



Legislative Assembly of Alberta

The 30th Legislature
Fourth Session

Standing Committee
on
Alberta's Economic Future

Ministry of Advanced Education
Consideration of Main Estimates

Thursday, March 9, 2023
9 a.m.

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The 30th Legislature
Fourth Session**

Standing Committee on Alberta's Economic Future

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Standing Committee on Alberta's Economic Future

Participant

Ministry of Advanced Education
Hon. Demetrios Nicolaidis, Minister

9 a.m.

Thursday, March 9, 2023

[Mr. van Dijken in the chair]

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

The Chair: Good morning, everyone. 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, 2024.

I'd ask that we go around the table and have members introduce themselves for the record. Minister, please introduce the officials you have at the table with you. My name is Glenn van Dijken. I am the MLA for Athabasca-Barrhead-Westlock and the chair of this committee. We will begin, starting to my right.

Mr. Carson: Good morning. Jon Carson, MLA for Edmonton-West Henday.

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

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

Mrs. Allard: Good morning. Tracy Allard, MLA for Grande Prairie.

Mr. McIver: Good day. My name is Ric McIver, the MLA for Calgary-Hays.

Mr. Stephan: Jason Stephan, MLA for Red Deer-South.

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

Mr. Nicolaides: Demetrios Nicolaides, Minister of Advanced Education.

The Chair: You can introduce your officials at the table as well.

Mr. Nicolaides: Yeah. To my right is Deputy Minister Lora Pillipow. On my left is Olin Lovely, senior financial officer and assistant deputy minister of finance, and we're supposed to have Carmen, but we have Crista Carmichael as well.

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

The Chair: Good. Thank you.

A few housekeeping items to address before we turn to the business at hand. Please note that the microphones are operated by *Hansard*. Committee proceedings are 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 turn on their camera while speaking and to mute your microphone when not speaking. Remote participants who wish to be placed on a speakers list are asked to e-mail or message the committee clerk, Aaron Roth, and members in the room should signal to the chair. Please set your cellphones and other devices to silent for the duration of the meeting.

Hon. members, the standing orders set out the process for consideration of the main estimates. A total of three hours has been scheduled for consideration of the estimates for the Ministry of Advanced Education. Standing Order 59.01(6) establishes the speaking rotation and speaking times. In brief, the minister will

have 10 minutes to address the committee. At the conclusion of the minister's comments a 60-minute speaking block for the Official Opposition begins, followed by a 20-minute speaking block for 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 speaking times may be combined between the member and minister.

After this, speaking times will 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 it a 10-minute block. If members have any questions regarding speaking times or the rotation, please send an e-mail or message the committee clerk about the process.

With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting. However, the three-hour clock will continue to run. Does anyone oppose having a break? Seeing none, we will probably have a break about halfway through.

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 or 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 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 16, 2023. 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 a 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: Great. Thank you, Chair. Good morning, everyone, and thank you for being here as we take time to review the Advanced Education estimates and to review what Budget 2023 means for Alberta's postsecondary system. Budget 2023 includes a suite of measures that support commitments made by our government that increase affordability for students; address workforce planning by increasing spaces in high-demand programs at our colleges, universities, and polytechnic institutions; and support a number of health care expansion initiatives. I'm really excited to be here. I've introduced my officials who are present with me, and I thank them for their expertise as well.

I want to begin by acknowledging the importance of Alberta's adult learning system. The work of Advanced Education and the work

of our postsecondary institutions directly relates to government's goals to secure Alberta's future by growing the economy, strengthening health care, and helping to create jobs. It helps build vibrant and inclusive communities while also removing barriers and supporting greater equality. Most importantly, though, 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, of course. Responsible postsecondary education funding helps Alberta develop a highly skilled and competitive workforce, strengthen innovation and commercialization of research, and forge stronger relationships between employers and postsecondary institutions. That's why Alberta's government provides \$1.9 billion in operating support directly to 26 publicly funded postsecondary institutions. My ministry is committed to funding postsecondary education in a responsible way that respects taxpayer dollars, provides students with the most value for their investment, and ensures we continue to produce a skilled workforce for the jobs of today and tomorrow.

That is why in 2019 we began work to address recommendations of the MacKinnon panel to achieve a revenue mix for postsecondary institutions in Alberta that is comparable to other provinces such as British Columbia and Ontario. In many other provinces institutions are less reliant on government grants and have more own-source revenue. At the time of the MacKinnon panel 54 per cent of funding for postsecondary institutions in Alberta came from government, and 18 per cent of their revenue came from tuition.

Now, both our rates of undergraduate tuition and our revenue mix are now in alignment with British Columbia and Ontario. Our undergraduate tuition rate in '22-23 was just over \$7,000. Forty-seven per cent of revenue for postsecondary institutions comes from government grants, and 33 per cent of revenue comes from tuition. These changes, of course, haven't been easy, and I commend and thank the work of all of our postsecondary institutions to help achieve these important recommendations.

The other recommendation from the MacKinnon panel was to consult with stakeholders to set an overall future direction and goals for the postsecondary system. We accomplished this with the development of a new 10-year strategic plan for Alberta's postsecondary system, entitled Alberta 2030: building skills for jobs. During the engagement we heard directly from postsecondary institutions about where funding was needed most and how we could work most efficiently with taxpayer dollars to achieve better outcomes.

I lay this all out to say that the last four years have been a time of transformation amid unprecedented challenges for postsecondary institutions. Budget '23 represents an opportunity to continue the positive momentum we have worked so hard to build. I'm confident that the vision Premier Smith has laid out along with our ongoing priorities in Advanced Education will ensure that our postsecondary system remains strong and responsive.

9:10

I'm pleased to give you a clearer picture of the priorities of my ministry. Advanced Education's budget includes \$6.3 billion in expenses for Advanced Education; \$6 billion for postsecondary operations, an increase of \$239 million from Budget '22; a three-year capital plan investment of \$1.2 billion, including postsecondary-funded capital; and \$1.1 billion for Alberta Student Aid.

As I've mentioned, Alberta's postsecondary system will continue to play a crucial role in addressing Alberta's skilled-labour shortages. Budget '23 includes \$189 million over three years for seat expansion in high-demand and growing industries across Alberta. We're continuing to build on the largest targeted enrolment expansion in Alberta history through additional targeted enrolment

investments of \$111 million to create almost 4,000 new seats in high-demand programs. Of this, \$87 million will allow students who have started in new seats under the targeted expansion program to finish off degree and diploma programs. The other \$24 million will support new seats, beginning in September '23, to address workforce pressures in areas of the highest demand, including nontrade construction, technology, business, and engineering.

Finally, we are providing \$6 million over three years to help Mount Royal University develop a bachelor of aviation management program.

Turning now quickly to health care, Budget '23 provides record levels of health care funding, and in Budget '23 we are allocating \$72 million for health care expansion initiatives to deliver and address the health care challenges we face.

With respect to affordability we are also taking action in Budget '23 to help ensure students are able to receive the education that they need. We're providing \$112 million in scholarships and awards to approximately 57,000 students and \$69 million in grants to approximately 25,000 students. This represents a \$12.6 million increase for scholarships and awards. We're also supporting students by making it easier and more affordable to pay back student loans by reducing interest rates, extending the interest-free grace period, and increasing the repayment assistance plan. In addition, we are also introducing legislation to cap tuition increases at 2 per cent. This will provide students and families with greater predictability and stability with respect to tuition prices.

With respect to capital we've also made significant investments across the postsecondary system, with \$178 million for postsecondary infrastructure. In addition to the three capital projects continuing from Budget '22 and a few components related to expansion, there are four new projects, including an investment of \$35 million to develop MacEwan University School of Business, with a total commitment of \$125 million. We're also providing planning dollars to the University of Lethbridge's destination project and the University of Calgary's multidisciplinary hub.

In conclusion, I cannot stress strongly enough the importance that postsecondary education plays in Alberta's economy. Ensuring that Albertans have the skills, knowledge, and competencies they need is critical to the economic future of our province. This can only be achieved by providing them opportunities through postsecondary education. I'm looking forward to continuing our work to build a future that we can be proud of.

Thank you, Mr. Chair. I'm happy to take questions from the committee.

The Chair: Thank you, 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 Eggen, would you like to combine your time with the minister's?

Mr. Eggen: Yes, if that's okay. We've been doing that for the last four budgets, and it's been good.

The Chair: Good. Member Eggen, you may proceed.

Mr. Eggen: Yeah. Don't change what's not broken, right?

Well, thank you. I appreciate the opportunity to ask some questions around this current Advanced Education budget. Certainly, we are looking for, first and foremost, constructive engagement and constructive criticism that perhaps the minister can internalize and look at as we're moving forward. I mean, certainly, since we are in an election period, that version of moving forward could be just a matter of weeks rather than years in this circumstance.

Nonetheless, I think it's important for all Albertans to know that our New Democrat Party, you know, hopefully, the government in the next few months, will commit to investing in advanced education in our colleges, in our polytechnics, and our universities across the province. We know categorically that an investment dollar into advanced education pays exponential returns in the education of our population, of course, especially young people, an economic return in regard to building a skilled workforce that can contribute to our economy here in the province of Alberta, and then, of course, contributing to the overall quality of life that we all hope to enjoy now and in the future with citizenship and the economic benefits that come from having a diploma or a degree or some trades training.

