labour has predicted that there are going to be more than 3,000 skilled workers retiring every year for probably at least the next five years, so there's going to be an ongoing demand for apprentices and skilled tradespeople. I see that in following through on a platform commitment, Alberta's government convened a Skills for Jobs Task Force to find opportunities to strengthen and expand apprenticeship education and skills development to improve the quality of the Alberta workforce.

When I take a look at your business plan, page 4, outcome 1, you highlight this with regard to: Albertans need to have the education and the skills required to secure rewarding careers in the current and future labour market and to drive Alberta's recovery and prosperity. Minister, can you update us on the work the Skills for Jobs Task Force has undertaken in meeting this objective in outcome 1?

**The Chair:** Thank you.

Minister.

**Mr. Nicolaidis:** Sure. I'd be happy to. Thank you, Chair. We, of course, convened the Skills for Jobs Task Force with a mandate to explore modernization and improvements to Alberta's apprenticeship system to help strengthen parity of esteem in trades

and apprenticeship education. That work began in 2019, and I received the final report from the task force in September of 2020. That report is available online.

We are in the process of analyzing their recommendations and beginning next steps. There are a number of recommendations that they've made that will require legislative and regulatory changes and amendments, so we're currently in the process of exploring those. We will be able to move forward on making some of those changes very soon to help update our apprenticeship framework.

One of the important pieces around the necessity to update the apprenticeship framework is to help pursue a policy of apprenticeship expansion. That is to say, when we think about apprenticeship currently, we largely think about it through the lens of our skilled trades. We almost view them as being synonymous, so if you want to engage in apprenticeship, that's going to put you on a pathway to become a tradesperson, a carpenter, other skilled technicians and professionals.

What we have heard and seen is that there is significant interest from employers and other individuals to apply that apprenticeship model to educating and training new individuals for specific occupations and in specific fields, but they don't necessarily want that to lead to a trade. There's a lot of other regulation that goes into a trade, so we're looking at ways in which we can modernize that and update those definitions and that terminology.

This is something that many jurisdictions around the world are pursuing. I often use an example from Ireland. They've recently completed or are just completing a multiyear apprenticeship expansion initiative to create apprenticeships in new occupations, in areas like coding, graphic design, marketing, and other occupations. I have the same view. I believe that many occupations can be taught through an apprenticeship system. Our current legislative and regulatory framework doesn't allow us to do that. It's a little more rigid. So we're looking at ways we can modernize that and pursue an ambitious plan of being a leading province in Canada as it relates to the creation of new apprenticeships because I firmly believe that occupations such as, just as examples, coding or graphic design or others can be appropriately taught through an apprenticeship style of education.

**10:30**

So, in short, we did receive the final report from the committee. Again, we're working on kind of mapping out all of the different initiatives. What needs to be done first? What can we move on right away? What's going to take a little bit more time? And we will be able to move forward on first steps later next month and start that very important work.

**The Chair:** Thank you, Minister.  
Mr. van Dijken.

**Mr. van Dijken:** Good. Thank you, Chair. Through you, to the minister: I want to thank him for all that work that is being done to identify the opportunities on improving apprenticeship education and the different opportunities, maybe different than what has been traditionally the case in years gone by and how that can evolve.

Chair, one thing I think we need to understand is that I believe all Albertans understand that times are tough, and some adjustments need to be made to ensure that the government is operating efficiently and that they can fund necessary projects and programs; however, we need to make sure that we have good people in well-paying jobs to support these programs. On page 182 of the fiscal plan schedule 21 identifies full-time equivalents in all the different departments but also agencies and other entities that are under the government's purview, and there it outlines for Advanced

Education a reduction of 750 full-time equivalent positions from postsecondary institutions. My question is: how are these changes being allocated, and how was this number arrived at?

**The Chair:** Thank you, Mr. van Dijken.  
Minister, please.

**Mr. Nicolaidis:** Sure. Thank you, Chair. The 750 number that you see there on I think you referenced page 182: these are projections that are based on the institutional plans from our universities, colleges, and polytechnics. Of course, as prudent organizations they are oftentimes – they have a variety of different comprehensive institutional plans and annual plans and strategic plans that detail their plans for the future. We've had a look at all of those different strategic plans, and we've understood that there may be reductions according to their staffing projections and the data and figures that they provided to us, and that's why you see that number reflected there. It's based on that collection of all of those different individual institutional plans and their analyses and their views as to the future.

I think that just highlights a very important point, which comes back to the question of individual institutional autonomy and board autonomy, which is a concept that is incredibly important to me. I strongly believe that we need to ensure that we provide our institutions with the tools and the guidance but we give them great flexibility to make the decisions that are most appropriate for their institution and for their learners. Upon being appointed as minister, I encountered a system that was full of red tape and prescriptive requirements, a number of different reporting requirements. We've relaxed many of those because I strongly believe that we do need to reduce red tape and bureaucratic mandates on our institutions so that they can be more innovative, more entrepreneurial, more competitive. I think we can all agree that that's important and essential, so we provide great deference to them and the strength in their leadership and their board of governors.

But, again, just in summary as it relates to that specific number, that's a collection of all of the different figures as per the individual institutional plans.

**The Chair:** Thank you, Minister.  
Mr. van Dijken.

**Mr. van Dijken:** Yes. Thank you, Chair. I think my time is a little bit short, so I'm going to ask a quick question with regard to performance measures in the business plan on page 5, total domestic learners. Can the minister explain why those targets have been set and what steps the ministry will be taking to encourage . . .

**The Chair:** Sorry. Mr. van Dijken. Mr. van Dijken.

**Mr. van Dijken:** . . . increased domestic enrolment? It's important that these institutions are . . .

**The Chair:** Sorry. Mr. van Dijken, can you hear me? Mr. van Dijken. Sorry. We've experienced quite a bit of audio disruption. We did not hear those questions. I will give you one more opportunity to try to ask that; otherwise, I'll ask a member of your team to reiterate that question.

**Mr. van Dijken:** The question is essentially to ask the minister: what is the ministry doing to encourage increased domestic enrolment?

**The Chair:** Thank you very much, Mr. van Dijken.  
To the minister, you have one minute left.

**Mr. Nicolaides:** Well, thank you very much. I'll try to be very quick in the minute that I have. The first pillar of Alberta 2030 relates to strengthening access in the student experience, and as it relates to access, there's no quick or easy fix. There needs to be a multitude of different factors all working together. You need physical space, you need digital infrastructure, and you need the right support services and mechanisms to help students actually transition and attend postsecondary. There's been a mountain of different studies that have looked at barriers to enrolment. It's certainly an issue that requires comprehensive solutions. There are many barriers to employment, both financial and nonfinancial, so it's important that we get a comprehensive understanding, and we're working to do that and through Alberta 2030 devise more comprehensive and integrated solutions to help address the underlying problems.

**The Chair:** Thank you very much, Minister.

That now concludes the government members' first block of questions.

