



Legislative Assembly of Alberta

The 30th Legislature
Third Session

Standing Committee
on
Alberta's Economic Future

Ministry of Advanced Education
Consideration of Main Estimates

Wednesday, March 16, 2022
9 a.m.

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The 30th Legislature
Third Session**

Standing Committee on Alberta's Economic Future

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Goehring, Nicole, Edmonton-Castle Downs (NDP), Deputy Chair
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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 16, 2022

[Mr. Neudorf in the chair]

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

The Chair: Good morning, Edmonton. I would like to call the meeting to order and welcome everyone in attendance. The committee has under consideration the estimates of the Ministry of Advanced Education for the fiscal year ending March 31, 2023.

I'd ask that we go around the table and have members introduce themselves for the record. Minister, please introduce the officials who are joining you at the table. 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. Rowswell: Hi. It's Garth Rowswell, MLA, Vermilion-Lloydminster-Wainwright.

Mrs. Frey: Good morning. Michaela Frey, MLA, Brooks-Medicine Hat.

Mr. van Dijken: Glenn van Dijken, MLA for Athabasca-Barrhead-Westlock.

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

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

Mr. Nicolaides: Good morning. Demetrios Nicolaides, MLA, Calgary-Bow, and Minister of Advanced Education. I'm joined by Lora Pillipow, deputy minister; Richard Arnold, acting assistant deputy minister of financial services; Carmen Baldwin-Dery, assistant deputy minister of postsecondary policy and strategy; and Mike Fernandez, assistant deputy minister of operations and client service delivery.

Mr. Eggen: Good morning. My name is David Eggen. I'm the MLA for Edmonton-North West and the Advanced Education critic for the Official Opposition.

Mr. Shepherd: Morning. David Shepherd, Edmonton-City Centre.

Mr. Schmidt: Marlin Schmidt, Edmonton-Gold Bar.

The Chair: Thank you very much.

We will now go to members participating remotely. When I call your name, please introduce yourself for the record. Ms Armstrong-Homeniuk.

Ms Armstrong-Homeniuk: Jackie Armstrong-Homeniuk, MLA, Fort Saskatchewan-Vegreville. Good morning, everyone.

The Chair: Good morning.

If any others join, we will seek to introduce them at a break in the proceedings.

I'd like to note the following substitution for the record: Mr. Shepherd for Ms Goehring.

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. Members participating remotely are encouraged to have your camera on while speaking and your microphone muted while not speaking.

Remote participants who wish to be placed on the speakers list are asked to e-mail or send a message in the group chat to the committee clerk, and members in the room are asked to please signal the chair. Please set your cellphones and other devices to silent for the duration of the meeting.

Before we proceed to the next item, I will have online Mr. Dang introduce himself.

Mr. Dang: Good morning. Thomas Dang, MLA for Edmonton-South.

The Chair: Thank you very much, and good morning.

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 or a member of the Executive Council acting on the minister's behalf will have 10 minutes to address the committee. At the conclusion of the minister's 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 the minister. After this, the rotation of speaking time will then follow the same rotation of the Official Opposition, independent members, and the government caucus. The member and the minister may each speak once for a maximum of five minutes, or these times may be combined, making up a 10-minute block. 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. As this requires unanimous consent, I will ask only one question. Does anyone oppose having a break? Hearing none, we will call a break at the approximate midpoint of the meeting.

Ministry officials may be present and at the direction of the minister may address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area and are asked to please introduce themselves for the record prior to commenting.

Pages are available to deliver notes and other materials between the gallery and the table. Attendees in the gallery may not approach the table. Space permitting, opposition caucus staff may sit 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, and individual speaking times will be paused; however, the speaking block time and the overall three-hour meeting 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 21, 2022. 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 with 20 hard copies. An electronic version of the signed original should be provided to the committee clerk for distribution to committee members.

Finally, the committee should have the opportunity to hear both questions and answers without interruption during estimates debate. Debate flows through the chair at all times, including instances when speaking time is shared between the member and the minister.

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

Mr. Nicolaides: All right. Perfect. Thank you, Chair, and good morning, everyone. Thank you for the opportunity to speak about the Ministry of Advanced Education and, of course, more specifically, our budget and our vision for adult learning in the province of Alberta. I've already introduced the officials that are present with me, but just quickly again that's my deputy minister, Lora Pillipow; Richard Arnold, acting assistant deputy minister of financial services; Carmen Baldwin-Dery, assistant deputy minister of postsecondary policy and strategy; and Mike Fernandez, assistant deputy minister of operations and client service delivery.

I'd like to begin by acknowledging the importance of Alberta's adult learning system. It helps to build vibrant and inclusive communities while also removing barriers and supporting greater equality. Most importantly, it helps Albertans reach their full potential and gain important skills and knowledge that they need to succeed. However, a well-run postsecondary system comes at a cost. Government spends billions on Alberta's adult learning system. We need to make certain that investment is benefiting all Albertans and that tax dollars are spent as effectively and efficiently as possible.

Over the last year we've begun the process of rethinking many aspects of our postsecondary system. This has largely been done through the Alberta 2030: building skills for jobs initiative. Alberta 2030 is transforming the adult learning system to focus on providing the high-quality education, skills, and training needed for Alberta's future. The strategy is built around six goals: improving access and strengthening the student experience, developing skills for jobs, supporting innovation and commercialization, strengthening internationalization, improving sustainability and affordability, and strengthening system governance. Together, these goals will improve the outcomes of our system while bringing down costs and improving efficiencies, and as we begin to implement Alberta 2030, we've already seen a number of critical improvements. For example, we've begun expanding apprenticeship education and work-integrated learning opportunities, we've cut red tape across the system, with more still to come, and we started to get our expenses in order.

We've worked toward aligning per-student spending with the average of three comparator provinces: British Columbia, Ontario, and Quebec. Since the release of the MacKinnon panel in 2019 the per-student spending trend has declined in Alberta to \$31,600 per student in 2021-22. This is a decrease of approximately \$4,900 per student from the \$36,500 highlighted in the MacKinnon panel report, and this aligns us closer to the three other provinces. We still have work to do, but Budget 2022 aims to continue this trend, and we're heading in the right direction under the guidance of the Alberta 2030 strategy.

Advanced Education's budget for 2022-23 continues the direction we set with Budget 2019. Since that time Advanced Education has reduced operating grants to bring postsecondary institutions in line with other comparators. However, we are off-setting these reductions with strategic investments through the Alberta at work initiative, which I'll talk about in more detail in a moment.

9:10

Overall, the department's consolidated budget for 2022-23 includes \$6.2 billion in total expenditures. This comprises both

Advanced Education expenditures and the expenditures of 21 consolidated publicly funded postsecondary institutions. The department's voted estimate is \$2.5 billion, a decrease of 2 per cent, or \$62 million, from last budget. Even with these planned reductions Budget 2022 sees \$5.8 billion in postsecondary operations expenses, an increase of \$370 million from Budget 2021. This is primarily due to increases in tuition and other postsecondary institution generated revenues.

To provide more context, even with these increases Alberta's average degree program tuition is slightly lower than the national average. The average undergraduate degree program tuition in Alberta is \$6,567 while the national average is \$6,693. Additionally, the average graduate degree program tuition in Alberta is also below the national average. In Alberta the average graduate degree program tuition is \$7,020 while the national average is \$7,472.

As I mentioned, we also see increases in other areas due to targeted investments through the Alberta at work initiative. Alberta at work is a new program being led out of the Ministry of Labour and Immigration but also aims to support Albertans through career development journeys. The overall three-year impact to the budget is \$501 million plus \$104 million in additional capital spending. Advanced Education plays a key part of this initiative. The ministry will receive \$235 million over three years through Alberta at work.

Highlighting the spending of the Alberta at work initiative in this budget, Budget 2022 includes \$57 million in new spending in targeted enrolment expansion, \$5 million in new spending for apprenticeship expansion opportunities, \$5 million in new funding for apprenticeship partnerships, \$5 million in new spending for microcredential programs, \$1 million in new spending for Indigenous training initiatives, \$2 million in new spending to expand work-integrated learning opportunities, and \$5 million in new spending for student aid to support new bursaries for low-income students. In total, Advanced Education will spend \$80 million on Alberta at work in this budget alone. Most importantly, we anticipate that this funding will create approximately 7,000 new seats across our postsecondary system in key areas over the next three years. We must do everything possible to ensure that when students graduate, they are equipped with the skills, knowledge, and competencies they need to succeed in the future economy.

Alberta at work is also providing capital funding for the expansion of the University of Calgary Faculty of Veterinary Medicine at \$10 million in 2022 and \$59 million over three years. As well, paired with a targeted enrolment expansion initiative, this will create 50 new seats a year in the University of Calgary's Veterinary Medicine program.

Fiscal 2022-23 will also see funding for Women Building Futures increase from \$2.5 million to \$4 million.

As you can see, the Alberta at work initiative will strongly help improve the outlook for our province. It is helping us to bolster key areas of the postsecondary system and will provide students across the province with more opportunities to succeed in in-demand programs.

With respect to student aid under Budget 2022 we're allocating \$980 million for student loans to help more than 105,000 learners pursue postsecondary education. As well, we're budgeting \$108 million in scholarships and awards that'll support approximately 55,800 students and nearly \$60 million in grants for approximately 24,300 students. This also includes an increase of \$5 million for new grants for low-income Albertans.

In closing, as you can see, through Budget 2022 and the Alberta at work initiative we're providing more opportunities for Albertans to succeed through Alberta's postsecondary system. Thank you.

The Chair: Thank you very much, Minister.

For the hour that follows, members of the Official Opposition and the minister may speak. Hon. members, you will be able to see the timer for the speaking block both in the committee room and on Microsoft Teams.

Member, would you like to combine your time with the minister or do block time?

Mr. Eggen: I would like to combine, please.

The Chair: Minister?

Mr. Nicolaides: Sure.

The Chair: Excellent. You have a 20-minute block, at which time the timer will sound so that we just mark our continuation through the 60-minute block, but it won't interrupt your speaking time. Please proceed.

Mr. Eggen: Thank you, Chair, and thank you, Minister, for your introductory remarks. I'm going to proceed straight away into questions. I really appreciate sharing the time, as well. I think that's, through the chair of course, a constructive means by which we can do our jobs.

We've certainly heard a lot of talk around supporting the trades in this province, and we certainly see it in the business plan and in the minister's remarks here just now, focusing around improving apprenticeship programs and the awareness of the value of trades. Certainly, our caucus, Alberta New Democrats, stands in solidarity with the trades and recognizes the value both in education and developing and diversifying our economy.

I just want to know how it's possible for us to meet that ambition and that goal that the government is suggesting while at the same time we've seen such drastic reductions to the support budget's operating expenses for Alberta's postsecondary institutions generally and trade and polytechnic programs specifically such as NAIT and SAIT. I'm just curious. We're not getting a clear picture, but I'm sure the minister, Mr. Chair, can help us to understand how much of the operating budgets of NAIT here in Edmonton and SAIT in Calgary were cut this year.

You know, I just know from the cuts from the last three budgets that there were significant losses of hundreds of staff and support staff at NAIT and SAIT thus far. I'm just asking what this government is doing to counteract the damage that those cuts will cause students, to perhaps impair their ability to seek apprenticeship programs. Certainly, you can talk about supporting the trades, like we want to, but they seem to be being cut just as much as our universities and colleges.

Mr. Nicolaides: Sure. Well, there are a couple of pieces to that. Firstly, going back to 2019, one of the initiatives that we undertook to support the trades was the establishment of an apprenticeship task force. We brought experts – postsecondary leaders, business leaders, journeymen, and others – together to a panel to have an in-depth look in Alberta's apprenticeship system and suggest ways in which the apprenticeship system could be improved, which they did. They delivered their report to me, and we've taken steps to enact that report.

One of the things that we've done was we've rewritten the 30-year-old Apprenticeship and Industry Training Act, of course, the piece of legislation that governs apprenticeship education and trades training in the province. A 30-year-old piece of legislation: we modernized that based on the recommendations of the task force to provide a more flexible and dynamic legislative framework to govern trades.

We've also provided very targeted funding in a number of key areas to support trades and apprenticeship learning. Back in 2019 we provided \$10 million to Women Building Futures, which, as I'm sure you know, is an organization that helps encourage women's participation in the trades, an area in which women are significantly underrepresented. We also provided \$11.7 million to Careers: the Next Generation, again, as I'm sure you know, an organization that works to expand apprenticeship education opportunities in high schools.

Furthermore, in Budget 2022, as I've mentioned, we have \$15 million allocated for apprenticeship expansion alone, that's targeted to help in expanding apprenticeship opportunities, not to mention the \$171 million over three years that will add seats to all of our postsecondary institutions in programs where there is sufficient demand. We've sent out requests to our institutions to give us their best estimates of programs that require additional investment, that have some enrolment pressures, so that we can look at expanding further through that.

9:20

Mr. Eggen: Thank you. Thank you for that. Again, I'll just swing back to the core of my question and then move on, which is: how much were the operating budgets of NAIT and SAIT, our two biggest trades polytechnics, cut this year? This is an ongoing theme. While we might seek to value the expansion of trade programs, which I'm wholly in favour of – it's absolutely essential for our economy and for good employment – if we're undercutting the foundation of how those trades are delivered through continued reductions in operating budgets, then it's like you're building, so to speak, on a foundation of sand. I think that we just need to address the core structure of any given polytechnic or trades college and understand that you just can't cut, take away with one hand and expect, you know, improved results with the other.