I'm sorry. I just have some introductory comments, and my first question will come in a minute here. My main concern in this budget and over the last four budgets is that we see consistently quite a significant cut to the overall contribution of the government of Alberta to postsecondary institutions across this province. Over the last – up till today, from when we were the government, we see, adjusted for population and inflation, by now a \$1.2 billion amount taken from postsecondary since 2018-2019. So, you know, with this current so-called high-spending budget, overall with this UCP government, really, we don't see a significant increase to repair the damage that has taken place in our colleges, polytechnics, and universities over these last four years. That's kind of what I'm looking for, a way by which we can restore and repair the damage that has been done and then also prepare for the future.

So my first question. I know that this is an issue that the minister shares with me, as many Albertans do, that we need to have significant improvements in our rates for enrolment here in the province of Alberta. We have stubbornly low enrolment rates in postsecondary relative to the overall population. If I could just direct your attention, Minister, to page 5 of the ministry business plan, I notice that your business plan performance measure 2(a) notes that the target for unique domestic learners is 222,523 students. This is less than the enrolment target from that same document from 2018, which was, I think, more like 242,000 students, right? You can clarify, but does this mean that the government's target is somehow static from the 2021-22, 2022-23 targets for unique learners?

Of course, we do need to see an increase here. I know that it's a challenge, Mr. Chair, to move these numbers, but I believe that a primary responsibility of postsecondary is to increase these numbers significantly in proportion to our population. If students are not going to postsecondary and they're not going during a certain window of opportunity from when they're finished high school, for example, it's a decreasing likelihood that they will in fact pursue a degree or a diploma or some additional training in postsecondary.

I just wanted to ask, then, you know, how you expect to make progress in enrolment in our colleges, polytechs, and universities. This should be part of a foundational plan for education, to set a target that actually increases enrolment and to provide the funding to help make that happen. Of course, while we see the words, on one hand, of what the government hopes to do, in fact, by taking significant money out of operating, we end up reducing our capacity to increase enrolment here in the province. I just was curious to know what the minister hopes to do to increase enrolment here in the province of Alberta.

9:20

Mr. Nicolaidis: Sure. Yeah. Thank you. It's an important question, of course, because I think we can all agree that we need to make sure that young Albertans have availability and access to the

programs that they have interest in right here in our own province, and that's exactly why the government has invested significantly to create the largest targeted expansion of seats in Alberta history. In Budget 2022 we had provided \$171 million to create 10,000 spaces. Many of those spaces have already been created, and we're continuing that targeted enrolment program in Budget '23 with another \$111 million to again create additional spaces.

So that's the first part of that, right? We need to make sure that we actually have the funding capacity to hire the instructors, purchase the material that's needed to expand enrolment in those very high-demand programs. Targeted enrolment will help in that regard.

Secondly, we also need to make sure that we have the physical space, so we're taking steps to ensure that we have that. As an example, in Budget '22 we invested in the University of Calgary school of veterinary medicine. That program is incredibly oversubscribed. They do need more space to be able to graduate more vets. In addition, just a few weeks ago we announced a \$125 million commitment to create the new School of Business, the brand new building, at MacEwan, so that will help.

We'll have the funding in place. We're working to ensure that we have the physical infrastructure in place. But, thirdly, as well, through the context of performance-based funding and the investment management agreements that we have with our institutions, we are providing targets to individual postsecondary institutions over their domestic enrolment levels.

This is all, as you can see, a co-ordinated and multipronged approach to ensure that we have the funding, the physical space, and we have clearly established the priorities with our postsecondary institutions through the investment management agreements to say that we need to make sure we have space for students; we need to make sure that we have that capacity.

There continues to be, though, to your point, the issue of postsecondary participation, and I think that there are broader issues with that. You know, sometimes students just don't choose to continue on to postsecondary after high school. They choose to take a year off or they choose to do other things, and that continues to be an area of concern. I think we need to work closely with K to 12 and Education to make sure that students are aware of the breadth of programming that's available.

We've tried to undertake a lot of work in this regard over the last four years to create more awareness about all the different opportunities, primarily in the trades and apprenticeship educational opportunities, that there are many opportunities. There are many pathways that students can choose. I think when students have that greater clarity and awareness about the options that are out there, they can really find something that works for them.

Mr. Eggen: I appreciate that.

Mr. Nicolaidis: I'll wind down, but those are the key pieces there.

Mr. Eggen: Yeah. That's fine. But what we see now – I mean, the primary barrier for students to consider advanced education in a college or a trade and so forth is the expense. We see that tuition has gone up at record rates, and student debt has gone up at record rates as well. We saw, according to your own budget – I think it's on page 151 – that student debt will increase by \$1.7 billion, right? So a lot of people, with the cost of living being what it is, simply can't make a choice to go because it's unaffordable.

I mean, certainly, we as the Alberta New Democrats will ensure that we have affordable places for students and that students can have a range of choices for their postsecondary education so that the door opens for all students, all Albertans that choose to get an

advanced education here in the province. You know, just talking about – I mean, certainly, I'm very happy to see, for example, the Grant MacEwan investment of \$125 million, but overall we're not seeing the capital investment in our postsecondaries to meet the growing need for enrolment and for places in our schools.

Again, if we use Grant MacEwan as an example – that's a very fine addition to their campus, \$125 million – we also need to make sure we have the staff and faculty that actually will work and support education in that new facility, right? What we see in this budget in terms of capital funding: it's cut by \$420 million if you adjust to population and inflation. I mean, inflation is a big thing for these budget estimates in all ministries because, of course, if you have a flat number, really, you have a 5 or 6 per cent cut because of the inflation rates that all institutions are dealing with while they try to build their budgets.

We know as well that there have been at least almost 1,200 faculty and staff positions cut in these last four budgets due to the cuts that the UCP government has placed on postsecondary. You know, really, if you adjust that for population as well, there are more like 4,900 staff missing from our postsecondary institutions at the time when we need to make that investment for young people right now. We know, you know, we all know that there are tens of thousands of young people in grade school right now that will need postsecondary positions in the next few years. If those positions are not made and they're not affordable, that population of young people will simply not be able to choose to go to advanced education here in the province, or they'll go elsewhere. Neither of those options is acceptable.

I'm hoping – well, I mean, I guess my question can be specifically around what the minister might do to actually increase capacity. Is he measuring whether we have increased overall capacity? Each of these targeted announcements that you've made is after significant cuts in the overall budget and individual budgets of each of our 26 universities, colleges, and polytechnics here in the province of Alberta. I know that the minister was talking about performance measurements, for example, right? I would suggest, if you would consider – why wouldn't you consider having a performance measure provincially to set a percentage of how many more positions and funded positions and well-staffed positions that the province can be responsible for to help build the capacity we need in advanced education right now?

Mr. Nicolaides: Sure. Again, it's an important piece that we need to be working towards and which we're absolutely committed to. We are absolutely committed to making sure that we have the spaces that we need. As I mentioned, that's why we have undertaken the largest targeted expansion of seats in Alberta history, north of 10,000 additional spaces being created, and significant investments in infrastructure. We've provided funding to Mount Royal University to help repurpose some underutilized space to create greater lecture space. The investment at MacEwan University will allow thousands of additional students to be able to participate in addition to expansions at SAIT, University of Calgary, and other institutions.

All of that is making sure that we have the physical infrastructure and that we have the funding. You know, again, as I mentioned, \$171 million was allocated in last year's budget to create those 10,000 additional spaces. We're allocating \$111 million in this budget cycle to create that. That is, again – I really want to impress upon the magnitude of the expansion of seats that is under way right now. It is the largest targeted expansion of seats in Alberta history.

With respect to funding levels, I love to provide comparisons. In 2019-20 the average provincial operating funding per full FTE was \$10,561. That's the average across the U15.

The University of Alberta was at \$16,212, and the University of Calgary was at \$14,500. Even the most recent numbers, 2020-2021: again, the average provincial operating funding across the U15 is \$10,265. The University of Alberta is at \$13,950; the University of Calgary is at \$13,438.

9:30

We continue to be well above the average across the U15 in terms of operating funding per FTE. Many other institutions such as the University of Toronto, McMaster, McGill, Dalhousie, Western, University of Ottawa are all able to provide high-quality and exceptional programming at lower funding levels. I'm not saying that we need to match them dollar for dollar and get to that exact funding level, but if they are able to deliver high-quality experiences at those rates, then, certainly, funding at higher rates, we can deliver a high-quality experience as well. Again, we have to remember to take into account the additional funding that we're providing through the targeted enrolment expansion initiative, that's going to create thousands of additional spaces to help meet that growing demand.

Coupled, as I mentioned, with the investment management agreements, we can put those targets – and those aren't arbitrary targets. You know, we don't just kind of pull a number out of a hat and say: here you go, University of Calgary; here's your domestic enrolment target. Olin and others from our team sit down with them and have very detailed conversations about what their enrolment projections are looking like. We use the best estimates in a collaborative way to put targets in those investment management agreements that are reasonable, that are achievable. It's not intended to be a mechanism to put arbitrary targets that an institution cannot meet or cannot hit. It's intended to just clearly communicate what government's priorities are with respect to the \$1.9 billion investment that's provided to our postsecondary institutions.