We will now move to five minutes of questions from the Official Opposition, followed by five minutes of a response from the minister. As mentioned, members are asked to advise the chair at the beginning of their rotation if they wish to combine their time with the minister's time. Given that we have done shared time, I will proceed with that unless someone says otherwise. Please remember that discussion should flow through the chair at all times, regardless of whether or not speaking time is combined. After this 10-minute block we will have a five-minute break.

Mr. Eggen.

**Mr. Eggen:** Well, thank you, Chair. Through you, I would like to ask about an item that's on page 104 of the fiscal plan, please. In this fiscal plan the minister indicates that he plans to introduce performance-based funding this year. The evidence of the effectiveness of performance-based funding is contentious. I think that the minister knows that, and I've been doing some research on it as well. The thing is that we've not seen a whole lot presented by this government that would actually demonstrate its effectiveness and utility as a tool, and I think, you know, practical analysis would suggest that if you can't show this effectiveness and practicality, then we shouldn't move forward on it, quite frankly.

So I'm curious to know: did your department do any analysis as to the effectiveness and potential impact on our institutions of what you measure and what you are not measuring, right? And, if you could, please table this evidence that performance-based funding increases student learning – for example, program options, economic diversification – if you could break down evidence into these different areas, and if you don't have it, you know, again, I'm questioning why you might be moving forward with performance-based funding. Maybe choose other tools that are more effective. What would be the measures that determine if performance-based funding improves student learning, the student experience, as well as economic outcomes? If you could please describe and table that information, I would be grateful.

Thank you.

10:40

**The Chair:** Thank you, Mr. Eggen.  
Minister.

**Mr. Nicolaides:** Thank you, Chair. The metrics and the specific indicators that will be used are still being debated, discussed, and explored. Of course, it's important to get it right, and as MLA Eggen noted, you know, there's a lot of research and a lot of work out there related to effectiveness of performance-based funding.

I've taken a very close look at a lot of that information, and it's precisely why the model that we're using has been structured the way that we've been using. If you look at many jurisdictions that use performance-based funding – and I think Alberta actually tried this a couple of decades back and didn't find it too effective – one of the significant challenges through the research and the work that I've seen has to do with the level of funding that is at risk. Indeed, in Alberta in a previous attempt I believe there was a very small amount of funding at risk, 1 or 2 per cent.

In many other jurisdictions in the United States or in Europe, similarly, there is oftentimes a very small amount of funding that is at risk, so the evidence is clear that in order for a model to be effective, there needs to be some weight behind the proportion of funding that's at risk. It's been demonstrated to have some challenges when the level of funding that is at risk is 1 or 2 or 3 per cent, but that doesn't create adequate enough motivation for an institution or a system to respond.

Furthermore, as it relates to the specific metrics, indeed, I've personally taken a very close look at many of these proposed metrics and looked at the research around potential negative consequences or side effects to some metrics. I'll give you an example. If you have a metric that is simply based on enrolment, of course, an institution will look at scoring well against that metric to continue to receive their full allotment of funding or more funding, depending on how the system is structured. There can be several consequences to that if you simply have targets related to enrolment.

Actually, if I may give you a more precise example, I've seen other metrics around completion rates. If an institution is being measured on its completion rates, its almost natural response may be to raise or increase admission criteria so that they're only admitting higher calibre students to ensure that they complete and do not negatively affect their scores. That can be and that is a demonstrated consequence. In my mind, if you want to have a metric related to completion, you need to supplement that with a metric related to enrolment or a metric related to acceptance rates to ensure that those consequences are being mitigated. We're certainly taking a look at that.

As I mentioned, we haven't finalized any of the metrics because we want to ensure that we're really diligent about understanding the potential impacts and dynamics. One of the ones that we are looking at to implement . . .

**The Chair:** Sorry. Thank you, Minister. If you could just summarize your thoughts and allow for questions again.

**Mr. Nicolaides:** Sure. One of the ones that we're looking to implement right away has to do with work-integrated learning to strengthen and increase the number of programs that offer work-integrated learning opportunities. We mentioned earlier about the need for students to be connected to employers and summer jobs and find job prospects and opportunities. So, again, strengthening work-integrated learning will help with that. I believe a metric around the number of programs that have work-integrated learning components built into the program is a strong one that we can move forward on very quickly.

**The Chair:** Thank you, Minister.

**Mr. Eggen:** Thank you, Minister, and, through the chair, I'm glad in a backward sort of way that the minister is mentioning some of the pitfalls around performance measures. I find it deeply ironic that he would bring forward ways by which institutions might work, you know, building their programs and sort of gaming a performance-based funding model in order to get the money, quite frankly. I'm



very concerned about that. While he says out of one side of his mouth that he wants to improve the integrity and the independence of the institutions, this performance-based funding model, whatever it happens to be, is the ultimate in red tape and controlling the movements and the operations of a postsecondary institution. Again, by characterizing it as a risk – right? – it's almost like a self-fulfilling prophecy, where you might say that you're measuring what job outputs are coming from a certain department, and then if they're not meeting those targets or those quotas, they have their funding cut, and, lo and behold, they're even less able to meet those quotas the next year.

You know, I think it's fraught with peril. I mean, I recognize that the minister is reflecting on this, but really, by talking about it as risk and increasing the risk for more cuts, quite frankly, that performance-based funding in its distilled version is just another way by which to cut budgets further in our advanced education system. Again, I can't think of a worse time or place to do that in the face of the overall operational cuts that we've experienced over the last three budgets.

Yes, I mean, certainly, we will work to make sure that, you know, the minister is making the right decisions in regard to funding. At this juncture I think that it's clear that the vast majority of Albertans want to make an investment in postsecondary and not make further cuts, calling it performance-based funding or whatever, right?

Anyway, I wanted to get back to, if I can squeeze it in – I've probably got about a minute, eh? Very good. We talked about page 104 of the fiscal plan. The minister mentioned Mitacs. I will get back to this after, but, you know, research funding is important to increase. There are a lot of people out in the province that are asking why the government chose a private vendor, which otherwise would be taking a percentage of those government funds, rather than running the money through the university itself. People are asking if Mitacs pays the faculty supervisors or for the university lab spaces and resources that students will use during . . .

**The Chair:** I'm sorry, Mr. Eggen, to interrupt. That does conclude that 10-minute block.

We will now take a short five-minute break. I would ask all members of the committee to be back here at 10:54, and we will proceed at that time with the government caucus and a 10-minute block there. Thank you very much.

[The committee adjourned from 10:48 a.m. to 10:53 a.m.]

**The Chair:** Thank you, committee members. We will now begin a 10-minute block with government caucus.

Mr. Rowswell, you have up to five minutes to speak.

**Mr. Rowswell:** Thank you very much, and thank you, Minister, for talking to us today. You touched on it a little bit, but I just wanted to get some expansion on it. Page 25 of the estimates, line 5, indicates that foundational learning supports will see a higher funding than forecasted. Can you explain how foundational learning supports are used and who qualifies for it and how they would help Albertans in higher education?