I'd like to move over to talking about student aid. Alberta offers the least needs-based funding aid per year per student of any province in Canada. Your budget only allocates \$15 million more to student aid compared to last year. This year's total of \$227 million is actually 2 per cent less than the \$233 million that was allocated in Budget 2018. I'm just, through the chair, asking how this government and minister can justify this when tuition is rising by, you know, between 21 and 23 per cent in almost all programs between 2019 and 2022. Student aid does not have a meaningful increase correspondingly at this time. We need to make sure that student aid and grants are being reformed and rising in concert with not just these massive tuition increases but with the cost of living, inflation.

When I was having my breakfast this morning, I noted that the CPI rate, the consumer price index, calculated just now is at 5.7 per cent. In the budget that was tabled by this government just recently, they had a much lower rate. Anyway, the point is that I know that this ministry likes to cite national averages in regard to tuition increases, but I just would like to know, Chair, how Alberta compares to the national average in regard to needs-based aid. Since we are increasing – you are, sorry; not me – the tuition above the national average this year, will you also commit to increasing student aid to meet the national average here in Canada?

Mr. Nicolaides: I think, you know, the conversation around student aid is an important one. I think we all agree that any individual Albertan should not be unable to participate in postsecondary education because of the costs associated with postsecondary education. That's exactly why this budget includes more funding to create new bursaries and to support our existing scholarships. On that point, Budget 2022 outlines \$12 million over three years to

support our existing scholarships. Many of our scholarships, including the Rutherford scholarship and the Jason Lang scholarship – there's huge demand for those scholarships as more and more students are graduating into the system. We need to ensure that there are adequate financial resources available for those scholarships so that if a student qualifies and they're ready to move on to postsecondary, they have access to the full scholarship and award. There's \$12 million in new funding over three years to support the expansion of our existing scholarships.

As well, as I mentioned, we're also providing \$15 million over three years to create new bursaries. This is a very important step. As I mentioned, no individual Albertan should not be able to access postsecondary education because of the cost. Adding \$15 million in new funding to create new bursaries will help with that. Do we need to continue to look at and evaluate student aid? I believe so. We have been undertaking some work in that regard to take a look at what we're offering from a student aid perspective to make sure it is comparable, to make sure that it is competitive with what students in other provinces receive. What you see in Budget 2022 is a step forward as part of that review.

As well, we've also increased the per-semester loan limit and the total available loan limit. If I remember correctly, this was something that some of our student leaders had talked to me about over the course of the years, that some of the loan limits that were currently available were a little bit restrictive. So we took their feedback, and we increased those loan limits. When we look at the entire picture of what's available in student loans, there's \$980 million in this budget for student loans. I agree with your point about making sure that every Albertan can access postsecondary education. I think we're demonstrating here tangible steps to make sure that individuals have the financial support that they need.

Mr. Eggen: Thank you for that, Mr. Chair. I think it's important to point out that each year that we continue to increase tuition here in this province – for example, this year we're likely to be exceeding the Canadian tuition average rate. I just always want the minister to make sure he's keeping up to date with the statistics in regard to tuition with each subsequent tuition increase, including those exceptional tuition increases. I know those are just in some areas, but it really raised a lot of a persons' eyebrows when we saw not just the 21 per cent tuition increase allocation but, you know, accepting these extraordinary tuition increases between 20 to even a 100 per cent increase.

So my next question is directly related to that. Alberta's students graduate with more than 30 per cent more debt than any other province in Canada, a gap that will undoubtedly continue to grow with the substantial tuition increases that are not matched by student aid increases, in fact, as predicated by reductions in operating grants for universities to where they're simply scrambling for revenue because of the shortfall that's been created by the cuts to operating grants. At the same time your government is actually also increasing the interest rates on student loans, which will result in, you know, taking, I believe, hundreds of millions of dollars out of students' pockets when they're repaying those debts and often will serve as a deterrent for students to choose to go to school when they see their peers or hear word about just how much debt people are taking on to go to school with these interest rates, plus 1 over prime, that this government has imposed.

I know that, again, this ministry likes to compare to national averages to justify increases. I'm just wondering what this government, Mr. Chair, has for a plan to reduce student debt closer down to the national average. Again, as I said before, Alberta students graduate with 30 per cent more debt than other provinces in Canada.

Mr. Nicolaides: Sure. You know, just on that point, I think a couple of things were mentioned there. I think that with respect to interest rates, I mean, we're . . . [An electronic device sounded] Does that mean my time's up?

The Chair: No.

Mr. Nicolaides: That was a good interjection. I should've just let that play out.

With respect to interest rates on student loans, right now in Alberta the interest rate on student loans is prime plus 1. That's the same as is available in Ontario and slightly above what's available in Quebec. In Quebec provincial student loans are available at prime plus .5.

9:30

Of course, there have been some changes at the federal level. I think that due to really bad fiscal management at the federal level, we've seen the Bank of Canada move to increase lending rates, which will affect students as well. But, further to your point, I think the issue of student debt is an important one, which is precisely why we need to provide more support to students in the form of bursaries and scholarships, which is exactly what we're doing in Budget 2022: as I mentioned, \$12 million over three years to support our existing scholarships and \$15 million over three years to create new bursaries for low-income students. As well, in 2019 we introduced the Alberta student grant, which made that grant for low-income students available to more students to ensure that more students were able to access financial resources. Those are the steps that we've taken over the last couple of years to help increase supports for students to ensure that they're able to access postsecondary education.

As well, when we look at the total picture of cost – you know, we talked about tuition – we are, according to the latest figures available from StatsCan, below the national average with respect to our tuition rates. As well, our cost of living is lower than many other provinces. You look at Ontario or British Columbia. Of course, to rent an apartment or to take transit in many of those other places is more expensive. Alberta continues to remain quite competitive in terms of the cost profile. We continue to have our institutions continue to excel in their global rankings, which is an important step forward, and of course that helps ensure that we still have a very strong, very competitive postsecondary environment.

At the end of the day, we simply couldn't continue with the direction that we were moving in. When we looked comparatively, our postsecondary institutions in Alberta relied far more on government funding as a source of revenue than other provinces, and of course I think, as everyone knows, we had some significant financial challenges as a province overall that we needed to address. We've now been able to successfully address those financial challenges as a province, as a government, and present a balanced budget in this last budget, in Budget 2022. We have to address some of these systemic challenges to our postsecondary system, which is what we've been doing over the last few years, and that's going to set them up for success.

Part of the reason that we're able to reinvest more into our postsecondary system now and provide additional seats and expand enrolment opportunities is because we've been able to bring that cost profile down. It's allowing taxpayers to get more for their buck out of the enrolment expansion initiative, which will help families and learners in the future.

Mr. Eggen: Thank you. I appreciate the minister's response. I mean, time always moves on, right? At this juncture, in fact, the contribution to the overall budget for postsecondary and in regard

to a student's tuition, for example, is now – you know, the balance has been tipped. Money is coming more from the student's pocket rather than from anything that the government is providing.

I'm curious to know as well – the minister is describing how they have new money for student aid. You know, it doesn't reflect in the budget, quite frankly. Students are being faced with unprecedented cost increases and fewer opportunities to earn money as well to offset the very expensive tuition rates, student loan rates, and so forth. We saw the cancellation of the STEP and SCIP programs, quite significant cuts to institutions. In general it's just a much more difficult, tough time for students, at the very time that we want students to go to school. We had, I think, in one of your performance metrics that only 59 per cent of students are accessing postsecondary education within six years after they hit grade 10.

You know, these numbers are stubborn – I recognize that – but we cannot hope to improve those numbers of young people accessing postsecondary when they are facing such high expenses to go to school. One of the, I think, difficult lines in this estimate is that it's not showing any tangible increases for scholarships in . . . [A timer sounded]

The Chair: That's just the end of the first 20 minutes. Please proceed, Member.

Mr. Eggen: Okay. Great. Thanks a lot.

. . . the government estimates, and then on top of that, we also see a reduction in program delivery support, which I think creates further issues around the application and disbursement process for what is still there.

I just want to reiterate how, if we are making both student loans more expensive and not giving easy access to grants and so forth and then, of course, with the reduction in operating expenses of the universities, that is just creating an environment that simply makes postsecondary too expensive for a lot of people. I understand that the minister is saying that we should not have those barriers. I think we have common ground there. But let's look for ways by which we can attack those barriers and open up and increase enrolment here in the province with some tangible results over the next few years.

Mr. Nicolaidis: Yeah. I agree with that. I'm going to come back to that, but I think you mentioned making sure that we're continuing to provide support and investments for scholarships. Just on page 27 of the main estimates you'll see the Alberta heritage scholarships, and of course you'll see that our actual for 2020-2021 was \$50,844,000, and we've budgeted \$56 million for this budget. There have been significant increases there for our heritage scholarships to help ensure that we're continuing to provide more in funding to our scholarships so that any student who either graduates high school or meets the criteria of the scholarships – of course, some of the scholarships depend on GPA averages from university, others for high school – can continue to receive them. That's provided there on page 27 of the estimates. Then you can also see, of course, on page 25 of the main government estimates more details there. Line items 4.1 and 4.2 outline the increases to student aid grants and to scholarships and awards that are being provided.

You mentioned about enrolment and making sure that the tuition fees and other fees do not hurt enrolment opportunities, do not prevent individuals from being able to access postsecondary education. I think that's why it's important to note where we are at a tuition level in comparison to other provinces. Are we the most expensive jurisdiction in Canada for tuition? No. Are we at the top end? No. Are we at the average level? Yes. I think that that's a

comparable position to be in, that we're not on the high end, that we're not the most expensive jurisdiction in the entire country when it comes to tuition levels.

As most people know, tuition is only one part of the equation. As well, there's often residence, there's often the cost of living, there are transportation costs, and in all those areas Alberta fares better than other provinces. We all know that the cost of living is more expensive in, let's say, downtown Vancouver or downtown Toronto. I think I saw gas prices in Vancouver at \$2. So the cost of living is generally more expensive. If we look at the entire kind of basket of costs, it's more expensive, no matter how you slice it, in other provinces. It continues to remain affordable and competitive for individuals to choose Alberta, to choose our incredible postsecondary institutions and come and study here.

9:40

On the enrolment side, we do need to take additional steps to make sure that we have adequate spaces in our postsecondary institutions for students that want to pursue programming. That's why we've committed \$171 million over three years in this budget to create 7,000 postsecondary spaces in in-demand programs and programs where we can see clearly that there are wait-lists, where there are not enough spaces and opportunities for students to be able to enter those programs.

We've sent a request out to our postsecondary institutions to ask them to take a look at those programs, to give us their details and proposals as to what kind of capacity they can increase and in what timeline so that we can expand those programs. We are confident that we'll be able to expand those programs and get new students into some of those spaces as early as this fall. I'm looking forward to this upcoming fall to see more students accessing our postsecondary system than in the past.

Mr. Eggen: Thank you. Just maybe further to that, if you could point out where, specifically, this \$170 million that you want to spend to expand in enrolment areas with skills shortages – I'm just curious to know how you are ascertaining what skills are in short supply and which skills you think are most important. To what degree will you determine where this money is being spent in our postsecondary institutions? Do you have provisions to make sure that the money is in fact being spent on spaces, teachers, and support staff and not just being dropped into general revenues?

I've been touring around the province quite a lot using this machine right here – it's virtual touring – and hearing a lot about when individuals, colleges, and universities might receive targeted grants like this \$170 million that you're talking about here, and then, you know, the money ends up just going into general revenues as opposed to perhaps being spent specifically on the program to create spaces and hire teachers and support staff and so forth. I guess my question is two-part. To what degree are you directing colleges and universities to focus on building spaces for specific skills, and what are those specific skills that you're aiming for? Do you have a comprehensive way by which to audit the recipients of these grants to ensure that they're in fact spending the money on creating spaces and not just dropping that money into general revenues?

Mr. Nicolaidis: Sure. Yeah. A hundred per cent. I do not want to see postsecondary institutions trying to access this \$171 million in new funding and just drop it into general operating revenue to cover their current operations. We will be auditing very closely once we disburse the funds. The universities, colleges, and polytechnics, all of the institutions, will have to provide us with details about how many seats they anticipate they'll be able to create. They're going

to give us those numbers and tell us: well, we anticipate we can add 50 new seats to the vet school at the University of Calgary, as an example. We're going to check in and see: did you actually create 50 seats or not? If not, then we have some concerns there that we need to address. That's how we're going to keep a close eye on those programs to make sure that they're delivering.

In terms of which areas, we've connected closely with our colleagues in the Ministry of Labour and Immigration, who, as I'm sure you know, do robust work in determining labour market demand. There's a pile of data and analysis that exists within Labour and Immigration where they can forecast and give their best estimate as to where we anticipate to experience shortages. Also, in conversations with industry they can tell us very clearly where they have shortages in certain areas. As well, we've also looked at some of the enrolment levels at our postsecondary institutions to be able to get a sense of which are the programs that have the highest demand, so looking at some of that application data. Taking all of those three different parameters into the equation has helped us to determine which areas warrant increases, because, of course, we don't want to put dollars towards increasing programs where there actually isn't a demand. We would put all these dollars towards increasing a program, and then, you know, students aren't registering or aren't being accepted into those programs.

We have isolated a number of areas, and this is what we've sent to the postsecondary institutions. We've asked them to look at these areas in particular, including aviation-related occupations, specifically airframe mechanics, and I think there was another one or two in the aviation sector; airline professional; the occupations in the business sector more broadly.

We're also looking at expanding programs in computer science. Of course, we've seen significant investment in Alberta's tech sector over the last few years, record investments, in fact, in our tech sector, so the demand is there to expand programming in computer science.

Finance is another area where we've identified that we need to look at expanding our program offerings as well as in health care. There are, of course, a number of areas in which we've identified that there's more that needs to be done to expand programming. We're looking specifically at health care aide programming and LPNs, also veterinary medicine I think I mentioned a moment ago as well as information technology, computer science I think I mentioned, data modelling, engineering, some physical science programs, and others. That's, I think, a snapshot of some of the areas that we're looking to expand more.