I think we are well on our way. We've had to make some corrections, as you noted. Of course, we inherited an environment in 2019 where spending was off the charts; that was not sustainable. We've had to rein in that spending government-wide to be able to deliver a balanced budget, to put back into savings, to invest in our future. All government departments and ministries have had to tighten their belts in that regard, but we're able to provide significant reinvestment at this stage, and not just to the targeted enrolment.

As I mentioned, we're also increasing what's provided in terms of grants and awards. In fact, this budget sees a 15 per cent increase in grants to students from last year's budget. They communicated very clearly to me over the past couple of years that they want to see more in nonrepayable student financial assistance, and we've done that. Again, there's been a 15 per cent increase in nonrepayable financial assistance available to students.

We're instituting a tuition cap to provide students with predictability and stability when it comes to tuition rates. For the last four years that's the one thing that they've been asking for the most, predictability and stability. I think that's very reasonable, and I'm happy that we've been able to deliver that and provide that so that they can make those plans, their families can make those plans. They can cost out the cost of their education and budget and plan accordingly. With respect to tuition levels, as well, we are very competitive. We're slightly above the national average currently but well below other comparator provinces and continue to remain very, very competitive.

Mr. Eggen: Yes. Thank you for that. I mean, what we're seeing, certainly, and hearing from students, undergraduate and graduate levels, is that the cost-of-living crisis that we are all experiencing is

just being compounded by these cuts and tuition increases at our colleges, universities, and polytechnics. Throughout this budget review I do have questions from students and faculty and the general population that I will intersperse into my questions.

This first one here is from the University of Alberta, stating the obvious, that: we are all facing this cost-of-living crisis, and going to the University of Alberta, in this case on a tight budget, means I need to decide between paying my tuition and trying to make a better life for me and my family or being able to eat properly and have an adequate roof over our heads. Unquote.

Students have been calling for immediate action and support to address skyrocketing costs of living and exorbitant tuition increases for students currently enrolled in postsecondary. The response to this crisis has been to allocate limited supports to students in programs that the government seems to deem in high demand. Tuition increases and the rising support for cost of living for students; every student, not just those ones that the UCP government deems to be deserving of support.

The only measure announced by the government to support all students is the 2 per cent cap on tuition, as the minister mentioned, but this is, of course, from 2024-2025. This means that students have to wait for over a year before receiving any support. Worse, there's no guarantee that students won't face further tuition increases despite this cap. Exceptional tuition increases of up to 44 per cent in some programs which are not subject to the cap have been approved as recently as March of last year in some programs at the U of A.

So students urged the government to take immediate relief to all students that are already struggling to make ends meet. Again a quote from a student: postsecondaries have already approved their increases. There's nothing to be done. It is no excuse. This government has to decide and has the power to provide immediate support to the millions they've already cut, in fact \$1.2 billion, so we cannot afford to wait any longer. When will this government act and provide immediate support for all struggling students right now?

Mr. Nicolaidis: Sure. Well, I would say that, you know, the government is absolutely doing that, and there's no question that I completely understand where that individual is at and the challenges that they're facing, because we're all facing these inflationary pressures and this cost-of-living crisis. I think it's important to remember the source of these problems. An important source of these problems, of course, is imprudent fiscal management at the federal level that's driving up interest rates, that's creating this and adding to this inflationary crisis that we're seeing.

I think that despite those challenges, of course, the government of Alberta is in a strong position. Because we've made some of the difficult decisions over the past couple of years, we're fortunate to find ourselves in a surplus situation so that we can help Albertans during this very difficult time. We have the capacity. We have the ability to provide inflation relief. And, of course, my colleague the Minister of Affordability and Utilities is doing that broadly. He's instituted rebates on electricity prices. We're suspending the fuel tax, of course, for those who drive, and other measures are made available.

In addition, we're also providing additional financial assistance to food banks, and that includes several campus food banks as well as part of that, and the other measures that were introduced. We're lowering the interest rate on student loans. We're extending the interest-free grace period. The interest-free grace period applies to graduates, so once you graduate, you have six months to, you know, get your feet firmly planted in a career and in a job opportunity before you have to begin making repayments to your loans. We're

extending that to 12 months and will become one of the most generous provinces in that regard. There's only one other province right now that gives graduates 12 months, and that's Prince Edward Island, so we'll be joining them.

In addition, the tuition cap, of course, will provide everyone with flexibility and predictability, which we don't have right now, which is a significant challenge. We're really looking forward to being able to provide them with that degree of stability.

We've also increased funding to Alberta student grant recipients. The Alberta student grant provides, again, nonrepayable financial assistance to low-income Albertans, and we have increased the benefit amount that is being provided to students.

So the challenge – and I understand the question. Part of the challenge is, of course, you know, that students are at very different places. You have low-income students that are more reliant on maybe grants and bursaries and who could benefit more from increases to those. You have other students that are loan borrowers, that will benefit from greater relief on the student loan side. You have other students who are not loan borrowers, are not grant recipients, and a 2 per cent cap, of course, will help them.

9:40

So what we've put together here in terms of a suite of affordability measures, I believe, is quite comprehensive in targeting as many individual groups of our student population as possible, whether they be student loan borrowers, nonborrowers, grant recipients, to make sure that everybody is able to realize a degree of relief.

Mr. Eggen: Yeah. Fair. I would just like to look at each of those measures individually if we could. I mean, the 2 per cent cap on tuition increases starting in 2024-25 I think needs several points of clarification. First and foremost, placing a cap on tuition and then somehow not backstopping colleges, universities, and polytechnics with the potential loss of operating funding, depending on what the inflationary pressures are, you know, in 2024-25, will simply result in a cut that will have to take place in other areas to make up the difference. For example – right? – let's say that the University of Calgary holds a tuition increase to 2 per cent in 2024-25, but the CPI inflation rate is at 5 per cent or 6 per cent. This results in an overall cut to the tuition component of the University of Calgary's stream of revenue that they will have to make up in cuts in other areas such as instruction, class sizes, research, and so forth.

What will the government do to ensure that their tuition cap benefits universities and colleges and polytechnics not to the detriment of their overall budget? Clearly, if you ensure to regulate tuition and keep it affordable, as our government will do, to make sure that all students are able to access an affordable education, then also you do not undermine the operating expenses of a university, college, and polytechnic so they're otherwise compelled just to make cuts in other areas.

Mr. Nicolaidis: Yeah. I appreciate that. You know, part of the challenge is that we are operating right now under a cap that does not provide students with predictability. The current cap that's in place, that was put in place in 2017 or 2018, instituted the tuition increases.

Mr. Eggen: But we were operating – when you open it up to the 7 per cent increases, I mean, those other things are in the distant past, right? So, I mean, you opened up the tuition increases to 7 per cent per year and then the extraordinary ones, you know, much beyond that and really made sure that all of our schools hit that 7 per cent, and that's each year, and are compelled to do so. So you end up with between 22 to 30 per cent increases across the board.

So, yeah, I mean, this is an increase. You talk about your national levels of contribution, but, I mean, there's no denying that this represents the largest tuition increase in the country, for sure, right? And people adjust from one thing to another, and they make expectations around education.

But getting back to the point I'm trying to make here, what will you do to – if you have a cap in place, you know, we need to make sure you backstop so that the gap in an overall postsecondary budget for an institution doesn't have to make cuts in other areas to compensate for the 2 per cent tuition cap, right? Our government would ensure that schools are backstopped to (a) provide an affordable tuition, and (b) make sure that that doesn't come to the detriment of their overall operating budget.

Mr. Nicolaides: Sure. Yeah. You're correct in that regard. Again, it was either 2017 or '18. I think you'd be able to provide clarity, of course, because it was the previous government that passed changes to the Post-secondary Learning Act whereby a cap on tuition was put in place that pegged tuition increases at CPI. In 2019 we made an amendment to say that for the next three years the cap will be at a flat 7 per cent. That has now passed, and the 5 and a half per cent increase that we are seeing today at many of our universities and colleges is under the tuition cap framework that was introduced in 2017-18. I think that just shows why a flat 2 per cent cap on tuition is necessary, because if you have a cap that maxes tuition out based on CPI, that number can change, and that number can change wildly, as we're seeing. That number peaked at 5 and a half per cent. So under that kind of model students don't have predictability; students do not have stability.

What we are doing with the 2 per cent tuition cap will unequivocally give students the most predictability and stability with respect to their tuition in Alberta history. There has never been any other legislated or regulatory framework in Alberta that will give students as much predictability and stability in tuition prices than what the government is planning to introduce in '24-25. So I just want to provide that absolute clarity.