**The Chair:** Minister.

**Mr. Nicolaidis:** Thank you, Chair. Yeah. Foundational learning is a really critical and essential part of Advanced Education and, in essence, provides support to adult learners to cover a variety of different costs to help them upgrade their skills and transition, ultimately, into employment. A lot of the different supports that are available through foundational learning cover things like tuition costs, textbooks, other fees, and even basic living costs and things

of that nature to ensure that those adult learners have the opportunity to develop those essential skills.

Some of those programs include – I just have a list here – like, English as a second language, academic upgrading, preapprenticeship programs, and other integrated learning that combines foundational learning with occupational training.

This actually reminds me of a new funding stream that we announced for foundational learning just this past February, which is the new ESL health care aide program. We had heard from many of our postsecondary providers that the language requirements to be admitted into the health care aide program were becoming a barrier and that they were actually turning away a number of qualified individuals because of the language requirements. The institutions came up with very innovative and creative solutions, and we decided to move forward with it rather than having those individuals go through, you know, an ESL program, upgrade their English language skill and then apply to be a health care aide, we looked at some proposals where we can do both at the same time, and thus was born the ESL health care aide pilot.

We're investing \$3.8 million over two years for that particular pilot program, and we believe from estimates from our institutions that that'll help us train over 300 learners into this important area and, of course, help to strengthen our health care system. So a very critical part of the work that happens in Advanced Education broadly: again, helping adult learners develop and gain the foundational skills that are necessary for them to transition to employment opportunities.

**The Chair:** Thank you, Minister.

Mr. Rowswell.

**Mr. Rowswell:** Thank you. Yeah. Well, it'll be interesting to see how that pans out for health aides.

The next question is relative to Women Building Futures. That organization does great work to support women in skilled trades. Of course, Lakeland College is in my constituency, and that's a big part of what they do, and I know that when you were out there, you were able to tour those facilities. They're just amazing facilities. The Alberta government has been a great partner in this organization for many years, so can the minister tell us where this funding falls in the budget of 2021 and how much has been allocated to support the work of the organization?

**The Chair:** Thank you, Mr. Rowswell. Through the chair, please. Minister.

**Mr. Nicolaidis:** Thank you, Chair, and, through you, of course, I appreciate the question. Let me say just very quickly that I just want to thank everyone at Women Building Futures for the incredible work that they do. I think that even before I got my arm twisted to even think about running in an election or anything of that nature, I had heard about Women Building Futures and was always a fan and impressed by their work, and I just want to commend them on their incredible efforts. You know, women are significantly underrepresented in the trades, and in their work every day they're breaking barriers and changing stigma associated with work in the skilled trades. They're of course doing very important work in terms of helping more women find success in these career opportunities, but at the same time they're changing an entire sector, so I really want to commend them on that.

With respect to your specific question – you asked where it is – it's in 3.3. That's support for adult learning. That's where you can find it in the budget. In Budget 2021 in that line item there's \$2.5 million for Women Building Futures this year. Of course, as

you may recall, we made a commitment during the last campaign to support Women Building Futures with an investment of \$10 million over four years, so the \$2.5 million this year supports the implementation of that important commitment to Albertans. Again, they just do such an incredible job of supporting women and indigenous women as well across Alberta to enter these essential apprenticeship programs and find success. You know, some of the ones of note include – I remember; I have it here – for example, the commercial driver training. The commercial driver program is a successful program. Heavy-equipment operator: also a program, I know, that they deliver in many parts of the province.

11:00

It's such an incredible organization, helping to respond to labour market needs. I think the comment was made earlier about the fact that we have 3,000 skilled workers retiring each and every year, so this will help us address that shortage and help more individuals find success in an area of labour shortage and demand.

**The Chair:** Thank you, Minister.  
Mr. Rowswell.

**Mr. Rowswell:** Thank you, Minister, I was going to touch on the adult learning system initiatives in Budget 2021, and you've kind of answered that question as well. Maybe you could expand on the work – integrated learning, skills for jobs – relative to that part.

**The Chair:** Thank you, Mr. Rowswell.  
Minister.

**Mr. Nicolaides:** Yeah. I'd be happy to, of course. Under line item 3.3, adult learning system initiatives, there are a variety of different initiatives that are all related to achieving that goal of building skills for jobs. The funding for Women Building Futures is one part of that. There's also funding there for Careers: the Next Generation. Careers works to essentially encourage more high school students to pursue careers in the trades. They partner with school divisions and individual schools to offer a couple of different programs, most notably the registered apprenticeship program, or RAP program, in high schools. As well, that's a follow-through on our campaign commitment. We committed to provide funding to that organization to the tune of \$6 million annually, with the goal of quadrupling the number of high school students that participate in the registered apprenticeship program and other programs.

Just for context, that equates to offering that program in every high school in the province. We've been working very carefully with Careers to help implement that and to help more young people see the promise and opportunities that exist within the skilled trades. We still have a lot of work to do. There are, regrettably, negative public connotations when it comes to trades and a perception, even among students, that it may be a secondary or fallback option. I know that the message that I and, I think, all of us can agree on that we want to send is that a career in the trades or a trade certificate has the same worth and value and merit as any other form of postsecondary education.

Through the work with Careers we'll be able to show more young people the . . .

**The Chair:** I hesitate to interrupt, Minister, but that concludes the 10-minute time block for the government caucus.

We now return to the Official Opposition. Mr. Dang, you have up to five minutes to speak.

**Mr. Dang:** Thank you, Mr. Chair, and thank you, Minister. I'd like to go back and forth, and I'd like to kick it over to my colleague after a couple of questions here, I think. Thank you.

I want to refer you – and I'm just going to go really quickly here – to the fiscal plan, page 137, which is the capital plan, of course. I just want to look at the CMR, or capital maintenance and renewal, section. I'm looking at capital maintenance and renewal because we know that basically the postsecondary sector is facing around a \$2 billion, maybe a little bit more than that, five-year deferred maintenance liability, right? Of course, that's driven by, I understand, that many buildings are reaching the end of their life cycle or intended service lives between now or even earlier through 2025.

Minister, the government has not invested a significant amount in CMR since even, basically, the '90s. Many of these buildings were built with government support and were built with government approval and funding that included supporting the upkeep of these buildings, and we know that these buildings – I've toured many of them, and many are coming online in the next few years as well – are essential to attracting the world-class innovation that you talked about, attracting the students that you're talking about, attracting the work creators that you're talking about, and making Alberta and our postsecondary institutes a competitive destination.

I understand that typically, if we were in the private sector, if we were in a nongovernment organization, we would be expecting somewhere between 2 and 4 per cent of replacement value to be invested in CMR. Obviously, right now with CMR I believe it's just under \$337 million, \$336.6 million or something, in Advanced Education here. That's obviously significantly less than 2 per cent of the replacement value. So I'm just wondering: can you explain to me, I guess, basically the shortfall in long-term investment in these facilities, what you expect to do on CMR, and what's going to happen as the deferred maintenance bill continues to grow over the next few years?