Mr. Eggen: Thank you. I appreciate that. I mean, just as a caution, it's, I think, important to recognize the integrity and the discretion of our institutions – our colleges, universities, and polytechnics – to make choices around which areas they want and need to create spaces for, following the expertise that they have at that university and college and different areas of pursuit. So often when central government planning interferes with the organic development of programs and spaces in universities and colleges, you know, we can often be a number of years behind what actually is going on on the ground at any given specific university or college, right? We can, you know, compel universities to develop geophysics programs when, in fact, geophysics is a technology that's being used less in some areas in our energy industry, just as an example.

I would caution that we need to defer to the expertise that we have abundantly available in our colleges and universities and polytechnics to help to develop the spaces that they need and that they see on the ground. NAIT and SAIT are a classic example of that, where they work very closely with the trades and industry to

determine how many spaces are created in specific trades. It's no coincidence that those same two institutions have some of the best employment numbers coming out of programs because they are working so directly and closely with industry and with the trades to know what's needed just next year and the year after that. I think we just have to always be careful not to dictate from Edmonton too much what, you know, otherwise is better known on the ground.

I want to get back to the student loan issue, again, this choice, and try to move this government off of this increasing the interest rates past prime for students. We know that back in 2019 students owed a total of \$2.5 billion in debt. This year the budget from this government, Mr. Chair – I guess you're part of it, too – that will pass \$3.7 billion. By 2025 we expect that Alberta students will owe more than \$5.3 billion. That's an 85 per cent increase since 2019. Moving from prime plus 1 is a 40 per cent increase to the cost of servicing student loans, right?

9:50

The government of Alberta has the ability to, you know, access and moderate these borrowings. I think that in the interest of attracting students to postsecondary, assuming debt that comes with that, we have to get ahead of this serious increase in the cost of servicing student loan debt. So I'm going to be asking, Mr. Chair, through you to the minister, if he understands these facts, number one, and number two: would he consider and take back to the cabinet table this idea of charging prime plus 1, which will cost Alberta students literally billions of dollars in extra payments for their loans?

Mr. Nicolaidis: The move to prime plus 1, as you mentioned, was done in 2019, so there are no plans to change that or to make any indications there.

What I'm really worried about is what's happening at the federal level. We have seen the Bank of Canada move to increase interest rates, and if we continue to see poor fiscal mismanagement at the federal level, there's a high probability that those federal rates can continue to increase. I think we've taken the right step in the province of Alberta by getting our finances under control, getting spending under control, being able to deliver a balanced budget, which will provide certainty to students that Alberta interest rates will not need to be increased. Meanwhile I can't say the same at the federal level. I share your sentiments, and I'd be happy to work with you in calling on the feds to be more prudent fiscal managers so we don't see the Bank of Canada have to increase federal interest rates further.

On the levels of student debt, there are a number of factors, of course. When you look at the total amount of student debt and you see the number increasing, of course there are a number of factors attributed to that. Number one, as I mentioned, we did, as per student wishes, increase the available limits both on a per-semester basis and a lifetime loan limit. We've increased both of those based on student request and student demand. When you increase the limits, when you increase the amount that an individual can borrow, the chances of them borrowing more may exist, so they may borrow more.

Furthermore, we're also seeing, as we just finished talking about, \$171 million that we're anticipating to put into our postsecondary institutions and into our postsecondary system to create 7,000 new seats. So when you add more people into the system, those overall numbers increase because there are more people taking out loans or there are more people paying tuition. I think the average debt level, if I remember correctly, for postsecondary students in Alberta is approximately \$36,000. That's the average debt level per student in Alberta.

I don't have the numbers offhand – I'll try and find them in response to a future question – but if memory serves me correctly, 46 per cent of postsecondary students in Alberta graduate or complete their studies with some level of debt. The other 54 per cent do not. I'll try and pull up that information to be really precise for the committee. That was just some information that I was looking over the other day with respect to some survey information that Advanced Education had undertaken in 2019, 2020, 2021 that I can provide to the committee that I think is helpful.

Mr. Eggen: Thank you. No. I appreciate that. Thanks. I mean, within that, Mr. Chair, there is some, you know, concerning information. When we talk about – let's go back to those exceptional tuition increases in medicine and in law and in MBAs and programming like that. Yes, there's a population of students ever decreasing that can afford through their families or whatever to pay for those tuitions and not go into debt, but for an increasing part of our population that simply just closes the door to ever being able to consider studying in those program areas or indeed studying in postsecondary generally. Of course, more people will be taking on debt when we see a 40 per cent increase in the cost of servicing student loans.

Yeah, there's an ever-decreasing population of students that don't assume any debt when they go to school. But, again, it's entrenching those people that can and those people that can't, the people that have and the people that have not. Quite frankly, access or lack of access to advanced education will exacerbate those differences in our society and create a more unequal society, that I don't think any of us want, right? You know, we saw from the outset of both my comments and the minister's comments, Mr. Chair, that we want to ensure that everyone has access to postsecondary regardless of their ability to pay. I think we all agree on that. But these numbers fly in the face of that aspiration, and quite frankly it's leaving us in a precarious place. Advanced education is perhaps the strongest tool we have to help to diversify our economy and to build society in general. We have our unique network of 26 colleges, universities, and polytechnics around the province that can help to meet those aspirations.

Now, every year I've been asking about this. Again I asked it when I was asking what the operating cuts to NAIT and SAIT were in this upcoming budget year. It speaks to the Campus Alberta grants in general. I think that Albertans generally deserve to know what the Campus Alberta grant funding is across the province on an easy-to-read-and-understand chart, right? We need to be able to see where those changes are taking place and how we can help to mitigate that or react to that as well. I asked about what the operating grants were for NAIT and SAIT for this upcoming budget year. I'll ask that again.

I would like to also ask – you know, the last time I could really get a full picture of the 26 colleges, universities, and polytechnics and how much they are funded was three years ago now. In that year only Medicine Hat College, Ambrose University, Burman University, Concordia, St. Mary's, and King's University escaped cuts to their operating grants. They were at zero. I'm just wondering: what's the situation this year; which institutions managed to not get any operating budgets cut; and which were the top five institutions that had the most significant cuts to their Campus Alberta grants?

The Chair: Thank you.

I just do want to note that was the second block of 20 minutes completed. We are on our final set of 20 minutes.

Minister, to respond. Thank you.

Mr. Nicolaides: Thank you. Sure. Yeah. Happy to. I mentioned a survey that we have recently conducted, and I'm getting a little bit more information on that to update the committee. But just for context, there was a 2019 survey of first-year undergraduate students, a 2020 survey of middle-year undergraduate students, and a 2021 survey of graduating undergraduate students that we initiated to collect a lot of valuable information on student financial needs, resources, skill development. Just as a quick snapshot of that, more than 70 per cent of both first-year and middle-year students agreed that they have the financial resources that they need to complete their program, which I think is a good step.

Of course, there's probably more we need to do there, which is exactly what we're doing in Budget 2022 by providing \$12 million more over three years to support our existing scholarships and \$15 million more over three years to create new bursaries as well as providing more flexibility in loan limits to students. As well, we can't forget that we continue to ensure that student loans are interest free six months after graduation so students have a period of time after they complete their studies to be able to look for employment and find employment before the repayment begins.

10:00

With respect to funding allocations, of course, all of that information is publicly available, with each individual postsecondary institution and their individual budgets, where you can see their specific grant allocations and their overall budget picture. You did mention that some institutions did not see a reduction or saw a small reduction or that some institutions received varying degrees of reduction, and that is indeed true. We employed an approach back in 2019 that saw differential reductions to postsecondary institutions. The reason we did that is, well, first and foremost, because postsecondary institutions in Alberta are funded at disproportionate and differential rates. They're not all funded at the same rate. They don't all receive the same funding level per student.

As well, each postsecondary institution has different needs. They have a different programming mix. Some have more expensive programs than others. They have different student demographic concerns to take into consideration. In 2019 we looked at all of the postsecondary institutions in Alberta, looked at what we were providing them on a funding level, and compared that to other provinces. As an example, we took a look at the U of A. We took a look at what the provincial government is providing the U of A in funding levels, and then we looked at some of their comparators like the U of T. We looked at: well, what is the provincial government providing the U of T? We did those comparisons across all of our postsecondary institutions and used some of that information to help determine how we would move forward with funding reductions.

What I can say, just going back to the need for us to get funding and expenses under control – I'll just go back here to 2018-19. We were providing approximately \$14,000 in operating funding per student. In B.C. they were providing approximately \$9,800; in Ontario, approximately \$7,000; in Quebec, \$12,000; in Manitoba, \$13,000. So we were quite high, as you can see, in comparison with other provinces in how much we fund on a per-student basis. We've worked to bring those funding levels in line with other provinces. We're projected for 2021-22 to be at a funding level of \$11,400. B.C. is still sitting relatively stable at \$9,800, and Ontario is at \$6,200. We are taking steps to help bring our funding more in line with other provinces, and that's been an important factor in determining how we move forward.

Mr. Eggen: Thank you.

You know, again, Mr. Chair, since we're at a budget meeting, it should be incumbent that the minister does provide the Campus Alberta grant funding. They did so in the past. In fact, as I look around the table, I'm sure that the hon. member would like to know maybe how much Medicine Hat College is getting or being cut in terms of their operating grant funding. I mean, we can all poke around and ask people, or we can FOIP it and get it in a few weeks or months or whatever. I'm sure the hon. member here today would like to know what Athabasca's funding is in terms of operating grants, cuts. The member to my right is very curious about the operating grants to Grant MacEwan and NorQuest and the other one. What is it?

Mr. Shepherd: NAIT.

Mr. Eggen: NAIT. Of course, yeah. They moved the boundaries. That used to be in my constituency.

Again, you know, it's one of the largest numbers that this ministry is responsible for – right? – globally in the billions of dollars, the Campus Alberta grant funding. If they could give us that information here at a budget meeting, it would be just so great, right? It would be like opening the door, and we would all appreciate that very much. I don't want to speculate as to why, Mr. Chair, this ministry doesn't want to provide all of that information on one sheet of paper, like they did before. I've got it here from a couple of years ago. It's handy. It's a great sheet to use. Are they maybe concerned that universities and colleges will start looking and saying: hey, how come we got cut so much and the other ones didn't? For example, the University of Alberta received almost half of all the provincial cuts to postsecondary. This year they've also taken a significant cut.

The minister just said that the cuts are distributed based on different factors, including the ability of institutions to pay, right? Many in the University of Alberta community have questioned the fairness and the accuracy of those claims given that this ministry has not released any of the data or the formula to support the distribution of cuts. I'm curious as well: besides getting the Campus Alberta sheet, which I'm sure you have over there – I just know you do – maybe you also have the formula that you've been using to allocate operating grants and cuts to those grants. If you could release that formula to this committee, I would be grateful.

Mr. Nicolaides: Sure. On those pieces, as I've mentioned, I think, gosh, since 2019, we benchmarked each postsecondary institution with comparators. I can bring up and tell you the exact comparators. That may take some time. But, as an example, we looked at the U of A in comparison with the U of T. We looked at some of our polytechnics, NAIT and SAIT, in comparison to some of theirs; you know, Sask. polytechnic and BCIT and others. We looked at, again: how much in funding do they receive from their provincial government, and how much funding on a per-student basis do they receive? We made adjustments according to that.

You know, you mentioned the U of A and some of their reductions. We can't forget that the U of A single-handedly receives the largest amount in operating funding. I believe that in 2018-19 they were receiving over \$600 million in operating funding from the government of Alberta out of the \$2 billion that is provided to postsecondary institutions in the form of operating grants. They were already receiving the lion's share of the grant. So when we look at reductions, we'll see that disproportionate impact because they receive a higher amount of the grant than other institutions.

I've heard some comments or criticism that, you know, the government is trying to target Edmonton or something like that. I

mean, that's absolutely not the case. MacEwan University, I can tell you, both last year and in this budget cycle, actually, did not receive a reduction. The reason for that is because we've taken a differential approach, looking at not just how much each individual institution is funded in comparison with other provinces but: how much are they funded within the province against their comparators? As an example, NAIT and SAIT, which you've mentioned, were receiving different levels of funding on a total and on a per-student basis even though their programming mix is very similar, almost identical. They're both in major cities. They don't operate in much different geographic environments or in environments that have very different cost-of-living parameters. So the institutions are quite comparable, yet they were receiving different amounts of funding on a per-student basis. We've worked to try and correct that.

The same goes with MacEwan. We looked at their counterpart in Calgary, being Mount Royal University, and at the U of A and the U of C and even within many of our rural communities. You know, I see the member for Vermilion there. We looked at Lakeland College and their programming mix in delivering a lot of agricultural programming and being a central Alberta institution in comparison with Olds College, which has a similar profile. Again, the funding levels that we have for those institutions are vastly different. So we've applied reductions to help bring similar institutions to similar levels of funding. I think that's an important approach to take, and it's important to help bring some of these institutions and their funding levels to comparator provinces and to levels that are comparable.

10:10

As I mentioned and as I think I've mentioned in the past as it relates to the University of Alberta, we've been providing, again, back to I believe 2018-19 numbers, over \$600 million in operating funding to the U of A, and they serve approximately just north of 30,000, I think 33,000 students. The U of T in Toronto is receiving approximately the same level of funding, around \$600 million, from their provincial government, but I think they have over 50,000 more students in their total campus environment. We have to make some adjustments there to be able to correct those imbalances.

Mr. Eggen: Thank you.