To come back to your point about a potential backfill or should a situation – if we peg tuition increases at 2 per cent but inflation is at 3 per cent, will we make up the difference? You know, I'm happy to have those conversations if we get to that scenario. Right now Treasury Board and the Ministry of Finance is forecasting inflation rates to be 2.2 per cent in the coming year. Furthermore, a 1 per cent on tuition represents \$9 million collectively across the system, so what I'm saying is that if we put a cap of 2 per cent but inflation turned out to be 3 per cent, to make up the difference, we're talking about \$9 million. In our budget that's \$2.5 billion. I think we might have the space to be able to do that, but I can't speak for budgetary decisions that are going to be made in '24-25. You know, that's so far out, but I'm happy to explore those conversations if necessary, just to provide students with that predictability.

Mr. Eggen: Thank you. I appreciate that. Certainly, I mean, through the chair, Minister, you are making a reach into 2024-25 with the 2 per cent proposal, so we just have to make sure that we flesh out all elements of that.

Our NDP government would ensure that we would repair the damage that's been done, more than \$1.2 billion dollars taken out of the system in the last four years. A large part of that is to ensure that there's proper operating funding in place for all universities, colleges, and polytechnics and that they are backstopped to ensure that proper tuition regulation is in place so that all students can go to school affordably if they choose to do so.

Back to some questions that I have here. This one is from the University of Calgary, an interesting one, just talking about how

repeated cuts to Campus Alberta grants, which we were just talking about, led to a severe reduction in essential support staff such as upwards of three departments sharing a single graduate program supervisor at the University of Calgary and shifting funds away from services like IT.

9:50

We also know that the majority of the affordability measures announced by the government – tuition cap, increase to Alberta student loan grants, and so forth – don't apply to international students. This is despite international student tuition rising 23.3 per cent for undergraduates and 35.8 per cent for graduate students since 2019-20, despite international students being a major contributor to Alberta's labour market, economy of the whole, especially at a graduate level, contributing to, you know, immigration here in the province and our overall economy and quality of life. So the question is: what are the government's plans to repair the damage brought out by these budget cuts, and how does the budget support international students? And how will the government protect the necessary support staff, services, and quality of programs on campus overall?

Mr. Nicolaides: Sure, and thank you to the student for that important question. You know, with respect to quality I think our institutions continue to excel. Just recently the University of Calgary was named one of the top five research universities for the first time in its history. So I think we're on a strong trajectory. Our universities continue to excel in global rankings, and of course those are objective and comparative rankings that evaluate the quality of research and teaching that occurs, and they continue to move up and excel in rankings.

But I appreciate the question about international education. A quick comparison again. In Alberta – excuse me; I'll reframe this. The national average for undergraduate fees for international undergraduate students is \$36,000. In Alberta our fees are \$29,000. In Canada the average for international graduate students, the average fees charged, is \$21,000. In Alberta it's \$16,800. Our fees are incredibly competitive and will continue to remain so.

The member will know because, of course, it was under the member's government that changes were made to tuition policy and tuition regulations, and those continue to remain in place. Specifically, the regulations were changed and stipulated that a university must give an international student the entire picture, the entire cost of their program up front at the time of admission, so effectively there is a cap in place for international students under regulations that were introduced back in 2017-18, and that hasn't changed. That continues to remain in place. And, again, any international student – excuse me; I'll rephrase that. A university or a college must provide an international student with the complete cost of the duration of their program up front at the time of admission, so they know going in the full cost that will be included.

Mr. Eggen: Okay. Thank you.

Relating to that as well, the second question from – this is the graduate students at the University of Calgary. Made headlines over the summer with postsecondary institutions already preparing for a similar crisis at the beginning of the next year, yet there's no guarantee of an announced budget that funding will be provided for affordable housing, postsecondary spaces specifically, despite this pressing need at the University of Calgary, housing for students. So their second question is: what is the government planning to do to support affordable housing infrastructure, especially for students, and how does this relate to the city of Calgary's plan to convert

empty office space in the downtown core into affordable housing and postsecondary spaces?

Mr. Nicolaides: Sure. Well, the Ministry of Advanced Education typically does not provide capital investment to universities and colleges for housing. I'm not sure at this stage I'd be happy to give the member a little bit more clarity if there are legislative or regulatory restrictions that do not permit the ministry to provide that kind of capital infrastructure. I can say, though, that I don't think I've seen at any time over the past four years – and I may be wrong because, of course, four years is a significant period of time, but I don't think I've seen any capital requests from our universities or colleges for housing projects in particular. Again, not to say that we're not open to that, but I defer to our universities and colleges and their expertise to tell and request of the government what their needs are. They know better than anybody else what their infrastructure needs are, and I don't think in the past four years I've seen any one of our institutions request funding to build more housing and student resident spaces. I could be wrong, with that caveat, but I don't think I've seen that.

With respect to the city of Calgary's plan to convert empty downtown spaces to affordable housing units, I'm not sure of the details of that plan. I think that would be something that I think a different ministry would probably be engaged with in more deeper conversations with the city. Of course, the Ministry of Advanced Education: typically not involved in the affordable housing space.

Mr. Eggen: Okay. Thank you. Yeah. It's an interesting phenomenon in Calgary, where the University of Calgary and SAIT and Bow Valley College and the University of Lethbridge, actually, and others have all expressed enthusiastic support for developing the downtown of Calgary and working in concert with Calgary Economic Development and the city of Calgary to not just expand capacity in the downtown for the universities and colleges and polytechnics in which to provide education but to also, you know, provide housing, affordable housing, and so forth as well. So our New Democrat caucus has been working closely with all of those partners to look for ways, because inherently from the advanced education side we know that we need to build capacity for the young population that's coming through grade school right now. Building affordable spaces in creative ways can include using downtown office capacity and so forth for not just campuses for learning but also for affordable housing, too. Like I say, we've had enthusiastic support from a number of universities and colleges across the city . . .

The Chair: Point of order.

Mr. Eggen: . . . and across the region to . . .

The Chair: Point of order, please.

Mr. Eggen: . . . do that.

The Chair: MLA Eggen, I'm having difficulty finding the relevance in your line of questioning with regard to the ministry's estimates. We need to really focus in on this ministry's estimates and their business plan as it refers to Budget '23-24.

Mr. Eggen: Thanks for the reminder. Yeah. Absolutely.

The Chair: Thank you.

Mr. Eggen: I guess I could switch a little bit. Still talking about some institutions in Calgary and building their capacity, right? We know that there have been quite significant job losses at the

University of Calgary, at the southern Alberta technology, as well as places like the University of Alberta, Grant MacEwan University, NAIT, University of Lethbridge. Everybody is concerned about the quality of instruction that is compromised by cuts to the operating grants and then loss of staff and faculty. Calculating for since the last four budgets, there has been a very significant loss of staff at our postsecondary institutions. I just wanted to ask, through you, Mr. Chair. The direction has been given to organizations to ensure that job losses are not all – I mean, that cuts try to preserve the integrity of our classroom instruction first and foremost in the face of cuts to operating funding to colleges, universities, and polytechnics.

Mr. Nicolaides: Sure. Yeah. Thanks for the question. You know, as we mentioned – and you touched on this, and I think it's important as well – we have to make sure that we're able to provide adequate spaces. I'm excited and proud of the fact that this government is moving forward with the largest targeted expansion of seats in Alberta history, creating well over 10,000 additional spaces in in-demand programs.

10:00

I don't think it was your comment – I think it was context from the student that you referenced – but I did hear the comment earlier about, you know, the government kind of picking to invest in the programs that it wants. Just to provide some clarity, we're not just picking programs out of the sky or out of a hat. We're looking very, very objectively. Where are the bottlenecks? Where are students being turned away? As an example, like, in veterinary medicine we need more vets in this province, and the school can take more. The University of Calgary school is turning qualified applicants away, so we're investing more in that school because there's demand and we need them. So it makes sense. The same goes for health care aides, for nursing, for doctors, for all of these areas. We are turning away qualified Alberta applicants, but we have a demand. We need more nurses, we need more health care aides, we need more doctors, so we're investing in those programs. It's very precise and very particular.

Coming back to your question, though, you know, about quality – I think that was the essence of your question – I think we're on a strong trajectory. Again, in 2022 the University of Calgary was named as one of the top five research universities for the first time ever. SAIT continues to receive incredible accolades and receive global ranking and recognition for its culinary school. Several of our institutions continue to receive those global accolades and awards. I think the quality of instruction is excellent. I think we have fantastic individuals, researchers, lecturers, and administrators and staff at all of our universities and colleges who do some amazing work.

Have we gone through a few challenging years? Yeah, absolutely. But we've been able to maintain incredible, high-quality instruction. We're beginning to reinvest not just in the targeted enrolment that I talked about but also in other areas. We're investing in creating new microcredential programs. We're investing to support Indigenous learners in postsecondary education. We're investing to create new apprenticeship opportunities. So there's significant new investment coming into the system to help ensure that Albertans have access to high-quality learning right here at home.

Mr. Eggen: Thank you.

Those are good ambitions, but, I mean, you need to show with substance in this budget, right? You know, the budget from last year to this year: we don't see a significant increase to the overall

operating budget of our schools, our colleges, universities, and polytechnics. So while faculty and staff and students and the administration have kind of held the line in the face of, as you term it, challenging years – it's really the UCP cuts to postsecondaries are what the challenging years were – then we would expect to see some way to turn the corner with this budget. But, really, when you look back from where we were four years ago to now – right? – including this budget, we see a net loss of funding, adjusting for population and inflation, of more than \$1.2 billion. People judge based on what they can see actually hit the ground to improve quality.