**The Chair:** Thank you, Mr. Dang.  
Minister.

**Mr. Nicolaides:** Thank you, Chair, and thank you, MLA Dang. A very important question. Of course, the question around, you know, the physical infrastructure of our postsecondary system is one that we need to explore. As you can see, in the budget we continue to provide funding for CMR specifically, that, of course, again, being capital maintenance and renewal. Last year's budget contained \$118 million, and you'll see that although we budgeted \$118 million, the forecast that we'll spend in Budget 2021 is \$216 million. That includes \$98 million in new stimulus funding that we announced in the summer to support essential capital maintenance and renewal initiatives across all of our postsecondary institutions.

You know, we have to continue to think about it, and that's why Alberta 2030 is so critical and important. As we move forward, how do we respond to some of those deferred maintenance challenges you mentioned? We know that President Flanagan at the U of A has noted that the University of Alberta has a physical footprint that is 50 per cent larger than other comparable institutions, and I know that they're looking at making some changes to their physical footprint. We have to work in a strategic way to ensure that we're addressing those maintenance needs and able to accommodate new students as well.

**The Chair:** Thank you, Minister.  
Mr. Dang.

**Mr. Dang:** Thank you, Mr. Chair. Through you, I guess that basically you've listed that, of course, you intend to spend this much money this year – the projection is higher this year – but your own three-year total target this year is actually basically decreasing from previous years, right? So you're actually intending to spend less money on CMR as we move forward, and if you continue this trend even in the out-years, it means that the deferred liability is going to get larger and larger and larger. How do you intend to make up that significant shortfall? I mean, this is talking about the safety of this infrastructure and also the ability of the infrastructure to deliver the services that your ministry is responsible for.

**The Chair:** Thank you, Mr. Dang.  
Minister.

**Mr. Nicolaides:** Yes. That's correct in terms of, you know, the estimates for Budget 2021. Of course, if there are any issues related to safety, those are always addressed and are our first and foremost priority, so we will continue to address those. As I mentioned, I think we do have to take a look – and I know each of our individual institutions are doing this, taking a look at their physical footprint, taking a look at that physical infrastructure. As I mentioned, again, the U of A is looking at making some changes to their physical footprint to help reduce some of those maintenance costs and future deferred maintenance liability, so we're working very carefully with them to get a better understanding of their plans and how we may mitigate that. We are still providing a . . .

**The Chair:** Thank you, Minister. Can you summarize in a very short sentence and get back to Mr. Dang?

**Mr. Nicolaides:** Sure. Yeah. We are still providing it. We have \$85 million allotted in Budget 2021 for deferred maintenance costs and for CMR. Excuse me – I misquoted – \$151 million. And that is an increase, just to be clear. In previous years CMR funding was always around the level of about \$118 million. From 2020 to '21 it's going from \$118 million to \$151 million. So funding for CMR is still in place, actually increasing because this is important work that needs to happen, that helps create jobs. They're not big, you know, flashy projects.

**The Chair:** Thank you, Minister.  
Mr. Dang.

11:10

**Mr. Dang:** Thank you, Mr. Chair. Minister, I want to dig into that line you said about reducing the footprint of institutions. Can you clarify what you mean by reducing the footprint? Are you saying that you're directing or you're working with institutions to close down significant portions of their campuses because you're failing to fund CMR? Is that what you're saying here?

**Mr. Nicolaides:** No, not at all. What I'm saying is that many of our postsecondary institutions are taking a look at their cost structure. Many that are realizing and looking at their costs know that they have high maintenance costs associated with their physical infrastructure, and many of them are contemplating potential changes. I've not directed any institution to shut down any campus or anything of that nature. I, again, think that as they make prudent decisions and they look at their costs, they're looking at these areas and trying to make improvements where they can.

Again, I'm not sure how that's related to underfunding. CMR funding is increasing from the last budget, so I'm not sure how you underfund something when you increase funding to it. Furthermore, we've also in Budget 2021 provided \$20 million in new funding to

a capital project at Mount Royal University to repurpose old, unused space on their campus, that will create spaces for over 1,200 additional students.

**The Chair:** Thank you, Minister.

Mr. Eggen, time to you: just under two minutes.

**Mr. Eggen:** Okay. Great. Thank you so much, Chair and minister, for your answer. I mean, the reason that the University of Alberta, the University of Calgary, and others are contemplating, you know, selling land and closing buildings is because you reduced their budget, right? It's not like they are choosing to do that because it just feels like the right time to do it. They're doing it because they are short of money. They're selling and closing things down to keep the lights on, quite frankly.

You know, I want to go back to a question. Just at the end of our last block I was talking about Mitacs. There are a lot of people out there that want to know why the government chose a private-sector vendor, which takes a percentage of the public money, instead of running that money through the university itself. Is Mitacs paying the faculty supervisors or the university for the lab space and resources that the students will use during the research project? I'm curious to know.

**The Chair:** Thank you, Mr. Eggen.  
Minister.

**Mr. Nicolaides:** Sure. Perhaps just a quick point of clarification. Mitacs is a nonprofit national research organization, so it's not a private entity. It's a nonprofit organization. You know, to your legitimate question on why we support and fund Mitacs and why not universities directly, funding Mitacs allows us to leverage a significant amount of funding from other agencies and governments. As I mentioned in my opening remarks, that allows us – the funding that we provided to Mitacs helps us to unlock \$22 million in funding from the federal government to support additional internships. Furthermore, as a national organization they have strong connections with industry.

**The Chair:** Thank you, Minister. I hesitate to interrupt. That concludes this time.

Now back to the government caucus for 10 minutes. Mr. Toor, you have up to five minutes to speak.

**Mr. Toor:** Thank you, Chair, and thank you, Minister, for all the work you have done. Looking at this budget, I think that postsecondary institutions are very important for Alberta. For all your dedication and support to the postsecondary institutions, I really want to say thank you to you and to your department for all the great work.

For my question, I want to start about international students. Minister, as you can see on page 5 of the business plan, if you look at key objective 2.4, it highlights the goal to "strengthen post-secondary research commercialization and investment attraction, and [to] attract qualified international students who remain in Alberta and contribute to the economy." My first question to you will be: can you talk about the importance of strengthening postsecondary research, commercialization, and investment attraction? Also, I want to add this: can you outline the importance of international students for strengthening our economy?

**The Chair:** Thank you, Mr. Toor.  
Minister.

**Mr. Nicolaides:** Yeah. Sure. Thank you, Chair. Of course, our highly, highly qualified international students contribute

significantly to, you know, the economic vitality of our province. On the international side one of the things that we are doing and have done is that we've developed a robust international education strategy. I think that this is the first time, again, in a long period of time if not decades that the province has had an integrated international education strategy, so we've put that in place, which is focused on recruiting international students and also focused on helping to create more opportunities for domestic students to engage in opportunities abroad. Many of our international students, as you mentioned, do play a very vital role in helping to build the innovation and research capacity of our institutions.