Mr. Chair, just before I move on to my next set of questions, I think it would be more sincere if the ministry is making comparisons that are, number one, up to date – right? – with what the situation is now. You know, we've been hearing a lot about the MacKinnon report and the different funding levels and so forth. Number one, those numbers are getting old, right? I mean, it's 2022 now. We're dealing with the 2022-23 budget year. When we start looking at and bringing back numbers that are three, four, five years old, again, it just doesn't strengthen the argument, I don't think, that the ministry is making in regard to tuition or grants and so forth.

You know, the other issue – again, I don't want to belabour this point. When we compare to places like Ontario and Quebec and British Columbia to some extent, these are also places that have evolved their grant funding over many years and sometimes over many decades and have built a funding foundation that kind of works together, right? I mean, you talk about the University of Toronto. Lord knows how many hundreds of millions of dollars they have through private sources and endowments and so forth – right? – one of the oldest and best privately funded universities in the country and probably in North America, even.

I mean, we just have to be really careful with those kinds of comparisons. We have in Alberta, I think, a unique network of 26 colleges, universities, and polytechnics around the province, that are nicely geographically located as well, that help to serve

communities in so many diverse areas, from Vermilion to Medicine Hat to Athabasca to Banff, right? I'm just going down the list here, people that I can see. You know, not only do those colleges and universities and polytechnics provide top-quality education; they also help to backstop the local economy and diversify the economy and increase the quality of life for people in those places.

You know, if we try to apply other jurisdictions and overlay those on the unique situation we have here in Alberta, I think we see a lot of gaps, and you end up perhaps compromising the integrity and the ability of places like Keyano College or Portage College and other places to function and remain viable. So just a polite, constructive piece of criticism that you really shouldn't compare with old numbers, nor should you compare with provinces and jurisdictions that are not the same as Alberta.

I just want to switch over quickly. I see I've only got about a minute left, so I'll introduce this concept, and we can perhaps mull it over. We're still dealing with the COVID pandemic here in the province of Alberta. We've seen a number of waves of COVID, and our postsecondary institutions have suffered along with many others – K to 12 education, health care, private industry, just all of us, really – in dealing with this situation. I'm just wanting to know: in this budget are we making provision to plan for mitigating the effects of COVID in our colleges, universities, and polytechnics? You know, say, for example, it has become clear that being able to have cleaner air and air flow and filters in buildings, to do an analysis and an audit of air exchange and so forth in our buildings – university, college, and polytechnic buildings – is a useful thing to be able to fund for contingencies, right? I mean, who knows what's coming next in regard to COVID. I mean, I'm not an epidemiologist, but I've seen four waves of COVID now, I think it's been, right?

Mr. Nicolaides: Five.

Mr. Eggen: Five. We should be preparing for the sixth one because that's a prudent thing to do.

The Chair: Thank you, Member.

That concludes the first portion of questions for the Official Opposition. We will now move on to the independent members for 20 minutes of questioning.

MLA Dang, would you like to combine your time with the minister's?

Mr. Dang: Yes, please, Mr. Chair, if he'd be willing.

The Chair: Minister, are you still willing to combine your time?

Mr. Nicolaides: Yeah, absolutely.

The Chair: Thank you.

MLA Dang, you have up to 10 minutes for your portion of that.

Mr. Dang: Thank you. Mr. Chair, do you mind setting a 10-minute timer for me as well?

The Chair: I believe that they will be doing that as soon as you begin.

Mr. Dang: Perfect. Thank you.

Thank you, Mr. Chair, and thank you to the minister for coming today. I appreciate that you've shared your time and have done a thorough job of answering my friend in the Official Opposition's questions here. I apologize if some of the things may seem like they're repeats or going back over things you've already tried to address. In advance, I want to apologize for that. I tried to cover and

listen intently for the last hour, but as you know, sometimes we miss things or need clarification.

I guess one of the first things that I'm wondering about is going to be postsecondary fees. In your fiscal plan on page 115 in the '22-23 year they're going to be down by about \$91 million. Can you just explain to me how much of that is going to be attributed to student fees or how much of that is going to be attributed to other revenue that the postsecondary institutes typically generate?

The Chair: Minister.

Mr. Nicolaides: Yes. Sorry. I didn't catch all of that. Were you referencing fees and that fees will be down?

Mr. Dang: Yeah. In the fiscal plan on page 115 the fees are projected to be down about \$91 million. Could you just tell me how much of that is projected to be from student fees or how much of that would be other revenue that postsecondary institutes would typically generate?

Mr. Nicolaides: You said page 115, right?

Mr. Dang: Yes.

Mr. Nicolaides: Yes. I'm on page 115. Postsecondary institution tuition fees are estimated at \$1.6 billion in 2022-23, an increase of \$149 million. That increase, of course, as the plan states, is primarily attributed to the tuition fees. The \$149 million in tuition fee increases, as you can imagine, comes from a number of factors. It comes from both increasing enrolment, increasing fees, and other dynamics. I do actually have a breakdown for that. We anticipate approximately – and I'm rounding up here, so my numbers may not add up completely, so my apologies – an \$87 million increase in tuition fees that come from domestic students, which is primarily attributed to tuition fee increases. We anticipate approximately \$30 million in increased tuition revenue due to enrolment expansion, and we anticipate \$33 million in tuition increases attributed to increases for international students. That gets us to \$149 million, but I've been rounding up, so it probably gets us a little bit closer to \$150 million.

Mr. Dang: Thank you, Minister. Of course, the government likes to round up, and opposition likes to round down. We can go around and around on this all day.

I guess that sort of answers one of the questions that I had about enrolment. You're telling me enrolment alone won't cover the increase. There are going to be other pressures that postsecondaries will have to raise revenue on their own for.

Mr. Nicolaides: Yeah, absolutely. We do anticipate there to be enrolment increases, and we have seen some aspects of that, you know, even last year with some of the COVID challenges. We've seen a lot of enrolment increases in some programs as well as the \$171 million that we're providing to create 7,000 additional spaces. Our institutions are forecasting that they will be seeing enrolment increases, which is part of that \$149 million increase in tuition.

10:20

Mr. Dang: I know you spoke a little bit about student aid earlier. I have a couple of follow-up questions or clarification on that, I guess. You spoke about a survey you've done on how a significant number of Alberta students – I think you said a majority of students – feel that they're in a financial situation that is enough to get them through their postsecondary education. Have you done that same survey for students who are entering postsecondary? I'm saying high school students, I guess, grade 11-12.

Mr. Nicolaides: Yes. It was a 2019 survey of first-year undergraduate students, a 2020 survey of middle-year undergraduate students, and a 2021 survey of graduating undergraduate students. Of course, as you can imagine, you know, some of those variables fluctuate depending on what year a student is in and how they're feeling about things. But overall, indeed, 70 per cent of both first-year and middle-year students agreed that they have the financial resources they need to complete their programs.

Mr. Dang: Thank you, Minister. I guess my concern is that you're looking at students who are already in the postsecondary system. I've noted that, of course, you mentioned you've increased the amount of loans that you're going to be giving out over the next several years. While I think that's helpful for some students, for students who are unwilling or unable to get loans for whatever reason right now, I'm wondering: have you looked at whether that will be sufficient for students who want to enter postsecondary, not for ones who are already in?

The Chair: I will just interject for both the member and minister. Even though I do allow quite free-flowing conversation, please direct your comments through the chair as best as you're able. Thank you.

Minister to respond.

Mr. Nicolaides: Yeah, absolutely. Mr. Chair, through you, I think MLA Dang raises a good point here. One of the things that I've found challenging within the position of minister is trying to ensure that we're accurately capturing, you know, students who are not making the transition from high school, from K to 12 to postsecondary. Making sure that there's a smooth transition from K to 12 to postsecondary: there continue to be some challenges there. That's part of the reason why in this budget we're providing \$15 million over three years to create new bursaries to help ensure that students who are unable to access postsecondary education will be able to do so.

You know, I think the matter of the right transition or the right supports for K to 12 students into postsecondary is a complicated one. There are many factors that go into it. I think it requires a very comprehensive approach. I recall – my apologies; I don't have it in front of me, but I believe it was done in 2011 – a report by the Canadian Senate on barriers to accessing postsecondary education. They took a deep dive into the issue and tried to get an understanding of why students aren't going to postsecondary education. One of the very interesting things that they noted in their final report was that financial barriers are just as significant a barrier to accessing postsecondary education as nonfinancial barriers. They actually did not include recommendations in their final report about tuition or making tuition cheaper or making adjustments to tuition levels as a measure to increase postsecondary participation, but they pointed quite a bit to some of the nonfinancial barriers that exist.

One of the strongest predictors as to whether or not an individual is going to attend postsecondary education is whether their parents actually attended postsecondary education. There are a lot of nonfinancial elements that go in there. It's not all financial. So we need to take a very comprehensive and holistic approach in trying to address that problem.

Mr. Dang: I appreciate that, Minister. I think that right now, though, we're looking at your estimates. For example, you had mentioned the bursary program that you are bringing in to try and attract more students into postsecondary, right? Of course, you have a limited number of tools in your tool box, and everything looks like a nail when you have a hammer. But, Minister, through you,

Mr. Chair, of course, in your estimates, for example on page 25 on line 4.2, your scholarships and awards are actually down this year, I believe. If your scholarships and awards are going to be down overall but you're creating new bursaries for students entering postsecondary, does that mean that other students are going to be getting less? Are you picking and choosing, I guess?

Maybe, before you answer, can I just ask: is there another independent in the room now?

The Chair: Yes, there is another independent in the room, MLA Dang.

Mr. Nicolaides: Okay. I think you're referencing – you said 4.2?

Mr. Dang: Yeah. Your scholarships and awards, basically. The total number is down a bit.

Mr. Nicolaides: Yeah, there's a slight decrease in that in 2021-22 we budgeted \$51.8 million and in the 2022-23 estimate it's \$51.7 million, so it's down by a little bit, as you mentioned. That's primarily due to a transfer of the Persons Case scholarship. That's \$100,000. That's budgeted in Advanced Education, and that was transferred over to culture, multiculturalism, and status of women. They determine the eligibility for that scholarship and largely administer that scholarship, so we thought it made more sense for those funds to be with that ministry.

Mr. Dang: Just to be clear – I know you're not responsible for it anymore – is it your understanding that the total amount of scholarships being disbursed is going up, not down? Is that basically what you're saying?

Mr. Nicolaides: It's captured in two places. There's only that small change of \$100,000 that I mentioned, on line 4.2. But if you flip over in the estimates onto page 27, there are the Alberta heritage scholarships that are also funded here, and you'll see that the budgeted amount for '21-22 was \$53 million and the estimate for this budget is \$56 million. So that's up. As I mentioned, we're providing \$12 million over three years primarily for those heritage scholarships, that include the Rutherford scholarship and others, to make sure that students that are eligible for those scholarships can apply. The reason we're increasing them is because we are seeing more demand on those scholarships. We are seeing more students enrolling in our postsecondary system, and we are seeing more demand being placed on those scholarships.

Mr. Dang: I think you'll appreciate that I think the heritage scholarships are a little bit different than some of the targeted bursaries that you were talking about earlier, for a number of reasons.

I want to thank you so much for your time. I know that I have some colleagues in the room who have some questions to ask, so hopefully I'll pass it over to them.

The Chair: Thank you, MLA Dang.

MLA Loewen, you may introduce yourself for the record if you haven't already.

Mr. Loewen: MLA Todd Loewen, Central Peace-Notley.

The Chair: You have up to eight minutes to ask your questions.

Mr. Loewen: Okay. Thank you very much. Thank you very much, Minister, for being here today and for your staff and department here today, too, to answer questions. I appreciate the good work that you do.

I just wanted to start off by talking about Northwestern Polytechnic. In my constituency is the Fairview campus, which, of course, I wholeheartedly support. I appreciate the work that not only Northwestern Polytechnic has done but, of course, your department, too, in making sure that Fairview campus thrives and survives. One thing that happened recently – I shouldn't say recently but, I think, in the last year. Of course, Fairview campus has the motorcycle mechanic program, which has gained world-wide notoriety. Actually, the best in the world motorcycle mechanic has graduated from Fairview campus. It's a great program there and has great instructors and everything.

I noticed that one of the other postsecondary schools in Alberta started their own motorcycle mechanic course just recently, and I wondered if there's a way that we can – I know colleges and universities and all postsecondary institutions have their own certain amount of autonomy, what to do with their budget and how to plan their programs and what programs to run, but I'm wondering about the cost-effectiveness of creating programs in new institutions as opposed to the ones that are already existing, knowing that we only have so many resources to put into postsecondary and the cost of creating those extra programs when existing programs already exist and could take the students that are available in Alberta.

Mr. Nicolaidis: Yeah, absolutely. I think there's always the challenging dance, if you will, between unnecessary duplication and effective competition. Indeed, I think SAIT moved forward with developing a motorcycle repair program. I'm probably not getting the name of the program right. You know, certainly, there are instruments within the ministry's purview and ability to help manage what programs are being offered at what postsecondary institutions. That one moved ahead. I think that the intent there is to help ensure greater access to other parts of the province, to southern Alberta as well.

10:30

I know the program at Fairview. I don't think that program will have any challenges. Obviously, it's a Harley Davidson, I think, specialized program and a really cool place. If anyone hasn't been there, I encourage them to go and check it out. I think that program will continue to excel and do well.

Mr. Loewen: Okay. Thank you very much, Minister. I appreciate that.

I wanted to talk about the tuition hikes just a little bit. You know, obviously, that's been somewhat alarming, I think, to some people, to see the numbers of increases in tuition hikes. I understand that there are maybe some balances when compared to other jurisdictions and everything that maybe has come into play there. I'm just curious about the reduction in funding to postsecondary institutions. This additional reduction from money from the government going into postsecondary and the schools increasing tuition: is there any indication of where these funds are going? Are they going into reserves, or is increasing fees just allowing them to balance their budgets? Have you got any idea how that's working out as far as in the financial end for postsecondary?