The University of Calgary's ranking is admirable. SAIT's international reputation is unquestioned, as is their provincial and national reputation. But you're only as good as the next thing you do – right? – and that applies to all things, including this budget. The colleges and universities have been scrambling to ensure and to maintain that high quality and reputation that we do enjoy here now, but, again, that's sitting on a razor's edge when you have had four years of quite significant cuts; as you term it, challenging times, but, really, just underfunding from the provincial government.

So, you know, my question is in regard to enrolment. For example, does your department and government have a number of how many students we can expect to see in the next five years into our postsecondary institutions, and do we have the capacity to meet that increasing demand over the next five years? Question.

Mr. Nicolaides: Yeah. The short answer to those is yes and yes. I'll ask if my officials have the forecast of the number, the exact number of full-load equivalents that we're expecting to see come into the system and provide that to me. Yeah, we are anticipating enrolment growth, and that's why we're doing all of these things now. That's why we're providing the targeted enrolment expansion program to be able to create additional seats in those programs that are in high demand. Again, how do we determine high demand? It's based on application and on labour market need and demand. So we're making sure that we're putting the dollars where we're going to need them, where the demand is, where students are looking to be admitted into, and where our economy needs.

In addition, as I mentioned at the onset, we're also adding to the physical capacity and infrastructure. The MacEwan building will be able to add, I think, about 4,000 additional student spaces, or I'm maybe wrong. I'll tell you in a quick second. No, I was wrong. There you go; 7,500. I am wrong from time to time. So 7,500 additional spaces at the MacEwan school and others. You know, if I remember correctly – and I have been wrong from time to time, so I could be wrong again – at Mount Royal University we're giving them additional funding, and that was in last year's budget as well, to repurpose some underutilized space. I think that was going to be able to add an additional 1,000 student spaces if I remember correctly. We are making sure that we have the funding in place, that we have the physical infrastructure capacity in place to be able to accommodate continued growth.

Just coming back to your point about rankings, yeah, you know, our institutions are world class, and they continue to do incredibly well. I mentioned the U of C. The University of Alberta, as well, moved up seven places from last year in rankings and 18 places up from 2020, so they've been able to keep pressing up. Again, those rankings are an objective evaluation of quality of programming, research. SAIT has been named one of the top five research colleges in Canada for 2022.

Again, you know, we've had to make some challenging corrections, but our institutions continue to receive funding levels that are in line with other provinces. Just to note the number again in terms of operating funding per full-load equivalent, the average

from 2020-2021 – and this is objective information from the Canadian Association of University Business Officers – across the U15 in provincial operating funding per FTE was \$10,265. At that time the University of Alberta was at \$13,950; the University of Calgary was at \$13,438. So we continue to do quite well. Of course, those latest figures are a couple of years old, but we continue to be – forecasts of those numbers suggest that we continue to be north of that U15 number and continue to provide an exceptional, high-quality learning experience.

Mr. Eggen: Thank you for that. Yeah, I mean, I think we need to use numbers that are more current, right?

Of course, what's happened in the interim between those numbers, which are, I think, up for dispute as well – of course, when you talk about tuition, for example, the provinces of Ontario and British Columbia have a much more robust granting system for students to access funds to help pay for their education. Certainly, our tuition now in the province of Alberta is sort of in the middle, I think – right? – but to get to that place, we had the largest increase in tuition in our trades, in our polytechnics, in our colleges, our universities in Canada. I mean, that's shock treatment based on this austerity approach to postsecondary, when I would argue, and I think the majority of Albertans would agree, that an investment dollar into postsecondary pays the best exponential returns that any investment could achieve from a provincial government, right?

10:10

You know, I think it's the wrong approach. What it has created: as I say, over the last four years the integrity and the professionalism of our schools, of our faculty, of our support staff, students, researchers, and administration to some degree, as well, have defied the record cuts that have been imposed on each of them. Basically, Mr. Chair, through you, of course, this minister has been living on borrowed time of the integrity and the hard work that everyone has done to compensate for the record cuts that postsecondary has endured here in the province of Alberta over the last four years. It has to stop. I mean, certainly, our government would repair the damage to funding to our colleges, universities, and polytechnics and ensure that there is affordable access to tuition to schools for every Albertan who wants to go to school.

My perhaps last question of this section. If I can move over to postsecondary transition rates, in last year's strategic plan your government cited that a clear indicator of success would be postsecondary transition. In this year's strategic plan this seems to have completely disappeared. You can correct me if I'm wrong since that's the theme of the morning here, but, you know, it's absent from the strategic plan this year. I want to ask – because I was the Minister of Education K to 12, and I was a teacher, and I've got kids, the whole thing, right? How can we improve that number? Do you have a specific plan to increase the movement of high school graduates into postsecondary positions?

A lot of that, which is just getting in the way, is the scarcity of positions in various faculties. I know you talk about these 10,000 spaces that you're creating, the largest targeted – I think you used the words “expansion of spaces.” I mean, of course, that's the big qualifier, right? It's the largest targeted one, you know, in proportion to the population and need. Coming up in the next year or five years, I mean, those numbers can be completely different, right? So scarcity of seats available.

Grade point averages required to enter places like education, engineering, and other areas of study are wildly unacceptable, right? You are ending up excluding many qualified and capable students that are in high school right now. Training students in postsecondary and retaining their talent is absolutely paramount to

growing our economy. It's the best interest the government can make to make sure that we're not losing talent and we're not, you know, losing our potential.

So how is the government planning to address this issue? I know you talked about – I mean, specifically, do you have the numbers of, you know, places that we need for the students in grade school right now? Why did that indicator disappear from your strategic plan this year?

Mr. Nicolaides: I'll try to be quick because I think I only have 20 seconds left. Yeah. We'll have to come back to this, I guess, in the next round, but maybe just quickly in the 15 seconds that I have. In fall of 2022 88 per cent of qualified applicants were offered admission into a program, which has been relatively stable for the past six years. Of all applicants 62 per cent of applicants submit only one application, and, again, 88 per cent of them receive . . .

The Chair: Good. Thank you, Minister. That concludes the first portion of questions for the Official Opposition.

We will now move to the government caucus for 20 minutes of questions from the members, after which we will have our five-minute break. I believe MLA Rowswell is up. Would you like to combine your time with the minister's?

Mr. Rowswell: I would.

The Chair: That's acceptable?

Mr. Nicolaides: Sure.

The Chair: Please proceed, MLA Rowswell.

Mr. Rowswell: Okay. Well, thank you very much. MLA Eggen's questions kind of dealt with a lot of what I was trying to accomplish in my first question, but I might just try to expand on it a little bit. It has to do with inflation and just generally everyone's ability to live their life, and that impacts students as well. Relative to tuition, I know that at the time when we first came in as the new government, we had a structural deficit that we had to deal with, I think, and every ministry was asked to do what they could.

Part of the goal was to be closer to comparative provinces relative to tuition as a part of the total financial package that the colleges deal with. I remember the promise was that if we get our budget in order, we'll come back and do that, and that's kind of where we are today. I won't ask the same questions, but I'm just wondering about the process. I know Lakeland College in my riding does a really good job. They take what the ministry draws up, they adjust their business plan in order to meet it, and they do very well. You know, like, they're great managers of money.

I was just curious. Maybe you can explain the process, like, how you come to the 7 or the 2 or the 5 and a half in conjunction with the colleges when you're trying to establish a number.

Mr. Nicolaides: Do you mean with respect to tuition price?

Mr. Rowswell: Yeah.

Mr. Nicolaides: Yeah. Maybe just a little bit of context. As I mentioned, in 2017 or 2018 the Post-secondary Learning Act was amended, and a cap on tuition was brought in place that tied tuition increases to CPI. What would happen is that, you know, the ministry would look at the previous year's final CPI rate and then communicate that to the universities and say: okay; CPI landed at 3.2 per cent; that's the maximum that you can increase tuition by in the upcoming year.

In 2019 we amended that legislation and modified the cap for three years and three years only and moved the cap up to a flat 7 per cent, so institutions, regardless of what the CPI rate was at, could increase tuition by a maximum of 7 per cent year over year for three years and three years only.

That period has lapsed, so we are currently, right now as we speak, operating back under the original tuition cap, which, again, sets tuition rates at the previous year's CPI. Of course, inflation is through the roof, so that final number from last year has been 5 and a half per cent. Under the legislated framework that's in place, that is the maximum that universities and colleges can increase tuition by.

What that has really demonstrated to me is that we're not providing students and families with adequate stability and predictability. Again, over the course of four years one of the things that our student leaders have advocated for very consistently has been stability and predictability in tuition prices, so I started to take a very close look at tuition policy. I started to take a close look at the legislated cap that exists, and I started to wonder how the current formula provides students with what they want, stability and predictability.

If we have a cap that determines the maximum allowable tuition rate based on last year's CPI, that can swing. It could be 3 per cent one year. It could be 4 per cent. It could go from 2 per cent to as much as 5 per cent, as we're seeing right now. That can swing wildly depending on global and macroeconomic and national parameters and issues that are outside of our control, and that does not give students stability and predictability. That's why we've opted to make that change and change the cap so that it is a flat 2 per cent. That will give students stability and predictability.