More broadly, the role that our institutions play in the area of research and innovation is a critical one. It, of course, leads to new discoveries and the betterment of society but also leads to the development of new businesses, new products, new ideas, and that commercial application helps to strengthen and support economic diversification and economic strength more broadly. That's why the third key pillar of the Alberta 2030 initiative is around research, innovation, and commercialization. We are looking at specific initiatives as part of Alberta 2030 that we can implement to support the research and innovation work that occurs on our campuses. Again, the benefits are obvious. Our students are able to participate in cutting-edge research. Employers or other individuals on the private side that are engaging in R and D, research and development, activities also benefit significantly. It's certainly a critical area that we're exploring in co-operation with Jobs, Economy and Innovation and other ministries to help support this important work on our campuses.

**Mr. Toor:** Through the chair, thank you, Minister. My next question. Since 2019 Advanced Education has worked to better align postsecondary education funding in Alberta with other provinces to ensure that institutions are operating efficiently and in the best interest of supporting student achievement; however, the COVID-19 pandemic has created many challenges for our students, one of the main challenges being funding their education. If you look at page 105 of the fiscal plan, it shows an increase in student aid from Budget 2020. Can you please tell us what program this increase will be directed to and how we are supporting our students financially through this difficult time?

**The Chair:** Thank you, Mr. Toor.  
Minister.

**Mr. Nicolaides:** Yeah. Sure. Thank you, Chair. Undoubtedly, the COVID-19 pandemic has created a very unprecedented time in our postsecondary system. Perhaps I'll just take a quick moment here just to recognize, acknowledge, and thank all of those senior administration, faculty, and other staff at our institutions who on a dime had to switch the mode of delivery from in person to online and, I would argue, were able to do so overnight with very little disruption. I think that that deserves commendation and recognition.

Of course, even though students have been able to progress in an online environment, there still have been challenges for our students to address, so one of the first actions was to suspend student loan payments for a period of six months to give loan borrowers additional reprieve. As I mentioned, as part of stimulus efforts and the Alberta recovery plan we've invested new dollars into new initiatives such as Mitacs to create more work-integrated learning opportunities and help more students access and build connections with employers to help them cover the costs of their education.

11:20

As well, we've made improvements on student aid. As I mentioned earlier, there are new scholarships and other awards that are available today that weren't available in the past. We've also accounted for increased growth in student loans. That's why you see an increase in those line items. That's primarily due to an increase in student loans and an increase to funding for scholarships and other important student aid instruments.

**The Chair:** Thank you, Minister.

**Mr. Toor:** Through the chair, thank you, Minister. My next question will be – if you look at page 135 of the fiscal plan, which states that \$191 million will be directed to postsecondary projects over the next three years through the capital plan, including ongoing funding as well as for new projects at Mount Royal University, can the minister please tell us why new capital investments for our postsecondary institutions are necessary and what opportunities they'll create for jobs and for our students?

**The Chair:** Thank you, Mr. Toor.  
Minister.

**Mr. Nicolaides:** Thank you, Chair. Of course, providing funding to allow this work to continue and get under way creates job opportunities. Again, it may not be, you know, things that are particularly flashy, whether it's related to repairing a leaky roof or a drafty window, but these are essential to the infrastructure strength of our postsecondary system. They create meaningful and needed jobs in communities across the province because, of course, with our postsecondary system we have institutions and campuses all across the province. It helps to support regional work, regional job opportunities.

Furthermore, you mentioned specifically Mount Royal. You're right; Budget '21 provides \$5 million to Mount Royal and a commitment to additional funding in future years to support the repurposing of existing facilities. Mount Royal has recently completed a new library, and as part of that, of course, the old library is now vacant. Other facilities require repurposing, so this new capital investment will allow Mount Royal to repurpose those unused spaces and create more physical seats for students. I believe, if memory serves me correct, that this will create about 1,200 new seats in the city of Calgary and at Mount Royal, of course, in particular, which are certainly needed.

**The Chair:** Thank you, Minister.  
Mr. Toor.

**Mr. Toor:** Thank you, Chair. Through the chair, thank you, Minister. Minister, if you look at page 11 of the fiscal plan, other recovery initiatives and strategies outlines that "the Labour and Talent Strategy will increase work-integrated learning opportunities, expand apprenticeships, and enhance connections between post-secondary . . ."

**The Chair:** I apologize, Mr. Toor. That concludes the government caucus block of 10 minutes.

We now go back to Mr. Eggen for 10 minutes of questions.

**Mr. Eggen:** Thank you, Mr. Chair. I would like to direct the minister's attention to the estimates, page 25, item 3. Many people have been asking about community and indigenous education. It remains flat this year but has declined by \$2.5 million, about 10 per cent, since your government took office. We know that the Truth and Reconciliation Commission of Canada calls for "necessary

funding to post-secondary institutions to educate teachers on how to integrate Indigenous knowledge and teaching methods into classrooms” as well as providing “the necessary funding to Aboriginal schools to utilize Indigenous knowledge and teaching methods in classrooms” and, additionally, to “establish senior-level positions in government at the assistant deputy minister level or higher dedicated to Aboriginal content in education.”

Number one: does your ministry plan on implementing any of the truth and reconciliation calls to action? Number two: how can the ministry accomplish these policy objectives, you know, in the face of a 10 per cent cut from community and indigenous education? Number three: will you commit to implementing the TRC calls to action as outlined by the national commission of Canada?

**The Chair:** Thank you, Mr. Eggen.  
Minister.

**Mr. Nicolaides:** Thank you for that. Just for clarity, I think MLA Eggen was referring to the variance between '19-20 actual and the Budget '21 estimate, which is a difference from \$21 million in – I don't see a decrease. If he might clarify. We're going from \$21 million in '19-20 actual to \$22 million in Budget '21 estimate, which is the same as last year, so that's being held flat. Of course, that line item . . .

**The Chair:** Sorry, Minister.  
Just for clarification, Mr. Eggen.

**Mr. Eggen:** Yeah. For clarification. It's flat this year – you're right – but the cumulative reduction since you took this office is 10 per cent, \$2.5 million.

Anyway, if you could talk about how you plan to implement the truth and reconciliation calls to action, if any, in our advanced education.

**The Chair:** Thank you.  
Minister.

**Mr. Nicolaides:** Yeah. Sure. As it relates to that line item 3.2 specifically, community and indigenous education, I think, as you can see, there's a slight increase from '19-20 but then flat across Budget 2020 and Budget 2021. It's a very important part, of course, of the work that the ministry undertakes, and the funding to community adult learning and organizations helps to strengthen literacy and other foundational learning opportunities for Albertans across the province and other underrepresented or disadvantaged learners.