Mr. Nicolaidis: Yeah. There are a couple of pieces to that. As it relates to tuition revenue, we don't dictate to the institutions how they should spend their tuition revenue. That is entirely up to them to determine how they want that to be allocated and spent. You know, I think that in an ideal world tuition that's raised in a particular program stays with that kind of program, but that's never been the case, not just in Alberta but at any postsecondary institution.

There are some programs that are very low cost. Primarily more of the kind of liberal arts programs are very low cost to run, and you can put a lot of students in those programs. You can put, you know, 200 students into a lecture theatre whereas other programs such as medicine or dentistry are much higher cost and you can't put a lot of students through those programs because they require practicums and a lot of hands-on learning. There's always this kind of cross-subsidization occurring within the institutions themselves. We don't provide any direct guidance.

One of the things that we are doing, though, through the investment management agreements and the performance-based funding model is working with institutions to set acceptable parameters and benchmarks around administrative expenses. I think we can all agree that we want to see the broad pot of operating funds that an institution has be directed as much as possible towards the student learning experience, towards hiring professors, towards creating practicums and laboratory spaces, and all of that. In the performance-based funding model we will be establishing administrative expense benchmarks for individual institutions and using that to help ensure that they're on point.

With respect to the exceptional tuition increases, that's a little bit of a different story. Those increases must go directly to those programs. If a university or any institution applies for an exceptional increase, as some have done recently, and then it is subsequently approved, there are clear legal parameters that any revenue raised from the exceptional increase, which requires special approval, goes towards those programs. They can't take that and put it into general revenue.

Mr. Loewen: Okay. Perfect. That's good to hear. Thank you very much.

I was interested in your comments earlier about the nonfinancial barriers. One of the questions I had was, you know, the idea of reducing costs in needed professions, especially health care professionals and especially directed to places where we need them, which would be in rural Alberta. Also along with that line is loan forgiveness for graduates that go to needed areas like, again, rural Alberta. Health care in particular is one that always stands out. I appreciate, too, that there's been an increase in funding for student loans. I think that's been noticed. The last time I met with Northwestern Polytechnic, some of the staff were talking about that.

I guess there's some curiosity as to where the funding was going, how it was going to be distributed, but I think there was – you know, people were happy to see that happen. I guess maybe just a bit of a comment on reducing costs to needed professions so that we can encourage students to get there and then, of course, having that loan forgiveness to serve in needed areas.

Mr. Nicolaidis: Yeah. I know the Ministry of Health has done that very recently with the RESIDE program, as an example, looking at, I believe, some tuition rebates or relaxation for individuals. To your point about some of the nonfinancial barriers, in some of your communities I think that's particularly important as well. It may not be a matter of financial barriers or lack of available student assistance but maybe some of the geographic distances. Individuals don't want to leave their community, don't want to go to Edmonton to take a particular program. I think that that's why it's important that we look at trying to find more ways to deliver local programming in our local communities. Specifically for Northwestern Polytechnic, its transition will help achieve exactly that, will help it expand programming in areas that the community needs right at home in the community.

The Chair: Thank you, Minister and members. That concludes the first portion of questions for independent members. We will now have a five-minute break, and when we resume, we will go to the government caucus for their 20-minute block of time. The break will be five minutes precisely. We are obligated to start immediately upon that concluding.

[The committee adjourned from 10:36 a.m. to 10:41 a.m.]

The Chair: Welcome back, members. Thank you very much.

We will now move to the government caucus for 20 minutes of questions from their members. I assume they would continue the pattern of combining time. Is that correct, Mrs. Frey?

Mrs. Frey: I would love to combine time if the minister would.

The Chair: Through the chair, you have up to 10 minutes for your questions.

Mrs. Frey: Okay. Thank you, Mr. Chair.

Minister, I'm very happy to see you here today. I want to thank your staff, both political and department staff, for being available and for helping us get answers to some very important questions for our constituents. As you know, I'm very happy to have Medicine Hat College in my riding, with both the Brooks campus and the Medicine Hat campus. They have been extraordinary to work with. I know that you've come down multiple times and met with the president, Kevin Shufflebotham, and board chair and everyone else. They certainly appreciate your visits and your frank conversations.

I see that 2022-2023 is the final year for the 7 per cent tuition cap and a fair amount of information outlined on page 115 of your fiscal plan regarding the tuition in the province moving forward. Can you please detail, through the chair – sorry, Mr. Chair – what the government's plan is beyond this fiscal year to keep tuition affordable?

Mr. Nicolaides: Yeah, absolutely. Thank you for the question. The Post-secondary Learning Act stipulated that tuition increases can only increase at the level of inflation. In 2019 we made an amendment to the Post-secondary Learning Act to increase that cap to 7 per cent for three years. We are now coming, as you said, to the end of that three-year period. After we do, tuition increases will be capped, as they were prior to 2019, at inflationary levels. That's detailed in the legislation. The lift of the cap that we provided was only for that three-year period. After this year tuition increases can still occur, but they're capped at a much lower rate – well, not much lower. I mean, MLA Eggen, I think, was mentioning that CPI is sitting around five points. Our cap at 7 per cent is not far off from that. The tuition cap will be moving back down to the CPI level.

Mrs. Frey: Great. We've talked about this before. With affordability, of course, there are a lot of students who right out of high school definitely can't afford a postsecondary education. I mean, I was one of them. I was very blessed to have help from family members and, of course, Alberta student loans and such to make that happen. I see a lot of students look for student aid, and I know that for you that's a priority, to make sure that postsecondary education is never inaccessible. But the Alberta student grant program was turned off in '21-22, and low-income students no longer had access to the grant funding that they needed for postsecondary. I see on page 25 of the estimates document some numbers in line 4.1, referring to student aid grants.

For 2022-2023, Minister, I'm wondering if you could elaborate on the Alberta student grant program that will ensure that students in financial need are not turned away in the fall.

Mr. Nicolaides: Yeah. Absolutely. Just a little bit of context to that. The Alberta student grant was brought in, I want to say, in 2019-2020, if memory serves me correct, somewhere around there. Part of the reason that we brought it in was that we had some other student assistance programs that I believed were not accurately assisting students in the best way possible.

For example, there were some programs that were available for students that were not income tested. There was funding that was provided prior to 2019 to a variety of different student grants and student assistance mechanisms that were not income tested. We couldn't state with certainty whether those limited funds were going to the students that needed it the most, which I think we can all agree with, you know, that limited government funds in the form of student assistance should go to those who need it the most. So we made some changes to those models and introduced the Alberta student grant, and as part of that change we were able to dramatically increase the number of students who were able to access the grant as well.

But to your particular comment, in the last budget cycle we had to put a pause on the Alberta student grant due to some incredibly high subscription to the grant beyond our budgeted and expected amounts. I think there were a couple of reasons attributed to that. I think that we did see some significant enrolment growth in some of our programs and primarily through our private career colleges. We saw significant increases in student enrolment in some of those institutions, which placed extraneous demand on the Alberta student grant, so we were in serious jeopardy of that program being oversubscribed. Of course, we didn't want to be in an environment where students were applying for a grant and not being able to receive it or to receive the full allotment. So we had to put the pause on that grant until this upcoming budget cycle.

Mrs. Frey: Thank you very much, Minister. I must say that I really love this back and forth. I feel like we get way more in, so thank you for doing that.

I'm looking at page 25 again, the government estimates document on line 3.2 this time, and I see that you have an estimated expense of \$23.45 million going towards community and Indigenous education, which, of course, is a great thing. I think that's pretty consistent with previous years. I'm wondering if you could expand on that, but also: would you mind outlining some of the programs and initiatives that this money is being put towards?

Mr. Nicolaides: Okay. Yeah. As you can see there, of course, in black and white, there is \$23 million, as you mentioned, in the upcoming budget, primarily to support Indigenous education, community and Indigenous education. That goes to a number of different areas. First and foremost, a portion of that goes to support, or to provide funding, I should say, to our First Nation colleges. We have a number of First Nation colleges that exist within the province, and the government of Alberta provides some operating funding to assist those institutions. As well, we're also allocating in there \$5 million as part of the Alberta at work initiative to increase training opportunities for Indigenous Albertans and to be able to ensure that Indigenous Albertans are able to access postsecondary education.

As well, there is also \$8.8 million in scholarships and awards for Indigenous learners and to assist Indigenous learners primarily in apprenticeship-oriented programs. As you know, we've done some work with Careers: the Next Generation and Women Building Futures and other organizations to help expand and increase the number of individuals that participate in apprenticeship programming, including Indigenous learners. Those are some of the pieces, some of the specific supports that are available under that line item to support Indigenous education.

10:50

Mrs. Frey: Well, thank you very much. I was going to ask another question about Indigenous education, but you actually answered it, so that's great. I'm glad to see that our government is committing so much support to ensuring that Indigenous students have access to postsecondary, and I'm glad to see that that's a priority for you, Minister.

I'm going to pass over the rest of the time to the MLA for Banff-Kananaskis.

Ms Rosin: Awesome. Thank you.

Minister, I'll cut to it. I appreciate that we're making a lot of changes to the postsecondary system and really trying to modernize it and bring it into the future and ensure that the programs and degrees and the certificates that we are offering are needs driven and are there to meet the labour market demands of the emerging and changing Alberta.

I note that under key objectives 1.1 and 1.2 of your business plan it has this focus around transforming Alberta's adult learning system to be needs driven based on labour market demands. I'm wondering what metrics your ministry is using to determine those skills gaps that do exist in Alberta's emerging and diversified economy and how those metrics will change as Alberta's economy continues to change and grow and diversify throughout the years.

Mr. Nicolaides: Yeah. I think one of the important parameters that we need to look at, and one of the things that we have used to look at our postsecondary system, is: to what degree is our educational system connecting Albertans to jobs? That's why, from 2019, we've applied, which you've probably heard me talking about before, the lens of skills for jobs in our view of postsecondary education. We know, through, you know, the survey that we've been referencing a couple of times in this committee and other surveys that exist, that the number one reason that students choose postsecondary education and choose the programs that they end up enrolling in is because of their career aspirations associated with that program or their career aspirations more broadly. It is overwhelming, the career-oriented objectives for students in motivating their decisions to enrol. With that in mind, I think it's incumbent upon us to make sure that our postsecondary system is operating in the best possible way to prepare students for their careers and to be successful in their careers. That's why we are taking significant steps forward to expand internship opportunities.

Previously I had announced funding to Mitacs to create just under 4,000 internship opportunities for postsecondary students. Budget 2022 also includes new funding to create more work-integrated learning opportunities. As well, to your specific question around metrics and targets, we're also implementing the performance-based funding model, which will establish key targets and benchmarks for institutions associated with the labour market outcomes of their graduates. We're in the process of finalizing some of those pieces to make sure we get it right, you know, and to make sure that we're measuring the right thing. Are we measuring the number of students who are employed or the number of students who are employed in their field or the average earnings? What is the precise metric that we need to track and that measures the right thing? We are taking a close look at that, and we'll be using those as benchmarks to help ensure future funding is directed towards increasing the success of students after graduation.

Ms Rosin: Thank you.

To follow up on that, when we track the success and the ability for students to obtain employment postgraduation, are we able to

track whether or not that employment is gained in the specific field that they studied as well?

Mr. Nicolaides: The short answer is yes. Every two years the Ministry of Advanced Education completes a graduate outcome survey, where we reach out to students who have graduated and we ask them a number of questions so that we can get better information on the state of Alberta's adult learning system. We ask them about their employment opportunities, employment prospects, some of their financial situation and status so we can get a better understanding of whether the loans and scholarships and student aids that we're offering are sufficient. But on the career side we do ask specifically around employment opportunities because we're interested in outcomes. We do ask questions around employability. We ask whether individuals are employed, first and foremost. We also ask them if they're employed in an area that's related to what they studied. We also ask whether the skills and knowledge that they learned through the course of their postsecondary education is applicable to what they're doing in their career. We do ask some of those very specific things in the graduate outcome survey.

Ms Rosin: Okay. Thank you.

One other question. I know that another large priority for your ministry is not just transforming the postsecondary system to create opportunities for those who are just entering or beginning their career path or those who are looking to chart a new career path and get a new degree in a new field, but you've also placed a large focus on those who are already in a chosen career field and want to grow and advance in that field that they are already in. I know that in this work your ministry has been trying to streamline the processes for approvals to microcredential courses so that the employers can work with their employees to create and offer these targeted training programs for employees to develop their skills on the work site or in their chosen career path. I believe that this is shown under your program delivery support of the estimates document. I'm just wondering if you can tell us, before you began this initiative of streamlining the process for creating microcredential courses, what the average turnaround time was for postsecondaries to develop and receive approval for these courses and, by streamlining the process, how significantly you project to reduce this turnaround time by.

Mr. Nicolaides: Yeah. Thank you for that. This is an area that we work to reduce red tape and improve. One of the things that I heard clearly in 2019 after being appointed to the role – I, of course, visited all of our postsecondary institutions and listened to get an understanding of what their concerns are and what's needed. One of the things that I heard time and time again were some constraints over the program approval process, both for degrees and nondegree programs, certificate and diploma programs, that sometimes it can take awhile for the ministry and for degree programs, the Campus Alberta Quality Council, to do their work. So we have taken steps since 2019 to help expedite that process. I think there's still more work that we need to do to make generally the program approval environment in Alberta more efficient and faster.

I think that this is incredibly important for us to continue to remain very competitive in Alberta. We need to ensure that our institutions are able to offer new programs that correspond with what's happening in the economy and what's happening with the labour market. Of course, if it takes, you know, two years or whatever the number is to create a new program in a new emerging field, that can be problematic. I think, as we all know, especially with respect to technology, a two-year lag in the technology world and you're already outdated. So I think we have to take a look at that, the program approval process, to make sure it's expedited.