10:20

As well, as I mentioned, it will give students the most predictability with tuition rates that I think the province has ever had. I believe that the first time a cap or anything related to regulation around tuition was brought in was in 2017. Prior to that, I think it was largely unregulated, and universities could just charge whatever they wanted. So we're going from a cap that can provide wild swings to a cap that is stable, determined. You can forecast out 10 years from now what tuition prices will probably look like for individual programs.

I am very proud of the fact that we are in a position to be able to introduce a tuition cap that will provide students with the highest degree of stability and predictability that they've ever seen in this province. That is – sorry – a little bit of a long-winded answer and explanation of a little bit of the history of tuition policy, how it's calculated, and how we get to where we're at.

Of course, universities operate within those parameters and determine their tuition policies. There are strict regulations in place that stipulate that before an increase can go ahead, there must be detailed and adequate consultation with student leaders. That continues to remain the case. Institutions are legally required and obligated to consult extensively with student leaders before they make final proposals.

It is ultimately the board of governors of our individual universities and colleges who make the final decision. The government does not tell individual institutions what rates they should charge. We leave that up to them. We do provide the parameters, we do provide the goalposts, but they determine it. You know, if they have the space to go to 2 per cent, they may decide to go to zero. They may decide to go to 1 per cent. That's entirely up to them. They run their operations; they know best. Of course, on the board of governors, who has the final say, there is student representation on those boards. They have a voice

throughout that entire process, and the budget consultation, tuition consultation that occurs individually at individual institutions as they get to that point helps to ensure that they're involved in the process.

Sorry. Maybe long-winded. I hope I addressed your points there.

Mr. Rowswell: Yeah. That's great. That's kind of what I needed to know.

Relative to the loans that students get and helping them out, I know you mentioned you had moved from six months to 12 months, and that's pretty rarefied air relative to around Canada, which is great to see. I just wanted – if you can go into some detail describing what those changes are and when they come into effect and how they will help graduates.

Then the other question is: central bank interest rates are going up, so is it prime plus something, or is it a set number? If you could describe that for me, please.

Mr. Nicolaides: Yeah. Good point. Rates are going up quite quickly, and of course this affects, you know, anybody who's a borrower, a mortgage holder or student loan borrower. I don't want to go down a rabbit hole into the macroeconomic policies, of course, associated with inflation rates and corresponding interest rate increases in Bank of Canada decisions, but that's primarily driven due to macroeconomic global and national forces. We've seen some worrying things at a national level. Continued increases in taxes and spending that are driving continue to create a challenging inflationary environment that is contributing to those pressures and is contributing to the Bank of Canada having to increase interest rates. I do worry significantly about what's happening at a national level and financial and fiscal decisions that are being made there. That being said, you know, we have to operate within that context, and we have seen interest rates increase.

Currently, to get back to the specifics of your question, the student interest rate is set at prime plus 1 per cent, so whatever the prime rate is that's, of course, detailed out by the Bank of Canada and an additional 1 per cent. To help alleviate and provide students with inflation relief, we will be changing that rate from prime plus 1 to prime. Olin can correct me if I'm wrong, but that comes into effect on July 1, and that applies to all current borrowers and any future borrowers, so they'll be able to see that relief.

In addition, as you mentioned, we have that interest-free grace period. Right now it's set at six months, so you have six months after graduation to effectively not worry about making any repayments on your student loans. That's designed so that students can find job opportunities, have that grace period to be able to get their feet on the ground before they have to start worrying about making those repayments. As you mentioned, we're extending that out to 12 months. We'll be one of only two provinces that provides students with 12 months of an interest-free grace period, so we'll be quite generous in that regard of giving graduates 12 months to benefit. If I remember correctly, it's approximately 57,000 students who graduate every year that'll be able to benefit from that.

I think that's really helpful because, of course, as we all know, I think a lot of us have been through that period. You're completing your studies, and you're looking for job opportunities. You may have other costs, other issues. You're maybe looking to purchase a home or something like that or other, a vehicle or something else. There can be a lot of financial pressures. That 12 months will, I think, help give recent graduates a greater degree of space to be able to make their financial arrangements. That change is also coming in July 1, on the interest-free grace period. Olin can correct me. I see him nodding his head, so I think I'm on the money there.

In addition, we're also changing the parameters around the repayment assistance program. The repayment assistance program exists for student loan borrowers who are having difficulty and trouble making their payments. They can apply to Alberta Student Aid, and they can receive assistance in their repayments. Their amounts can be lowered and other parameters be provided to them. Right now in order to qualify for the repayment assistance program, you have to have income of \$25,000 or less. We're bumping that up to \$40,000. Again, similarly, that comes into effect on July 1, and that'll open it up. Of course, I think we can all agree that we hope nobody needs to take advantage of the repayment assistance program because we hope everyone is able to complete their studies and get into a good-paying job and career and not have to struggle, but the reality is, you know, that sometimes students need and graduates need that additional assistance. By expanding it to \$40,000, more people will be able to take advantage of that program if they need it. It's an important safety net to catch you if you're in a really challenging situation.

In addition, as I mentioned earlier, we're also increasing the award amounts for the Alberta student grant. The Alberta student grant is a grant that's specifically tailored for and made available to low-income students. I think we can all agree, you know, that costs shouldn't get in the way, and the Alberta student grant is there to make sure that low-income individuals are able to access postsecondary educational opportunities. We are increasing those award amounts to be able to provide additional relief.

I feel like I missed something, but I'll turn it back over to you to see if I answered your question.

Mr. Rowswell: No. That's a great answer.

Key objective 1.1 of the business plan is to implement initiatives under the Alberta 2030: building skills for jobs strategy to transform the adult learning system and focus on providing high-quality education, skills, and training needed for Alberta's future. How does Budget 2023 align with the Alberta 2030 strategy?

Mr. Nicolaides: Yeah. Thank you. You know, as I mentioned in my opening remarks, one of the things that the MacKinnon panel noted, if I can remember their recommendation or their conclusions from their analysis – and I'm paraphrasing here – was that the postsecondary system appears to lack overall strategic direction and co-ordination. Again, I'm paraphrasing from that report from four years ago, but those were the broad strokes of their findings.

10:30

We took that to heart and we got to work and undertook a very extensive consultation effort. We had I think it was over 100 one-on-one interviews with individual stakeholders, be they postsecondary presidents, student leaders, or other groups. We had round-table discussions, we had public and open town halls where hundreds of individuals participated, and we had surveys. It was quite an extensive effort to get a sense of, you know, where we need to go with the Alberta postsecondary system, where the challenges are and what kind of solutions we can develop.

There were five key goals that were identified that we should focus on and that the Alberta postsecondary system should strive towards. I won't go through all of them. To your question of, "How does the budget align with that strategy?" well, one of the areas that the Alberta 2030 strategic plan talks about is the need to increase accessibility and affordability. That's actually the first pillar of the Alberta 2030 strategy. We've just talked at length about some of the affordability elements that we've introduced to help meet those objectives. In addition, from Budget '22 to the current budget we're increasing student grants by 15 per cent. That also directly

correlates to the Alberta 2030 strategy because it calls for the government to increase funding to nonrepayable student financial assistance, and we're doing that, a 15 per cent increase from the last budget. So we are doing that, and we are increasing nonrepayable student financial assistance.

Coming back to the point about accessibility and making sure that students have the options and the availability, we're investing, as I mentioned in the past, \$189 million over three years to create seats in those in-demand programs. Again, just for clarity, we're not picking these programs out of a hat. We're looking objectively. Where are the enrolment pressures? Where are we turning away qualified applicants? Furthermore, what does our labour market data tell us about areas where we are projected to have shortages? We're projected to have shortages in nursing, in construction, in engineering, in other areas. We're going to look at increasing spaces in those programs so that we don't have shortages in those areas.

That helps to address the priorities in Alberta 2030. Again, it talks about increasing accessibility, increasing affordability, and I think, you know, all those measures that I just mentioned help tick a lot of the boxes. When we developed the strategic plan, it was critically important that we didn't just develop this and kind of put it on a shelf somewhere and then forget about it but that we are constantly coming back to it, structuring our budget, structuring other operations in a way that helps ensure that we're moving the needle. We have moved the needle in a lot of areas as it relates to the Alberta 2030 plan, and this is an example of that.

Mr. Rowswell: It sounds like that's fairly dynamic with regard to what jobs might be required, so I'm just wondering how you measure – how are you measuring your success? You know, it might change as you go along.

Mr. Nicolaides: Yeah. One of the things, with respect to the success, that we're evaluating is what future forecasts look like. As an example, last year we were projecting to have significant shortages of health care aides by 2030. Now, as a direct result of the target enrolment expansion, we are no longer projected to have shortages of health care aides. We are evaluating our success by continuing to look at those labour market forecasts and determine success. We've also been able to slash the forecasted shortage of other areas by almost 50 per cent, whether that's in nursing and in nontrades, construction and engineering, or in other areas. Those are the benchmarks that we use as variables of success.