As well, we do provide in there a grant to five First Nation colleges across the province, and we work very closely with them to find ways in which we can continue to support their activities. Last year with the onset of COVID I had the opportunity to have some discussions with many of the leaders in our First Nation colleges, where they expressed significant challenges for many of their learners to be able to access equipment and other material to be able to continue learning even in an online environment, which is part of the reason why we increased the First Nation college grant by a hundred thousand in the last year to provide that level of support.

As it relates to truth and reconciliation, of course, we're working very closely with Minister Wilson to determine how we can support our indigenous learners in the best way possible. Apart from working with Minister Wilson, as I mentioned earlier, we're working directly with our First Nation colleges as well.

**The Chair:** Thank you, Minister.  
Mr. Eggen.

**Mr. Eggen:** Thank you, Chair. I mean, I think a lot of people have concerns about this UCP government backing away from commitments to truth and reconciliation, and I would suggest that the minister might consider working with the minister of K to 12 education because, of course, what we need to do is make sure that we are teaching the teachers about truth and reconciliation and equipping them to be able to teach that in the classroom in grade school, quite frankly.

You know, I'm concerned that if we're not building capacity for education and understanding in our postsecondary institutions, then we are undermining our ability to implement our TRC obligations and responsibilities in our grade schools, quite frankly. I think that there are a lot of eyes on this, and for the sake of education, of reconciliation, and of building a stronger society, we must move forward on this. We can't go backwards because the stakes are just too high, and we have a responsibility as people.

*11:30*

I would like to move now to the estimates on page 25 again, item 4. Student aid grants seem to be remaining flat year to year and have remained at the same level since your government took office. Given that there have been repeated calls from student groups for more upfront, needs-based grants, one, why has your government decided to keep grant funding the same since 2018, effectively cutting the program, considering inflation and so forth, every year? And, two, since your government has taken office, tuition has increased by 14.5 per cent or more, as we've outlined before, and is scheduled to increase by another 4 to 7 per cent. But additional funding has not been made for grants, in effect disproportionately affecting low-income or marginalized students and, really, all students as well. Would you make a commitment – a lot of people are listening now – to doing better to help support low-income students by reforming the grant system that your government is responsible for?

**The Chair:** Thank you, Mr. Eggen.  
Minister.

**Mr. Nicolaides:** Sure. Thank you, Chair. Of course, meeting with many students and looking at the analysis – you know, we talked earlier about comparable data against other jurisdictions. I think that this is an area where we can do better in terms of providing more assistance where and when possible to grants. I think our student aid system relies quite heavily or leans a little bit more on the scholarship and merit side. I think there's opportunity for us to continue to explore that and, if possible, to make adjustments. It's one of the reasons why, with the new Alberta student grant that was introduced, we ensured that that new grant was income tested. Previous iterations and versions of primarily the maintenance grant that previously was in place were not income tested. I believe it's essential that we ensure that grants are being provided to those who are in most financial need to ensure that every Albertan has the opportunity to pursue postsecondary education. The changes that we've made there actually will expand the number of learners. Approximately 6,400 more learners will be able to access the grant. Low-income learners will be able to access the grant and pursue postsecondary pathways as a result of those changes.

**The Chair:** Thank you, Minister.  
Mr. Eggen, you have one minute.

**Mr. Eggen:** Okay. Great. Certainly, we know that we are behind – and I sort of felt a tacit acknowledgement by the minister that we are behind – for funding and supporting low-income students to go

to our postsecondary institutions. We can see the reflection of that by the high debt levels that students carry and bear with them here in the province, the highest in the country. You know, again, we need to increase the participation rate in advanced education generally – in the trades, in polytechnics, in college, in university – but we need to address the conventional wisdom out there where people say: “Well, it’s unaffordable. You end up carrying a giant debt, and at the end of the day you still get the same job as you did before, right?” We need to counter that with funding and supports for everyone.

**The Chair:** Thank you, Mr. Eggen. We appreciate that.

Mr. Toor, you have the next block for up to five minutes.

**Mr. Toor:** Thank you, Chair. Through you to the minister, if you look at page 11 of the fiscal plan, under other recovery initiatives that we’re taking and which are, I think, outlined in the strategies, the labour and talent strategy

will increase work-integrated learning opportunities, expand apprenticeships, and enhance connections between post-secondary institutions and industry. This includes . . . \$5 million to create [internships] through Mitacs International and \$2 million . . . for Careers: The Next Generation.

That is the quote. My question is: can you please tell us how these organizations will help us achieve the goals of the labour and talent strategy?

**The Chair:** Thank you, Mr. Toor.

Minister.

**Mr. Nicolaides:** Sure. Well, of course, one of the key goals of the labour and talent strategy is to build skills for jobs and help students build connections with employers both during their studies and afterwards. As you noted, the work through Mitacs, Careers: the Next Generation, Women Building Futures, and other work that’s being undertaken is designed to do precisely that, designed precisely to strengthen the opportunities around work-integrated learning.

As I mentioned, there’s more that we believe we can do as it relates to work-integrated learning. I, for one, believe that Alberta can really position itself as a leader in work-integrated learning and become the first province in Canada to offer every student a work-integrated learning opportunity. This will be essential to fulfilling the labour and talent strategy. These are just initial steps. I believe there’s more that can be done, and I look forward to exploring those solutions in the days to come.

**The Chair:** Thank you, Minister.

Mr. Toor.

**Mr. Toor:** Thank you, Chair. Through the chair to the minister. I know you previously mentioned international students and how to attract international students to Alberta. Can you again, please, maybe tell us about the strategies to attract qualified international students to Alberta?

**The Chair:** Minister.

**Mr. Nicolaides:** Yeah. I’d be happy to. As I noted earlier, we’ve developed a comprehensive international education strategy that, of course, has a number of priority goals and initiatives, including, you know, partnerships with other institutions globally, building the support that’s available to our institutions and working with each other.

We recognize that many of our institutions are already well versed in the ability to attract and retain international students

whereas other institutions may not be, so trying to leverage some of those lessons learned and create an integrated Alberta approach are essential to helping us do that. It’s also an important pillar, as I mentioned, of Alberta 2030, to strengthen the international outlook and international organization of our system more broadly. We’ll be looking at additional specific strategies and initiatives that we can implement there to help achieve that goal.

I will just perhaps comment quickly and say that this is an area where I believe we can do better. You know, thousands and thousands of international students choose Canada every year for many, many reasons, many obvious reasons as well, but what we’re finding is that they’re not choosing Alberta. They’re choosing other provinces and oftentimes are paying higher tuition as well, as per the stats that I shared earlier. We’re taking a close look as to why that is and what we can do to build a really strong team Alberta approach and help more international students see Alberta as a destination of choice.

**The Chair:** Thank you, Minister.

Mr. Toor.

**Mr. Toor:** Thank you, Chair. For my remaining time, I want to cede it to my colleague MLA Armstrong-Homeniuk.

**The Chair:** Ms Armstrong-Homeniuk, happy St. Patrick’s Day.

**Ms Armstrong-Homeniuk:** Yes. I’m Armstrong today. Thank you, Chair.

Through you to the minister, I’d like to thank you and your staff for all the great work you do. I know it’s a big file, but you do a really good job, and we’re really lucky to have you.