But to your point around some of the work that we've done with microcredentials, we've really accelerated the growth and development of microcredentials in the province quite significantly. In August we announced \$5.6 million in funding to create 56 microcredential programs in a range of different fields. If I remember correctly, one of the interesting ones that caught my eye was in drone piloting, which is, I think, a really cool one. The really cool thing about microcredentials is, of course, that they increase the opportunity for all Albertans to be able to upskill.

Any individual in whatever they're doing with respect to their career and their professional engagement: they're able to take these microcredential opportunities to build their skill set and competencies in very nuanced areas. That's going to help our province more widely have a more highly trained, skilled, and educated workforce, which, of course, allows those individuals success because if they can build their own skill set and receive microcredentials in a range of areas, it gives that individual more opportunities for success but also helps our province.

We're building on the success of the microcredentialing initiative through Budget 2022. We're providing \$5 million this year and \$3 million next year, so \$8 million over those two years, to create even more microcredential programs. I am confident that that will help Albertans get ahead and succeed.

Ms Rosin: Thank you.

I will pass the rest of my time to Member Rowswell.

Mr. Rowswell: Okay. Thank you.

My first set of questions has been touched by a number of people, so I'll just try to fill in a bit of the blanks as we go here. It has to do with student aid grants and scholarships and awards. I know you've dealt with that quite extensively, but I'm just wondering: are there parts of that money that are kind of intended exclusively for underprivileged economic backgrounds and also maybe underrepresented groups?

Then another one. I'm a member of the Premier's council on the status of people with disability. They did a strategic study on what was going to be the most important thing to them, and one of the two was employment, which lends itself to education. I'm just wondering if there's specific set-aside money in that aid stuff for those groups.

11:00

Mr. Nicolaides: The short answer to your question is yes. In fact, of the \$59 million, if we round up \$60 million, that we have allocated in Budget 2022 under line item 4.1, student aid grants, the vast majority of that goes towards low-income Albertans or underrepresented learners. That's the primary focus of grants and bursaries. There are a number of things that we've done over the years to help actually add more in the area of financial assistance for underrepresented learners or for low-income Albertans. I mentioned earlier the Alberta student grant, where we looked at previous grants that were in existence that were not income tested and rejiggered those and created the Alberta student grant. That's, as I mentioned, a new grant that we created in 2019-2020, income tested and specifically oriented for low-income Albertans. As a result of those changes, we've been able to increase the number of individuals who receive support, the number of low-income Albertans who receive support.

Apart from that, as I mentioned, there's \$15 million over three years to create new bursaries for low-income students.

The Chair: Thank you, Minister, and thank you, members. That concludes the government members' first block of questions.

We now move to five minutes of questions from the Official Opposition, followed by five minutes of response from the minister. Please remember that discussion should flow through the chair at all times regardless of whether or not speaking time is combined, but I believe we will be combining that speaking time. I would like members to continue doing the excellent job that they have in asking questions and listening to the response. I would encourage them to continue that behaviour as we begin to run out of time, and we would match the responses to the questions asked in respect of those trying to ask as many questions as possible.

Member Shepherd, you have the floor.

Mr. Shepherd: Thank you, Mr. Chair. I'd like to go back and forth with the minister if he's willing.

Mr. Nicolaides: Absolutely.

Mr. Shepherd: Thank you.

Through you to the minister, I had the opportunity to speak with the Health minister yesterday about several concerns around the critical staffing shortage we face as a province. He noted that he's been having conversations with the Minister of Advanced Education about the need for more postsecondary seats. Now, I would note, of course, that there have been challenges. There have been programs lost. Grande Prairie, for example, suspended their perioperative nursing program after the 13 per cent reduction in their Campus Alberta grant. The Augustana campus of the U of A's faculties of Rehabilitation Medicine and Nursing closed their master's of science in physical therapy and after-degree nursing programs after subsequent grant cuts of 6.9 per cent and 11 per cent. So we are working from a bit of a deficit.

To the Advanced Education minister. You've committed to creating 7,000 seats in various sectors, including in the health care sector. This is absolutely necessary and needed if the minister's government actually intends to follow through in its commitments to create additional capacity in our health care system. I think we all agree that beds don't provide care; health care workers do. We can put more ambulances on the streets, but it requires paramedics to provide the care that's needed for them.

My questions to the minister. First of all, of those 7,000 seats in which you say that health care is included, specifically how many of those 7,000 seats are going to be for the health care sector? What other specific funding is going to go in, and what specific institutions are those seats going to be created at or are you discussing creating those seats at, again recognizing, as others have observed, that if we want to retain workers and recruit more workers in rural areas, training them in those rural areas and at rural education sites such as Grande Prairie Regional College or the Augustana campus of the U of A is an essential part of doing that work?

The Chair: Minister.

Mr. Nicolaides: Sure. Through you, Chair, I appreciate the question from the member. A couple of things I'll say to that, and I'm happy to give him the specifics here. There have also been new programs that have been created to help expand health care education in our rural communities. I recall that the U of C entered into a new collaborative program to deliver some of their nursing program – I believe it was their nursing program – in the community of Wainwright.

There was also a new development, a twist, if you will, to the health care aide program. There's a pilot that's under way that adds ESL to the health care aide program. One of the barriers that can exist for some individuals in accessing the health care aide program

is sometimes the English language requirements. So there's a pilot under way to pair ESL with that program so that at the same time they're pursuing ESL, they're moving forward with the health care aide program, which I think will be very helpful.

I'll try to give you a ballpark, and of course I can't give you absolute specifics because we don't have that detail back from the postsecondary institutions yet. We've asked the institutions that do offer, for example, health care aide to let us know how many spaces they think they can create. We haven't allocated funding just yet. But you're right; I did mention health care aide as one of the programs. From some of our early estimates we do anticipate that we can see approximately 90 to 100 spaces added for health care aide. Some of the institutions that are candidates for adding are ones that, of course, deliver the health care aide program, which include Red Deer college, NorQuest, Medicine Hat, Lethbridge, Lakeland, NAIT, Bow Valley College, and others.

The LPN side: that's another area that we're looking at. From initial assessment we estimate that there could be over 600 new positions created in the LPN environment. Of course, that would be delivered by institutions that offer those programs: Bow Valley College, Keyano, Lethbridge, Medicine Hat, and others. Exactly how many seats each individual institution is going to have: you know, we have to get that information from them, so I can't give you that precise level of information because we just aren't there yet.

Mr. Shepherd: Through you, Mr. Chair, to the minister: are those the only areas? I mean, I think you're aware we certainly have a shortage of registered nurses. We have a shortage of, frankly, physicians. We have a shortage of paramedics. So, certainly, we have many other areas that should be under consideration. Is the minister not taking any action in collaboration with the Health minister on those?

Mr. Nicolaides: Of course, we are working collaboratively with the Ministry of Health and working with the Ministry of Health and asking the Minister of Health to give us some direction as well as to: where are some of the areas where we do see significant shortages and that we can expand? Those are the two that have been identified. Of course, this isn't a final list. There may be additional proposals. You mentioned the paramedic program, so there may be additional proposals from some of those institutions to expand some of those. If we have the capacity, we'll certainly take a look at that. So it's not a final list, but these are some of the areas that have been identified.

Mr. Shepherd: With that, I'd say thank you to the minister and just make a note that certainly, in speaking with health care professionals in Red Deer, they have a strong interest in seeing the expansion of the nursing program at Red Deer Polytechnic.

I'll leave that with him to consider and pass things on to my colleague.

Mr. Eggen: Thank you. Excellent questions.

I would like to perhaps expand on that more globally to ask, Mr. Chair, through you, if the Ministry of Advanced Education is aware of how many students will be graduating from high school in the next five to 10 years here in the province of Alberta. I know that there is a burgeoning cohort of students that will be entering postsecondary or would like to be entering postsecondary. I think I would, similarly, like to ask if the ministry has calculated how many postsecondary spaces would be required for those students to receive advanced education training here in the province of Alberta.

I know that the Council of Post-secondary Presidents of Alberta has calculated that we need to expand our space capacity by at least

25 per cent, which includes building and maintaining infrastructure, hiring staff, and so forth to meet the needs of approximately 10,000 new Alberta students that will require spaces in advanced education in the next few years. I'm just wondering if the minister has those calculations in place, and are they taking steps to meet those needs? The 7,000 spaces that we've talked about in this budget are certainly welcome if they actually come to fruition, but my suspicion and other statistics would suggest that we need much more.

11:10

Mr. Nicolaides: Sure. Yeah. The short answer is yes. You know, that's the primary purpose of the targeted enrolment expansion. Again, the \$171 million over three years is to help meet some of the upcoming enrolment pressures that we see at our postsecondary institutions. I know you can't see it, but I have lots of cool charts and graphs and details about the postsecondary enrolment trends, where we expect to see the increases and by what levels, and I can just say broadly – I don't think it's much of a surprise – that we anticipate to see significant enrolment increases, primarily in Calgary and Edmonton, in our two major urban centres. In our rural communities and in many of our rural community colleges we don't anticipate to see significant enrolment pressures in those institutions. It's disproportionately affecting Calgary and Edmonton.

To your point, indeed, I have some of the numbers in front of me here. Over the next four years we are anticipating to see an enrolment increase of about 8,000, or 5 per cent, and over the next decade we're expecting to see a 16 per cent increase in enrolment. That's over 10 years. Indeed, again, the primary driver of the targeted enrolment expansion initiative is to help add more capacity, because, again, we want to be proactive. We know that enrolment pressure is coming, so we have to put steps in place now to be able to ensure that when a student is graduating high school in the future, there are spaces for them to be able to go to postsecondary education right here at home.

Mr. Eggen: Yeah. I just want to squeeze in, then: how does that work with your targets for increasing enrolment for students in that same category? We have the last statistics that you have, which we share, as 59 per cent of students accessing postsecondary within six years of grade 10. How do those 8,000 spaces fit with the targets that your ministry might have to increase that percentage, which always stays stubbornly low here in the province of Alberta?

The Chair: Thank you, Member, and hopefully the minister will be able to answer that when it comes back.

To the government side. MLA Rowswell, you have up to five minutes to ask your questions.

Mr. Rowswell: Thank you, through you, Chair, to the minister. In my riding is Lakeland College, and in this college there are polytechnics and there are universities. You know, we've got very specific programs that we offer, and it's a really well-run college. One of the problems we've run into recently with the Reform of Agencies, Boards and Commissions Compensation Act and the levels that it has in there: it's created that colleges and polytechnics tend to wind up being farm teams for universities because they can't pay as much. People get up to a certain level in their career, and then they get headhunted by the major institutions, and they move on.

I know we've recently lost a VP out of Lakeland, you know, for that specific reason. It is creating problems. There are succession planning problems that it's adding to the college as well. What we've seen is that people are lobbying to become a polytechnic from a college, from a polytechnic to a university, and they're trying to get into the favour of whoever to be called that so they can

compete. I know that in talking to the president of Lakeland College, she says: just give us a level playing field, and we'll be fine. But this is definitely creating a problem.

My question: Minister, is there anything that can be done by your department – I know it's not exclusively what you deal with – to ensure that smaller schools and colleges in Alberta, like Lakeland, can attract and retain high-quality people?

Mr. Nicolaides: Yeah. Absolutely. I'd just add a little bit of context, of course. The RABCCA legislation and subsequent regulations put all of our postsecondary institutions into different categories and then set caps on presidential and executive compensation based on those levels. Some of the institutions have asked that, you know, we take a look at where their placement is. Some are in a category 5 and believe they should be in a category 4 or 3.

With some of our institutions – you mentioned, I think, you know, Red Deer and Grande Prairie becoming polytechnics – that actually doesn't move them in those bands at all. The bands don't depend on what type of institution – well, they were created based on kind of the type of institution, but it doesn't automatically move an institution. Like, Red Deer becoming a polytechnic doesn't automatically move them into a different band. There needs to be an amendment to the regulation to do that.

I would say broadly that I have some challenges with that entire framework, and the Minister of Finance and I have been in some conversations around that framework. Of course, I think an important thing that we need to explore as a government is to reduce red tape, and I think that that framework is full of red tape. Over the past years I've been getting, you know, requests because if there is any deviation from that regulation, there needs to be ministerial approval. In some instances a university or college wants to hire a new president and wants to give them a greater vehicle allowance than is permitted by the regulation or something like that, and it needs ministerial approval.

To me, that entire framework just sounds like a lot of red tape that our institutions don't need. There's much more that they need to focus on in terms of providing innovative programming. That's something that the Minister of Finance and I are taking a look at. We have actually already taken some steps to remove some red tape around that, around those regulations, but I think that there's potentially more that we can do there.

Mr. Rowswell: Thank you.

I'll pass it on to MLA van Dijken.

Mr. van Dijken: Okay. Thank you, Chair, and through you to the minister, I want to thank him and his staff for being here. I appreciate the time that they're putting into today's estimates, but I also appreciate the time that they take structuring postsecondary institutions in Advanced Education for the future of Alberta.

My first questions revolve around key objective 1.1. I see on page 4 of the ministry's business plans that key objective 1.1 intends to implement the Alberta 2030: building skills for jobs strategy to transform the adult learning system to focus on providing the high-quality education, skills, and training needed for Alberta's future. I think this is a very important goal. I just want to emphasize here the part about Alberta's future. Postsecondary students will play a big part in Alberta's future, and their ability to find employment can in turn benefit Alberta's economy. That is a crucial consideration, so I'm glad to see your ministry making this a high priority.

Mr. Chair, through you, can the minister please elaborate on what this program is intended to do and why this is an important initiative as we move forward from the impacts of the COVID-19 pandemic?