Mr. Rowswell: Thank you very much.

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

We will now take a five-minute break, and we will resume at approximately 10:41. Thank you.

[The committee adjourned from 10:35 a.m. to 10:40 a.m.]

The Chair: Okay. Thank you, committee. We return. I call the meeting back to order.

We now move to five minutes of questions from the Official Opposition, followed by five minutes of response from the minister. As mentioned, members are asked to advise the chair at the beginning of their rotation if they wish to combine their time with the minister's time. Please remember, members, that discussion should flow through the chair at all times regardless of whether or not speaking time is combined. Very simple: it's essentially third-person conversation.

With that, I will turn the floor over to MLA Eggen. Oh, sorry. That's right. I would ask Ms Goehring to introduce herself for the record.

Ms Goehring: Thanks, Mr. Chair. I am the deputy chair of this committee. My name is Nicole Goehring. I am the MLA for Edmonton-Castle Downs, and I'm very excited to be here today.

Thank you.

The Chair: Thank you.

With that, then, we move to five minutes of questions. MLA Eggen, would you like to combine time?

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

Mr. Nicolaides: Sure. Works for me.

The Chair: You may proceed.

Mr. Eggen: Okay. Thanks. I've heard significant concerns over the years in regard to performance-based funding. This UCP government had introduced this concept when they did form government and has made some moves in this direction. What I hear from institutions across the province – maybe they're more reticent to tell the minister to his face. But they certainly tell me that, you know, they find this to be a reductive way to build budgets and just another way to potentially make cuts to specific programs or faculties or departments.

You know, it's sort of like a self-fulfilling prophecy, Mr. Chair, where if you are evaluating a certain department and they don't meet the performance matrix that the provincial government set, then you cut their budget and tell them to make it up by next year, right? By that inherent cut, you are doubling down on the ability for that department or whatever it is to actually achieve that goal.

I always say – it's true that, you know, all institutions, each of the 26 universities, polytechnics, and colleges, in this province have performance metrics that they use to evaluate their performance. I'm just curious to know if the minister knows any university, college, or polytechnic that doesn't already measure performance indicators. Why do we have to impose these performance-based funding mechanisms on top, which, as I say, is just another excuse to make cuts?

Mr. Nicolaides: Well, it's not another excuse to impose reductions. You know, as I've mentioned in the past, performance-based funding is not intended to be a punitive mechanism or instrument. Again, we don't decide the targets out of thin air, and we don't impose them on the universities. We sit down and we have a conversation with each individual university and college about those metrics and targets and what they should be, and we come to an agreement. We have open conversations about what the metrics should be, and that's ongoing. They give feedback and we talk about certain metrics that we would like to include, and they provide their recommendations and sometimes tell us that, no, those ones won't work or that those metrics would be really problematic. We take their advice to heart, and we work on developing different metrics.

The real exercise here is that this is intended to be, you know, an instrument of accountability. Of course, the government provides \$1.9 billion in taxpayer funds to our 26 publicly funded postsecondary institutions, and through the investment management agreement the government is simply saying that in return for that investment, we're hoping to see the university or college achieve X, Y, and Z. There are tolerance bands established around the individual metrics. It's not an all or nothing, you know, that if you

don't hit your target, you lose hundreds of millions of dollars or tens of millions of dollars.

There are tolerance bands, so if you don't exactly hit the mark but you're pretty close, you know, that will be good enough. As well, if you're really far outside of your metric or your target, any proportion of funding that would be reduced is scalable to the proportion of achievement. It's not an all-or-nothing type of thing, again, just intended to be a mechanism to clearly have a conversation and communicate with institutions about what government is looking for the institutions to achieve in return for their funding.

Mr. Eggen: Thank you. Again, my question was whether the minister is aware of any college, university, or polytechnic that doesn't already have measurements for performance within their institution. I'm certainly not aware of any, and I've looked high and low.

Just looking at this as a reductive way to make cuts, he mentioned, Mr. Chair, that there are negotiations that go on with this. I would be curious to have tabled any performance-based measurements that the government wanted to impose that they rescinded based on negotiations with any given institution. I am not aware of that either.

Certainly, our New Democrat government would not impose this performance-based funding model. We would get rid of it. I've heard it's universally not accepted by colleges, universities, and polytechnics across this province. Really, I think it's a diversion from what we really need to do, which is to properly fund to repair the damage in the cuts over the last four years and build a university and polytechnic and college system that we can all be proud of and send our kids to.

Mr. Nicolaides: Well, I'm very proud of the system that we have. You know, as I mentioned earlier, our universities and colleges and polytechnics receive incredible global accolades and awards and are continuing to move up in the rankings year over year, so I'm incredibly proud of the postsecondary system that we have.

With respect to funding, you know, I think we had talked a little bit about that. Our institutions continue to receive funding levels that are quite comparable, and from the most recently available objective third-party data that we have, or the only source, actually – I think it's the only source where this information can be obtained – the average across the U15 in terms of provincial operating funding per FTE is \$10,265. The University of Alberta is at \$13,950, and the University of Calgary is at \$13,438, still well above the average across the U15.

To your question about, "Am I aware of any institution that does not have performance metrics?" no; I think all of them do. All of them evaluate their operations against some of those, some of their own internal metrics, which is why the performance-based funding model investment management agreements make sense, because they already have metrics. They already have targets, they already work towards achieving those, they already collect the data, they already report on those, so it can be a more straightforward process. The IMAs are public documents. They're signed and ratified by the board of governors, posted publicly for Albertans to see how individual institutions are succeeding in their individual and specific goals.

Mr. Eggen: Thank you. Certainly, I would like to move on to the next topic, but just a final comment around that. I mean, you can govern and assist the growth of our postsecondary systems based on an environment of trust, right? While we can see individual institutions with their performance-based measurements and their

achievements as described by the minister in regard to our rankings and international circumstances and reputation and so forth, part of the maintenance of that excellence has to be an element of trust between the provincial government and individual institutions. When you breach that by somehow suggesting that you need performance-based measurements from Edmonton to dictate to all of our schools across the province, then, I mean, that starts to erode or compromise that sense of trust. We've seen other ways, Mr. Chair, by which we've seen that compromised with, you know, heavy-handedness around the governance of certain colleges and universities in this province. Again, my humble advice is to always govern based on mutual respect and trust and not division, as we've seen with this performance-based funding scheme.

10:50

My next question is around the capital plans. I know you have some really good announcements – right? – with Grant MacEwan and so forth, but I just wanted to dive in here. Perhaps, you know, you can provide clarification from my analysis, but starting on a baseline of 2018-19 to 2023-24, the capital budget for Advanced Education has been reduced by \$420 million, adjusting for population and inflation. While the minister made some announcements, as I say, which are great, the capital expenditure has left Alberta's colleges, universities, and polytechnics with a large inventory of buildings, for example, that require maintenance and renovation and, of course, building new spaces to educate the thousands of young people that are in grade school right now. Increasing enrolment is vital to ensure opportunities for the future, for our economic future and opportunities for young people, but do we have the capacity to expand with \$420 million . . .

The Chair: I hesitate to interrupt, but that concludes the 10-minute time allotted.

We now move to government caucus members for 10 minutes. MLA Allard, I believe.

Mrs. Allard: Thank you, Mr. Chair, and through you to the minister, thank you for being here. Thank you to your staff as well. I wanted to draw your attention to page 8 of the fiscal plan and talk a little bit about health care and our goals in health care and advanced education and how you are working collaboratively together. On page 8 it says:

Alberta's government is building a stronger health-care system that has the right supports in place for Albertans to get the care they need, when and where they need it.

Being the MLA for Grande Prairie, the "where they need it" is particularly of interest to me given that we know we have challenges attracting and retaining physicians in rural Alberta and certainly in my constituency of Grande Prairie.

On page 89 of the fiscal plan it talks about:

Targeted enrolment for health care expansion continues with government's commitment to address critical shortages for physicians and nurses and will increase the number of seats available for medical degrees at the University of Alberta and University of Calgary.

I have a couple of questions around this. First of all, I guess I just wanted to ask, through the chair, if the minister can give the committee some details on what exactly, maybe by institution and possibly by year if you can, this expansion of doctor training will look like at Alberta's two medical schools and what's the total impact you're looking to see, I guess, over the next five years, if you can.

Mr. Nicolaides: Yeah. Sure. With respect to physician training at our two medical schools the University of Alberta has 162 intake

spaces available for first-year medical students; 60 new seats will be added over three years, resulting in a seat increase of about 37 per cent. That's specifically at the U of A. Forecasting out, by 2028-29 we will have spaces for 120 new first-year medical students at the University of Alberta, so the long-range forecast is that we'll be able to add 120 additional spaces just at the U of A.

With respect to the University of Calgary, again, by '27-28 – well, just to give you a little bit of background, there are approximately 144 intake spaces there, and we're looking to increase that by 90 spaces by '28-29.

These will be significant increases at both of our medical schools in the number of physician spaces that they have available.