I have a question for you. The building skills for jobs strategy will build a common vision and direction for our higher education system. It is important for Albertans to have the education and skills to secure rewarding careers. Looking at page 4 of the business plan, objective 1.2 is to “expand the apprenticeship model to increase learning opportunities to meet labour demands.” First of all, Minister, how will the ministry work to increase learning opportunities, and what elements of the apprenticeship model are to be expanded upon? What is the role of the ministry when it comes to the implementation of the changes to this model?

Thank you.

**The Chair:** Thank you.

Minister.

11:40

**Mr. Nicolaides:** Yeah. Thank you. You know, many of those questions are ones that we’re addressing right now as it relates to: what is the role of the ministry, and what is the role of the ministry versus the role of our postsecondary partners versus the role of employers? We’re trying to map that out and get a clear understanding of what role individual partners play. What we do know, of course, which everyone can agree on, is that in order for there to be success in apprenticeship, it does require a strong three-way partnership between employers, postsecondary institutions, and the government.

As I mentioned earlier, the element around apprenticeship expansion is a really interesting and exciting one, and I believe we really have a unique opportunity to help set some national standards and benchmarks when it comes to apprenticeship education, to think about it in new and innovative ways, as I mentioned, to think about why more occupations can’t be educated through an apprenticeship model, whether it’s, as I mentioned, coding or graphic design or marketing or other areas. I think that this is

essential to helping Albertans, helping young Albertans connect directly into employment opportunities and helping new and emerging industries gain access to the talented workforce that they need in order to move forward.

You can see the potential, especially as it relates to tech, as an example, and the growth of our tech sector. If there are opportunities where individuals can be hired by an employer on day one and start working and start learning a particular occupation, that sets them up for success. It sets the employer up for incredible success. So we hope to be able to take the first steps, as I mentioned earlier, over the next few weeks, which involve making sure we have the right legislative and regulatory framework. Our framework is not really oriented towards this type of more modern thinking around apprenticeship education, so we need to make some adjustments there to enable us to move forward there.

I'm really excited and I know many employers and other industry professionals and other groups are excited about the prospect. They see the apprenticeship pathway as a very viable one to help them access the skilled workforce that they need, and I'm quite confident we'll be able to move forward in a very innovative way in the near future.

**The Chair:** Thank you, Minister.  
Ms Armstrong-Homeniuk.

**Ms Armstrong-Homeniuk:** Thank you, Chair. At this point would I be able to cede my time to my colleague MLA Rosin?

**The Chair:** Ms Rosin, you have just over one minute of time.

**Ms Rosin:** Okay. Well, it's a good thing that I'm a fast talker. Thank you, Chair, and thank you, Minister, for being here today and for all of the difficult work that you've put in over the past couple of years. I'll probably just ask my first question for now since I'm limited on time and I'm rambling.

I wanted to talk about the funding that we give to our public-sector institutions. I know that we typically have spent a significantly larger amount of taxpayer dollars on our funding of public-sector institutions in the past than other provinces. Page 104 of your fiscal report outlines that the own-source revenue for these public-sector institutions is forecast to cover 47 per cent of their operating expenses in 2020-21 and that by 2023-24 that number will be up to 52 per cent. I'm wondering if you can just please tell us how our public-sector institutions will make these adjustments in funding and why it is necessary to adjust this proportion of own-source revenue going into the future. Perhaps if you could also just comment on the ratio of tuition-based funding in Alberta compared to other provinces.

**The Chair:** Thank you, Ms Rosin. Maybe we'll get back to that in the next block.

Mr. Eggen, for your final 10-minute block.

**Mr. Eggen:** Thank you, Mr. Chair, and thanks to the minister and his staff again for helping us here this morning. My first question is in regard to the fiscal plan, page 105. The projections for spending on postsecondary operations is only projected to grow by \$69 million, or 1.5 per cent, between 2021-22 and '23-24. Given that the Council of Post-secondary Presidents of Alberta, which I'm sure you're very familiar with, estimates that if Alberta needs to expand its postsecondary enrolment by at least 25 per cent over the next five years due to this large cohort of students that are in grade school now – you know, we know that they're coming to postsecondary in a very short time and that institutions need funding to maintain infrastructure, hire staff to teach, support the

students – why is your ministry not allocating funding to allow postsecondary institutions to meet the emerging surge of demand from Alberta learners?

This is a big concern that is shared by many Albertans because, of course, if you have more students competing for the same positions or less positions, then the entrance requirements become inflated. We've already seen it in some faculties like Nursing and so forth. We need the nurses but we don't have the space, so the entrance requirements are very high. Students will also choose to go elsewhere, quite frankly, and when you're young and you do go elsewhere for postsecondary, you have a better chance of not having those people return, right? I would venture to say that our most important resource that we have in this province moving forward is our young population and making sure they get properly educated here in the province so that they stay and continue to help to build the economy and build our communities for generations to come.  
Question.

**The Chair:** Thank you, Mr. Eggen.  
Minister.

**Mr. Nicolaidis:** Thank you, Chair. Some important questions. Of course, we certainly need to take steps to ensure that our students have access to opportunities right here in Alberta and, subsequently, stay here after graduation. That's why we're looking at work-integrated learning. It's why we've moved forward with those initiatives I already described in terms of Mitacs, Careers, Women Building Futures, and others and why we're going to continue to focus on work-integrated learning. Those are proven to help students develop the skills that they need and enter into employment and then subsequently stay here.

You know, as it relates to tuition and other costs, I mean, as I mentioned earlier, just on a tuition level, we're equal to that of B.C. at the moment. Then that's not factoring in cost of living, which we know is substantially higher in British Columbia as well, or Ontario, which has substantially higher tuition and, I believe, also higher cost of living. I think we're still, and we'll continue to be, very strongly and uniquely positioned to help us move forward.

As it relates to the enrolment challenges and enrolment growth, as I mentioned earlier, we've provided funding. We continue to provide funding for capital projects, and we did in the summer as part of Alberta's recovery plan provide \$98 million in new capital maintenance and renewal funding. That is going to help many of our institutions upgrade facilities. I know, specifically, at Olds College and Lakeland College it will allow them to expand their facilities and update them. We're also providing funding to Mount Royal to upgrade their facilities to account for 1,200 spaces, but, again, we also need to look at comparative provinces. You know, I'll give this example. The University of Toronto receives approximately, give or take, according to, I believe it was 2018-19 levels, the same amount of provincial funding in comparison to the U of A, yet the U of T has approximately 50,000 more students. They get about the same amount of funding, but they have 50,000 more students, and this is demonstrated with many of our other comparator institutions as well, whether it's UBC or many of the other . . .