Mr. Nicolaides: Sure. I'd be happy to. Thank you for the question. Perhaps a little bit of background. Of course, beginning in 2020, we took steps to begin the development of a new strategic plan for Alberta's postsecondary system, and we engaged in substantial consultation to develop that. We held over a hundred one-on-one interviews with postsecondary presidents, board chairs, and other individuals in the postsecondary sector. We held round-table discussions, town halls, had online surveys available, provided workbooks so that different entities within the postsecondary system – faculty associations, student unions, or other groups – could answer key questions to help us all formulate a new vision and strategic direction for our postsecondary system.

Of course, it was incredibly important to me that as we engage in that process, this isn't me the minister or the ministry or the government dictating to the postsecondary system what the priorities should be and what we're going to do but that the entire system is working together as best as possible to craft a future vision together.

11:20

Now, of course, that's challenging because the priorities of student leaders may be different than that of faculty and staff and that of government and many of the different groups involved, so we tried our best to try and bring all of those concerns to the table. I think we landed there because when we announced and unveiled the Alberta 2030 10-year strategic plan, we had postsecondary presidents, student leaders, industry associations, and other groups all speak positively about the plan. I recall hearing student leaders say that they see their priorities reflected in the plan. I recall hearing postsecondary presidents say the same. So I think we got to as great a consensus as possible.

As you said, the plan focuses broadly on six key priorities that we had heard and identified through our engagement. The first was to improve access and strengthen the student experience. Just quickly on that point, I want to point to some real, tangible things that we've been doing to achieve that goal, which includes \$171 million in new investment to create 7,000 additional spaces, which, of course, is going to help increase access, not to mention new funding that's available for scholarships and bursaries, which will also assist in improving access. On the student experience side we're continuing to provide funding to support mental health on campus. I also announced \$2.5 million in new funding to combat sexual violence on campuses. In December we also announced new funding to support students with developmental disabilities. This is to ensure that there's a robust experience.

The second goal of Alberta 2030 focused on developing skills for jobs. At a very high level this has to do with ensuring that students have the skills, knowledge, and competencies they need to succeed when they complete their programs. Through the budget you see a number of measures, including more funding to work-integrated learning opportunities, microcredentials, and other pieces, that will help achieve that.

Goal 3 is to support innovation and commercialization. Our institutions are home to groundbreaking research, and we want to support that activity and help to see commercial application for some of that research as best as possible.

Goal 4 works on strengthening internationalization.

Goal 5 focuses on improving the sustainability and affordability of our system. We've talked quite a bit about what's available with respect to student aid.

Number 6 has to do with strengthening system governance and helping to ensure that we have a modern governance framework for postsecondary education.

The Chair: Thank you very much.

We will now go to the Official Opposition. MLA Schmidt, you have the mic.

Mr. Schmidt: Thank you very much. I'm hoping the minister will be willing to share time.

Mr. Nicolaides: Of course.

Mr. Schmidt: Great. Thank you.

The minister has talked a number of times about \$12 million in scholarships and \$15 million in bursaries, yet we see in section 4 at least a \$13 million drop in student aid and only a million-dollar increase in Alberta heritage scholarships. So I'm hoping that he can help us understand where exactly this \$12 million in scholarships and \$15 million in bursaries is showing up in the estimates.

Mr. Nicolaides: Yeah. What line item? Sorry.

Mr. Schmidt: Well, that's my question: which line items are they showing up in?

Mr. Nicolaides: Sure. In 4.1 you see there that what was budgeted in '21-22 was \$54 million, and in 2022-23 that'll be at \$59 million. So there's \$5 million there, which is the funding for new bursaries that I mentioned. It's \$15 million over three years, so that's where the \$5 million is. There's \$12 million if you go to page 27, the Alberta heritage scholarships. The budgeted amount in '21-22 was \$53 million. That's up to \$56 million in this budget. That's \$3 million more, and that's for our existing scholarships. Then over the three years we anticipate that to be a total of \$12 million, with \$3 million this year alone.

Mr. Schmidt: I see. Okay. Thank you very much.

So in line 4.1, then, why were student aid grants underspent by \$4 million under what was budgeted?

Mr. Nicolaides: Yeah. We had an underspend there of approximately \$4 million due primarily to the pause of the Alberta student grant that I mentioned earlier. Again, we were seeing some really significant pressures on the student grant and enrolment in other areas. We saw significant increases in enrolment at some of our private colleges and huge demand. It was clear that there was going to be a significant overspend in that program if it continued, so we had to put a pause on it to ensure that we didn't overspend our budgeted amount.

Mr. Schmidt: So in order to prevent an overspend, you actually underspent? Am I understanding that correctly?

Mr. Nicolaides: Well, it's challenging, of course, to be able to anticipate, you know, what future applications and demand will look like.

Mr. Schmidt: No, no, no. You said that last year the student grant was oversubscribed, so you put a pause on it. Is that why you underspent by \$4 million?

Mr. Nicolaides: Yeah. That's primarily, again, attributed to the . . .

Mr. Schmidt: Okay. Thank you very much for that.

What is it about private career colleges that was driving demand for the Alberta student grant that caused you to pause the student grant?

Mr. Nicolaides: Well, it wasn't specifically private colleges. Just generally there was a massive demand on the student grant, more

than anticipated. If those trends continued, we would have been in a position where we would have overspent – not overspent; we wouldn't have had any funds available to be able to provide more to the student grant.

Mr. Schmidt: Why?

Mr. Nicolaides: As I mentioned . . .

Mr. Schmidt: What was it? Help me understand the criteria that were established for the Alberta student grant that would have caused you to overspend. Why weren't you willing to keep that in place and then make adjustments at the end of the budget year?

Mr. Nicolaides: It's demand driven. It's not a matter of criteria. The grant is primarily available for low-income individuals, but the demand was significantly more than we were anticipating.

Mr. Schmidt: Am I hearing you correctly that the demand from low- and middle-income students was so high for the program that you decided to end it entirely?

Mr. Nicolaides: We didn't end the program entirely.

Mr. Schmidt: You put it on pause, though. Is that right?

Mr. Nicolaides: We had to pause the disbursement of that year. Correct.

Mr. Schmidt: Too many low- and middle-income students were asking for money, so you decided not to give it to them. Is that correct?

Mr. Nicolaides: As I mentioned, the demand for the program was exceeding what we had available.

Mr. Schmidt: Thank you very much.

I noticed that in line 4.2, under scholarships and awards, you overspent that area by \$3 million in '21-22, yet you're only forecasting the same amount, approximately, as you budgeted last year. How are you going to ensure that that budget isn't exceeded?

Mr. Nicolaides: Sorry. How are we going to ensure that the budget is not exceeded?

Mr. Schmidt: Yes. That's right. You spent \$3 million more than budgeted last year. You're budgeting the same amount this year. What controls are going to be in place to make sure that you meet your budget targets this year?

Mr. Nicolaides: Yeah. A lot of the scholarships and awards, again, are demand driven, so we have to forecast to the best of our ability what the demand will be.

Mr. Schmidt: Okay. Can I just stop you on that?

Mr. Nicolaides: Sure. Go ahead.

Mr. Schmidt: The demand for student awards for middle- and low-income students was so high that you cut off the program. The demand for scholarships and awards, which aren't determined by financial need, was also higher than you anticipated, and you spent that money. Is that correct?

Mr. Nicolaides: Yes. We had . . .

Mr. Schmidt: So why is it that . . .

The Chair: Excuse me, hon. member. We've done fairly well, and I do understand that you're interested in getting your question to us, but I would ask that if the minister has the floor, he has an opportunity to answer. If his answers go too long, I will remind him to respect your time. I'm just warning that we're starting to get some interruptions, and it's not going through the chair. So I'm just providing some caution at this time.

Member, please proceed with your question. Thank you.

Mr. Schmidt: No. I think I have the answer from the minister that I wanted. When it comes to financial need, those programs are put on pause when there's too much demand, but when it comes to scholarships and awards that aren't driven by financial need, the taps are open. That's quite clear.

Mr. Nicolaides: Well, that's not entirely accurate. These are demand-driven programs, and we have to make assumptions as to how many students are going to apply for the programs. It's hard for us to develop an accurate picture and know exactly that there are going to be 100,000 students applying for one scholarship or one bursary or the other. We have to do our best to manage the scholarships and awards and bursaries that exist within the confines of the budgeted amounts that we have. There was some significant concern with the Alberta student grant that the demand was going to be quite significant.

11:30

Mr. Schmidt: Thank you, Minister. I have the answer to that question that I need.

Now, you have talked about the need to improve access, and you've claimed that the changes that you've made to the grants and bursaries and the student loan program have increased access to universities and colleges. Yet in your business plan your targets for enrolment are 239,479-plus. That's pretty vague. Explain to the people of Alberta how they can be sure that the changes that you've made to the scholarships, awards, and student loan programs are actually achieving what you said that they will do and driving increases in enrolment. You know, especially considering that Alberta is a growing jurisdiction, enrolment would be set to increase even if you had done nothing. How can Albertans be sure that your changes to the programs are actually driving increases to enrolment?

Mr. Nicolaides: Well, the changes to the programs and student aid and scholarships will make sure that Albertans have the financial assistance that they need in order to access postsecondary education. We can be certain of enrolment expansion based on the \$171 million that we're spending over three years to create 7,000 additional spaces.

Mr. Schmidt: My question was only about the changes to the student loan and student aid programs, not about the targeted enrolment increases.

Mr. Nicolaides: Yeah. As I mentioned, the funding that's available in scholarships and student aid and bursaries and grants will help to ensure that Albertans are able to have the financial resources that they need to be able to access postsecondary education.

Mr. Schmidt: How will you show that to the people of Alberta? That's the point of a business plan and the annual reports, yet you've taken out any kind of measure. How will the people of Alberta know that the financial resources are adequate, and how will it show up in the system?

Mr. Nicolaides: Of course, when we look at, primarily, the \$15 million that we're providing for new bursaries – because there's, as I mentioned, \$12 million in new funding going to support our existing scholarships. The \$15 million that we're providing will go to the development of new bursaries. We're still in the process of finalizing what those bursaries will look like to help ensure that we achieve that goal, to help ensure that we target the right individuals and that they're accessing postsecondary education as a result of that assistance.

Mr. Schmidt: Does the department have any idea how many Albertans are choosing not to go to postsecondary education because they feel they can't afford it? Does the department have any estimates of those numbers?

Mr. Nicolaides: I would have to check, but I do know, as I mentioned earlier, that 70 per cent of students believe that they have the financial resources available.

Mr. Schmidt: That is 70 per cent of students in the system. They already believe that they can afford to. I'm asking about those who never show up in the system, who think that they can't afford it.

The Chair: Thank you, members.

We will now go back to government caucus with MLA van Dijken.

Mr. van Dijken: Thank you, Chair, and thank you for the time. I'm going to speak a little bit with regard to key objective 1.2. In there it speaks about strengthening the alignment of postsecondary programs to employment and expanding innovative learning opportunities. I'd like to take some time to just speak about Athabasca University. Athabasca University is in my constituency. I want to thank the minister for the time that he has taken to meet with myself along with municipal leaders, service club representatives, and many of the stakeholders in the Athabasca community that have raised concerns with regard to the decision by the board of governors to move the university to a near-virtual learning environment.

I know that I'm not the only one in the area that has concerns about the impacts that move may have on Athabasca University but also that it may have on the Athabasca community itself. The move looks poised to push a lot of faculty and employees out of the area, so I'm concerned that this will diminish the quality of programs offered at Athabasca University. I guess the move during the pandemic – we've seen a lot of at-home work – how that is going to impact overall quality and productivity going forward has yet to be determined, but I do have a lot of constituents that are concerned that the product offering at Athabasca University could deteriorate based on that structure that moves a lot of the faculty off the campus.

As I've said, Minister, I really appreciate the time that you've taken to meet with my constituents and those concerned. I'd like to just ask if you could provide an update on some of the progress at Athabasca University, any of the efforts that the ministry is taking to mitigate any impacts that those decisions may have on the community and what role your ministry has in ensuring that both the community and the university are successful as they move forward.

Mr. Nicolaides: Thank you. I think that's an important question. I think that it's such an interesting dynamic. Of course, the original mandate of Athabasca University was to be a university for any Albertan who wasn't able to go to a physical institution, was unable to go to a university in Calgary or Edmonton or somewhere else. You know, they've excelled in that regard, in making postsecondary education accessible to Albertans who may not have been able to visit a physical institution, and they're continuing to excel in that mandate.

I believe there's great promise for Athabasca University. They're really moving forward with a plan, in their terms and with my support, to become Canada's online university, to help look at the ability of that institution to grow not just within the province but to become a national and international leader in open online education, and I think that they have the ability to do that.

At the same time, I think there's also an ability for the institution to be a strong driver of job creation and economic growth in the region and in the community, and you're right. Perhaps about maybe three, four weeks ago I had another conversation with the mayor of the town of Athabasca and others to discuss some of their concerns and next steps, so we are continuing to have a very open conversation with them and with the university about how we can really marry both of these ideas. I think ultimately we can. I think that we can allow Athabasca University to grow, to excel, to become a national and international player while at the same time helping to provide employment and job opportunities for the community. We are still engaged in a lot of those conversations to find the right way forward.

Mr. van Dijken: Good. Thank you, Minister. Through the chair to you, I want to thank you for the opportunities to have those discussions. Also, local representation on the board has been a high priority for yourself, and I appreciate that.

I'm going to go back to some of the focus on the Alberta at work initiative, so Alberta's future with regard to ensuring that we have the people we need to fill the spaces we have in the workforce. On page 4 of the business plan it states that the Alberta at work initiative has Advanced Education investing \$235 million over the next three years. I've got four questions with regard to that \$235 million. The first question would be: what is the breakdown by the year, each year? Second question: what programs will be offered through that investment, the Alberta at work initiative? Third question: which postsecondary institutions will receive that targeted enrolment expansion funding, and how was that determined? And fourth question: how does the ministry plan to measure the success of the investment that they are making in the Alberta work initiative?

11:40

Mr. Nicolaides: Okay. You may have to remind me. Through you, Chair, the member may have to remind me of those four questions.

I think one of your first questions was the \$235 million from the Alberta at work and more details about how that is being rolled out. So \$171 million of the \$235 million is going to adding seats to the targeted enrolment expansion initiative; \$15 million of the \$235 million is going to apprenticeship expansion programs. These will be initiatives to look at developing new apprenticeships in areas where we believe there's opportunity to create new apprenticeships. We started some of that work already. Like, as an example, we're taking a look at some occupations in tech and examining their potential for individuals to be educated in those areas through an apprenticeship style.

There is also \$8 million over two years for microcredential programs. There is \$15 million in new funding over three years to create new bursaries for low-income students. There is \$15 million over three years for additional funding to some of our apprenticeship partners. Some of our apprenticeship partners – we haven't finalized this yet, but as an example some of our apprenticeship partners include organizations like Women Building Futures that work to help more women find success in the trades. There is also \$6 million over three years to create more work-integrated learning placements, and there is \$5 million over three years specifically to support Indigenous participation in postsecondary education. So that's the breakdown there.

I think your other question was around the targeted enrolment funding, who is going to get what. We don't have that finalized yet because we've asked all of our postsecondaries – we've outlined a number. I should back up. We've outlined the key priority fields, being health care, veterinary medicine, computer science, engineering, and other areas. We've identified that these are some of the priority areas, and then we've subsequently asked our postsecondary institutions to have a look at: how many spaces can they create in those fields, broadly? So we don't have the specific allocations yet because we need to wait and receive some of that information.

I think that was maybe two or three of your questions, so I know I'm missing one or two of them.

Mr. van Dijken: Thank you. You got most of the answers.

I guess the final question would be: are there any parameters that have been laid out to measure the success of the initiative and how we move forward with that?

Mr. Nicolaides: Yeah. Of course, we'll be looking at enrolment levels. If we look at a health care aide program and an institution tells us they believe that they can create 20 new health care aide spots, we'll be looking at application and enrolment levels as we move forward to see if we're actually adding 20 more students.

The Chair: Thank you, Minister and Member.

MLA Eggen, for your final 10-minute block.

Mr. Eggen: Thank you, Chair, and thank you, Minister, for your answers. I'm going to try to squeeze in some of the outstanding questions I have, so they might stack up a little bit, so it's kind of a hybrid back and forth, if you get my drift.

First of all, if I could ask, through the chair, that the ministry table the information that you were showing before, the chart and the table that you were just showing to us a few question rounds ago, right?

Mr. Nicolaides: Is that on the enrolment pressures?

Mr. Eggen: Yes. Please. If you don't mind, that would be great.

Mr. Nicolaides: Sure.

Mr. Eggen: My first question is just to reiterate what I was saying before. You know, we've had COVID in our postsecondaries, and it's caused quite a burden. It's important for us to learn from the past to plan for the future. That's what budgets are all about. Has your ministry built contingency budgets for and reassurance to postsecondaries that you will provide assistance in regard to dealing with COVID now and in the future in regard to air filtration systems, doing an audit of buildings to see how safe they are, PPE, putting vaccine clinics onto campuses, and so forth? I think I've heard from so many postsecondaries that – I mean, we've all had to deal with it, but I think we can learn from the past and perhaps build a better supported and systematic approach to COVID as we move forward, because who knows what's next, as we say?

Mr. Nicolaides: Yeah. Sure. On the COVID side, we did implement a number of those steps. There were, if memory serves me correct, rapid tests that were available and provided to some of our postsecondary institutions as well as partnerships with Alberta Health to ensure that the vaccine bus that we had going around the province would be visiting some of our postsecondary institutions, and I know that many of the institutions worked with Alberta Health to set up immunization clinics and centres.

You know, we're at over 90 per cent of Albertans with a first dose, and it's quite higher in our postsecondary communities, from their own reported data. I know the University of Alberta, the University of Calgary, and other institutions have done extensive surveys of their campus communities that show over 97, 98 per cent of their campus communities vaccinated. I don't know that we'll need to continue to look at setting up vaccination clinics when we have such high vaccination rates, but if that's something that they want us to help with, then we'll help them with that.

Just broadly, if there's anything that our postsecondary institutions need the government to help with, I've reiterated throughout the entirety of this very challenging pandemic over the course of the past two years that if there's anything that they need from government, to let us know and we'd be happy to support them. That offer still stands if there's anything that they need. I haven't had a request from any postsecondary institution for additional funding to upgrade their air filtration systems or anything of that nature, but we will be available to assist them in any way, shape, or form that they need.

Mr. Eggen: Okay. Thanks. Yeah. No. As I said before, I'm just trying to squeeze in a bunch of questions.

Mr. Nicolaides: Okay. Sure.

Mr. Eggen: Yeah. I think it's incumbent upon, as I said, learning from the past to plan for the future. We know, you know, if we have ways by which we can keep our postsecondaries open – I mean, that's what people want, right? They want them open. I think students want them open, but it has to be safe, and we can do things to help to achieve that goal.

A bunch of questions, then. I just want to ask: in building this year's budget for Advanced Education, what was the consumer price index, CPI, number you used to project inflation? I'm just curious what that number is. Just as I said before earlier, I heard that it's moved up to 5 or even 5.7 per cent from Statistics Canada. I think that even if you're budgeting for a 3 or 4 per cent increase, then, let's say, if you're giving an operational grant to a given college or university at zero, really, you're making a 3 or 4 per cent cut, right? We have to, as part of responsible planning, plan for inflation and to make sure you're not just using that as an excuse to, you know, cut or atrophy programming.

My next question is in regard to the mental health grant. I know that you made an announcement a few weeks before the budget around, you know, sexual assaults and protections and mental health grants. I just know that the grant seems to be static in this budget, and considering the increase in enrolment and inflation and so forth and the increased need for mental health supports due to the pandemic and other pressures, I would have expected to see that mental health grant grow both with enrolment and inflation.

Another question I have. Again, I get a lot of questions from individuals across the province, and this one comes back again. We know that deferred maintenance liability in postsecondary is quite high. Just at the U of A alone their deferred maintenance liability is more than \$300 million and projected to grow to \$800 million in the coming years. Until this issue is addressed, the quality of education and research will continue to suffer as facilities fall into disrepair, and we will continue to leave these exponentially growing debts to the institutions and to future generations, right? How does the government intend to deal with deferred maintenance? If the minister could provide a full list of capital maintenance and renewal projects that make up, you know, not just this year's capital budget but for outstanding needs that have been submitted to your ministry by universities and colleges and polytechnics.

11:50

Another question I have is in regard to Campus Saint-Jean. Of course, there's been a lot of outstanding difficulty around maintaining and keeping the doors open for Campus Saint-Jean. I know that this provincial government does have a responsibility based on the agreement that they did make with the monastic order when this facility was moved to the public sphere and to the University of Alberta back in the 1970s. I'm just curious to know what the strategy is from this ministry to resolve this issue. How much have you spent on the lawsuit thus far? Again, it was already racking up to spend on legal fees and exceeding the amount of money that, in fact, Campus Saint-Jean was seeking in funding to keep the lights on there. I'm just curious to see where your ministry is in regard to Campus Saint-Jean and if you can provide reassurance that not only will it be properly funded . . .

Mrs. Frey: Point of order, Mr. Chair.

The Chair: A point of order has been noted.

Mrs. Frey: Under 23(g) I believe it is improper for any member to be asking about an ongoing legal matter. I'm just curious if we could get your guidance on that.

The Chair: MLA to respond.

Mr. Eggen: Yeah. No. I mean, if you can separate the legal issue, it's the existential situation that Campus Saint-Jean is in, considering that it was moved by the monastic order to the University of Alberta under the understanding that the province of Alberta would provide adequate funding for growth and maintenance of the Campus Saint-Jean. So, yeah. I mean, there's the legal case, but then there's also the situation that Campus Saint-Jean finds itself in going forward. They've got to plan for the future – right? – because it's uncertain at this point.

The Chair: Thank you.

I'm aware of the time. I will not rule a point of order at this point, but I will provide a warning for the member to be aware that the minister cannot speak to anything before the courts, and I would ask the minister to be aware of his privilege there. With consideration of your last minute, I will allow you to proceed with that caution.

Mr. Eggen: Yeah. Okay. Thanks, Chair. I appreciate that.

Oh, yes. Okay. I'm just trying to squeeze some in here. Another one that a lot of people want to know is about examples in this budget where there are federal grants that require provincial grants in order to access the federal money. You know, everybody is nervous about leaving federal money on the table because, let's say, the provincial government doesn't provide their share with that agreement. So I just would like to know if Advanced Education has a list of matching grant projects with the federal government in Advanced Education where that agreement has been maintained, where we've put in our share of the matching grant, and if there are any outstanding ones where we need to just remind ourselves that we need to put that money in in order to get the other money so we can continue funding Advanced Education.

The Chair: Thank you, Member, for that.

Now we will go back to government caucus for their final block of time. MLA Walker, you may proceed with up to five minutes of questions.

Mr. Walker: Thank you so much, Chair, and thank you to the minister and staff for being here. This has been a really enlightening

discussion over the last almost three hours now, and it's just my pleasure to now engage.

The minister is okay to go back and forth?

Mr. Nicolaides: Yup.

Mr. Walker: You're a really nice guy.

I really enjoyed the back and forth, both the government side and from the opposition, I would say, through the chair, Minister. Of course, MLA Eggen and myself share a Sherwood Park connection, and I appreciate that as well.

My questions will focus on one of the main topics here today in the dialogue, postsecondary access and funding. I believe you and I had spoken earlier. Twenty-six postsecondary institutions in Alberta. The University of Alberta, I think, established around 1907, roughly, something like that, and the U of C, 1967. Great polytechnics like NAIT and SAIT and others, including that MLA Rowswell had mentioned earlier. Very important to local communities. NAIT has a satellite campus in Spruce Grove. I toured that with MLA Turton. It's focused on crane training and technology. It's quite impressive. NAIT is really important as well to my own community of Sherwood Park, Strathcona county being a 100,000-person community. We don't exactly have our own postsecondary institution, but of course in the capital region U of A, NAIT: incredibly important institutions to my riding of Sherwood Park.

Minister, I'll just begin on budget line 4 on page 25 of the estimates documents. It details some funding for scholarships and grants. I'm particularly interested in one scholarship which offers up to \$2,500 to Alberta residents, the Alexander Rutherford scholarship. How many students usually qualify for the Alexander Rutherford scholarship, and how much funding does Budget 2022 allocate for this scholarship?

As well, I'm really excited about the discussion around the University of Calgary, Minister. Just wondering. Minister Toews included an expansion to the Calgary Veterinary Medicine program in his budget day speech. I see from page 154 of the capital plan that \$58.5 million will be provided to the U of C expansion of facilities. How many additional seats in this program will this investment generate? I know how important this is and how much our government is focused on ensuring we have veterinarian capacity going forward, both urban veterinary capacity as well as rural. One of my constituents is a major leader in the Alberta veterinary world as well as nationally, sitting on boards both provincially and across Canada, and he's made clear to me how important it is that we look at this issue and that we ensure there is enough of a labour pool to supply these positions.

You know what? I'll stop there. I might have one more question, but I want to hear your thoughts on these two questions I put to you.

Thank you, Chair.

Mr. Nicolaides: Sure. Yeah. I appreciate that, and I'm happy to answer those questions specifically. I think, you know, as you mentioned, there's the question around access. There's certainly a financial component that goes into the discussion around access, but as I was mentioning, according to that report from the Senate that was done in 2011, where they looked very specifically at the barriers to accessing postsecondary education, one of the things that they noted was the significance of nonfinancial barriers and the role that nonfinancial barriers play. I just managed to pull it up here, and they quoted in their report Ross Finnie of the University of Ottawa. He stated to the Senate and their committee when they were undertaking this work around access – he had testified to the committee and said that “access is clearly the outcome of a detailed, complex, interrelated set of factors that begins to operate early in a young person's life and depends heavily on family background and early schooling experiences.” So when we talk about access, it's quite a complex situation that we need to address with comprehensive solutions. There are financial barriers, yes, and we need to take steps to reducing those, but we also must develop strategies to address some of the nonfinancial barriers. Anyway, it goes into more detail, which I know I don't have time to get into today.

To answer your questions around the Rutherford scholarship. You asked how many individuals receive the scholarship. In '21-22 – I do have the number – approximately 22,000 learners received the Rutherford scholarship, which was an increase of 5 per cent over '20-21. Of course, we've added funding to ensure that that pressure is accommodated. On average, we do know that demand for the scholarship does increase by about 5 per cent year over year. In 2022 we have \$46.8 million for the Rutherford scholarship alone that will provide funding to approximately 22,800 learners.

In the 20 seconds I have left – 30 seconds – regarding the U of C vet school, we anticipate to see an additional 50 seats by 2024-25, which I believe is a doubling of the University of Calgary's vet med school capacity, which will be quite significant because we do have shortages in large-animal care and in other areas. This operating funding plus the capital investment that you mentioned of \$58.5 million will help meet that demand.

Mr. Walker: Thank you.

The Chair: I apologize for the interruption, but I must advise the committee that the time allotted for consideration of the ministry's estimates has concluded.

I would like to remind committee members that we are scheduled to meet today, March 16, 2022, at 4 p.m. to consider the estimates of Executive Council.

Thank you, everyone. This meeting is adjourned.

[The committee adjourned at 12 p.m.]