**Mr. Eggen:** I appreciate that. Thanks, Minister.

**The Chair:** Thank you, Minister.

**Mr. Eggen:** Sorry. This is my last few minutes here. I want to squeeze in some other questions, too, right? You know, again, I can't stress enough the importance of building capacity as is

mentioned, a 25 per cent increase in capacity over the next five years; otherwise, we just won't be able to do it, quite frankly. It's as simple as that. You can quote comparator numbers and so forth, but if there isn't a space to go to and if the entrance requirements are too high, then young people vote with their feet, quite frankly, and we just can't afford for that to happen.

**11:50**

Anyway, I will try to get in these last couple questions here. I've got page 89 of the fiscal plan. On page 89 of the fiscal plan it reads, "PSI and school board sales and fundraising revenue hard hit in 2020-21, and PSI revenue taking time to recover." I'm asking if you have a breakdown of how high these reductions are in total by institution, and have you made provision for that when you made your choices about funding with the operating grants that you are responsible for?

**The Chair:** Mr. Eggen, thank you.  
Minister.

**Mr. Nicolaides:** Sure. We are anticipating to receive the budgets from the institutions at the end of May, and then we'll have a clearer understanding of some of those figures at that time. And, you know, again, just coming back to comparator provinces, University of British Columbia has 49,600 – this is, again, according to '17-18 – students; U of C is at 31,000; U of A is at 36,000. So funding per student, the UBC was at \$12,200 . . .

**The Chair:** Sorry, Minister, to interrupt.  
Mr. Eggen.

**Mr. Eggen:** I appreciate that, Minister. I just want to get these last couple questions in, right? Again, you know, let's not fall back to numbers that are now three, four – it sounds like four – years old and, you know, have had three budgets of UCP cuts. The landscape is a whole lot different, and, again, we strive for excellence here, we fund for excellence, and we need to keep doing that because the alternative is not acceptable.

Okay. Another one that I have here is business plan page 4 in regard to internships and employment. It says "will invest \$15 million over three years." I'm curious. Very specifically: what is the line item in the estimates budget where this money resides, how much will be the investment for this year, how many internships will be produced this year, and in which institutions will these internships reside, specifically? If you can't answer that one straight away, you can always answer, I guess, in writing later on, because I'm going to squeeze one more in here before my time is up, I think.

I have another one here. It's business plan page 3. It says "reducing regulatory requirements by one-third." I would be very curious if the minister can provide a list of regulatory requirements he intends to remove or rescind this year and then to 2023. I mean, it seems like quite an arbitrary throw to this red tape reduction initiative that the government seems to talk about. I mean, I find it deeply ironic in postsecondary because, you know, out of one hand you talk about reducing red tape and then, of course, you've got this performance-based funding miasma and all these other things, so if we can get a list of what regulations you plan to rescind or to remove now this year and, you know, moving forward to 2023.

Thank you.

**The Chair:** Minister.

**Mr. Nicolaides:** Sure. I'd be happy to. Just on the first question I think that that was a question about \$15 million over three years,

those 1,275 internships. That's the Mitacs funding that we referred to earlier, and that's contained in line item 3.3 of the estimates.

With respect to red tape I am very happy and proud to announce that we exceeded our red tape reduction target in 2019-20. The target was 5 per cent; we achieved 6.9 per cent. The target in 2020-21 was 12 per cent . . .

**The Chair:** Sorry to interrupt. That does conclude that 10-minute block.

There are approximately five minutes, 20 seconds left for Ms Rosin.

**Ms Rosin:** Thank you, Chair. I will actually disregard my previous question and just move on to one more since we're limited on time. I just wanted to talk about the per-student spend for our postsecondary institutions in Alberta. On page 104 of your fiscal plan it outlines information that was released by the MacKinnon panel who, of course, studied this earlier in the year, and it identifies that Alberta spends \$36,500 per student on postsecondary education every year, which is significantly higher than comparator provinces on a per student average basis. If we look at British Columbia, they only spend \$31,300; Quebec only spends \$25,000; and Ontario only spends \$21,500 on a per-student basis. I'm just wondering if you can explain why Alberta sees the highest amount of costs per student compared to other similar provinces and if you could also speak to what your ministry is doing to bring those costs down.

**The Chair:** Thank you, Ms Rosin.  
Minister.

**Mr. Nicolaides:** Sure. Yeah. I'd be happy to. In following with that analysis, the MacKinnon panel delved into it a little deeper as well and found that one of the areas where we significantly outspend other provinces is primarily around administrative-related expenses. In order to address that, I've given very specific and clear direction to our institutions that as they are working through their budgets and looking at their cost profile, they begin looking first and foremost at their administrative costs.

As I mentioned earlier, I know that this year alone the University of Alberta is planning on realizing approximately \$95 million in administrative savings. Further, through their entire restructuring effort that is being undertaken, they are seeking to realize additional savings in administrative-related expenses.

There's also, as I mentioned earlier, a large physical footprint that some of our institutions such as the U of A are taking a close look at. There are, of course, you know, high maintenance costs associated with that. We've been working with them very closely.

You did raise, you know, the comparator data, and I know MLA Eggen mentioned that some of those numbers are a little old. Part of that, of course, is because some of that information is gathered from sources like Statistics Canada, which takes some time to compile, but if he wants more up-to-date numbers, I can certainly point to that. In this year the University of Alberta, we estimate, will be at approximately \$14,600 per student funding, and again the University of British Columbia is under \$12,000. The University of Toronto is around \$8,000.

Again, these are strong institutions just like the ones that we have here in Alberta, ranked high both nationally and internationally. They've been able to continue to accommodate large amounts of students and deliver innovative programming at reduced funding per student levels, and I'm confident that we can deliver the same.

**The Chair:** Thank you, Minister.  
Ms Rosin.



**Ms Rosin:** Thank you. To follow up on the same vein of ensuring our institutions in Alberta are fiscally responsible and making the best decisions with regard to taxpayer money and also to make sure that your ministry is holding these institutions accountable, I note on page 104 of your fiscal plan that Budget 2021 will introduce performance-based funding. I'm wondering what portion of the operational grant to funding will be contingent upon achieving these special performance metrics and if you can further elaborate on the importance of this new performance-based funding model. Further, if you can just speak to what your ministry is doing to ensure that you set appropriate and attainable performance goals for this new funding model.

**The Chair:** Thanks, Ms Rosin.  
Minister.

**Mr. Nicolaidis:** Well, thank you. I want to be very clear. The performance-based funding model is not an exercise in reduction

of government funds and not an exercise to, you know, kind of secretly cut funds from institutions or anything of that nature; this is about strengthening the taxpayer investment in our postsecondary system and ensuring that we're delivering accountability and transparency.

We've been working very closely – I just want to reiterate that these aren't metrics that I am imposing or designing in isolation.

**The Chair:** I hesitate to interrupt. I must advise the committee that the time allotted for the consideration of the ministry's estimates has concluded.

This also concludes the consideration of the 2021-2022 main estimates by the Standing Committee on Alberta's Economic Future. Thank you, everyone, for your participation.

This meeting is now adjourned.

[The committee adjourned at 12 p.m.]