Mrs. Allard: Excellent. Thank you to the minister, through the chair. To follow up on those questions, again, being from Grande Prairie, my concern is that when our students from the rural areas go to the two metros and train, they often find their spouse there or some other interest, and they don't come home again to work as physicians in the rural areas. I'm just wondering if there's been some thought put into how adding these seats at the two schools in the metros will improve physician attraction and retention in rural. I realize this is more a Health question than an Advanced Education question, but I think they go hand in glove in terms of what the impact will be. I know there've been some initiatives in Grande Prairie in particular to look at collaborative training approaches. We're bringing a health home clinic into the community in the next couple of months that's going to work collaboratively with the University of Alberta.

I'm just wondering if the minister can comment on what the long-term goal is. At one point I know there was discussion about having some seats in the physician training in particular that were allocated to rural students. I just would like to hear your comments on that as well.

Mr. Nicolaides: Yeah. There are currently and will continue to be spaces at those medical schools set aside for rural applicants, but I think the real heart of it is what you articulated. For me, I am a firm believer that the key to success when it comes to a local workforce and health care workforce or other workforces is fundamentally about creating those training opportunities in those individual communities.

As you said, you know, you come to Calgary, Edmonton, you go to a different city, you move somewhere – yeah – you meet someone, something else happens, and you end up staying there, and then circumstances might change sometimes. I am a firm believer in working to get those educational, training opportunities into specific communities. We've been talking extensively with the University of Calgary and the University of Alberta. Again, I think it's best to let experts in that space help to drive and dictate policy. They are experts in medical training, and they are the homes of our two medical schools, so I defer quite a bit to their expertise and judgment.

One of the things that they have brought forward to us is the idea of developing regional health training centres, which I think is really exciting. We are funding the initial research to that. I had recently announced that we, Advanced Education, would be providing a million dollars to explore this concept in greater detail. It's still at a very, very early level, so we need to do some additional investigation, homework, and analysis. What they're broadly thinking of is a regional health training centre in Lethbridge and in Grande Prairie in particular, given, of course, strong postsecondary institutions in those communities, hospitals, and other facilities, to look at integrating all of that under the banner of a regional health training centre.

I'm very excited by the idea. When they asked for some dollars to do some of the initial homework in this space, I was very happy to provide that because I do believe strongly in creating educational opportunities in our communities. I'm hopeful that this exploration goes well and that we can have a more robust proposal in the future to really build out this model. Hopefully, if it works in Grande Prairie and Lethbridge, we can roll it out to even more municipalities in the future.

Mrs. Allard: Thank you to the minister, through the chair. I really appreciate the thought leadership. I just wanted to give a shout-out to Dr. Kunimoto from the University of Alberta for his work in helping to lead collaborative efforts right across the province. I think it's going to change the face of health care in Alberta, and I think it's very exciting for all Albertans.

That said, I want to draw your attention again to page 89 on the fiscal plan. I know we're running out of time; I'll be quick. It talks about:

Recruitment of internationally educated nurses is an important part of the targeted enrolment health care expansion strategy. To support this, Advanced Education has committed to adding 1,500 seats in bridging programs.

I think this is really important because we know that we can't have an imbalance. If we have lots of doctors but we have no nurses, we're still in trouble. I really appreciate, again, the thought and the collective approach to this. Minister, if you could provide some breakdown on what these seats will cost and how and where they will be delivered, that would be very helpful.

Mr. Nicolaides: Yeah. Sure. We're agreed. This is an area where I think it's challenging because I think it's really concerning if we have internationally educated nurses here in our province who are trained as nurses but they cannot operate at their full skill level because of delays in accreditation or even ability to get into some into bridging programs.

Recently at Mount Royal, you know, I spoke with a student. Her name was Hanna, from Lebanon, and she had waited I think it was about five years to be able to get into Mount Royal University's bridging program so that her credentials can match the Canadian equivalency and standards. That's a problem that we shouldn't have, and that's specifically why we have invested \$22 million over three years to expand bridging programs at our colleges, because an internationally educated nurse should not have to wait five years before they can get into a program.

11:00

In addition to that, we've also announced the creation of a new bursary specifically for internationally educated nurses to help them cover some of the costs associated with fees, licensing, and cost of living. More specifically, 600 new seats in bridging programs will be created: 256 new seats for the registered nurse bridging program will be added at Mount Royal University, 120 new seats will be added at Bow Valley College for the licensed practical nurse bridging program, and, similarly, 250 new seats will be created at NorQuest College, also for their licensed practical nurse bridging program.

Mrs. Allard: That's very helpful.

We have very little time left. I guess I just wanted to touch a little bit on the memorandum of understanding announced last October with the government of the Philippines. I'm just looking to know: what other initiatives is the government undertaking to attract internationally educated nurses, and for those that are already here, how do we get them into those bridging programs?

Mr. Nicolaides: Yeah. One of the other pieces that we're contributing within the context of that MOU is the bursary and other pieces, which maybe I can get into later.

The Chair: Okay. Thank you.

We now move to Official Opposition questions, and we will continue with combined time through the duration of the meeting as long as that's acceptable to each participant, but participants will have no longer than five minutes to speak at any given time. With that, MLA Eggen, you can continue.

Mr. Eggen: Well, thank you, Mr. Chair, and thank you, Minister. I'll get back to the last question, just briefly, in regard to capital funding. You know, our calculation, based on population increase and inflation, would suggest that we have a \$420 million shortfall for capital building at a time when we really need it the most, describing these very ambitious plans that the minister has in regard to building spaces, for example, in NorQuest for LPN bridging programs and so forth, right? A place like that has no more space now, and we need to make sure that we're not just announcing things without the infrastructure that can be available and the staffing that is required as well.

I mean, all of these things cost money. As I say, our Alberta New Democrat government would ensure that we're providing the spaces that we need for our growing enrolment population, and we would ensure that it is affordable for students regardless of where they live in the province. The \$420 million shortfall really kind of undermines the ambitious announcements that you've made to increase programming. I'm hoping that the minister can provide some illumination in regard to that, and if you have to look a little bit, that's fine. We can defer that question.

Mr. Nicolaides: Yeah. I was just wondering if you might be able to provide a little bit more clarity around – you mentioned a \$400 million shortfall – how you came up with that.

Mr. Eggen: Yeah. So \$420 million based on the baseline for the term of your government and calculating the population increase and inflation. I mean, the inflation number: we all hope it goes down, but it hasn't been going down, you know, and all of the ministry's budget estimates are predicated on the extraordinary inflation that we see, that everyone has to deal with, including universities, polytechnics, and colleges. Even if you have a flat number, you're basing this budget on – perhaps you can help me with that. What inflationary CPI number are you using to kind of backstop your budget?

Mr. Nicolaides: Yeah. Well, there are a couple of pieces to that. Number one, we've had some large capital projects that have been now fully funded and completed that have come off, but we are continuing to invest in infrastructure. Of course, it's always a balance. We have a lot of infrastructure in the postsecondary system, and we have a lot of deferred maintenance, so we need to make sure that we are managing that deferred maintenance, that we are investing at our institutions to be able to upgrade, maintain the current infrastructure that they have. To that effect, we've increased funding to capital maintenance and renewal because we want to extend the life of the existing assets and infrastructure that we have as much as possible.

In addition, adding additional infrastructure space where necessary. We talked about the University of Calgary school of veterinary medicine. We need more vets, and they are turning away qualified applicants. So we have provided I think it was just under \$60 million, which will effectively help double the number of vet grads at the school. Also, we mentioned the MacEwan University

School of Business – that allowed spaces for 7,500 students – and other projects I mentioned at Mount Royal University that are going to add space for approximately a thousand students once they're finished repurposing unused space. So we are indeed taking steps to make sure that we have adequate infrastructure to accommodate future growth and, as well, adequate funds to provide maintenance and renewal funding to upkeep those existing assets.

Mr. Eggen: Thank you. I appreciate that.

I mean, I guess the main issue that I'm just bringing up is that with a lack of funds, you know, it sort of undermines any grants, plans, and ambitions of announcements, right? We need the spaces, we need the maintenance, and we need to build capacity. Certainly, we would do so as government, and I think there's a high expectation for that amongst our young population.

I want to move to tuition, and this is another question that I got from the University of Calgary. While tuition is capped at 2 per cent from 2024 onwards, students pay tuition by another name, through mandatory noninstructional fees. These fees can be increased to cost recovery, and there are very few limitations on how these dollars might be used. Universities will likely increase fees at a greater rate to compensate for any losses due to a tuition cap unless a government backstops the difference. If fees are not included, the tuition cap is meaningless. Will the minister commit to including mandatory fees in the 2 per cent cap, and if not, why not?

Mr. Nicolaides: Well, they are legislated and regulated separately. The 2 per cent cap and the legislation that exists are only around domestic tuition. There are additional regulations that – let me step back. There's no legislation currently that dictates or provides parameters around noninstructional fees. There are regulations that do provide details about noninstructional fees and how those exist. There are some tight rules in the regulations about a university's ability to be able to introduce new mandatory noninstructional fees and/or increase them.

But I have heard – and I appreciate the student raising that – concerns from student leaders and other student groups about how those mandatory noninstructional fees are used and how they're created and what's charged. I'm very open to sitting down with our student leaders and others to maybe take an objective look at those regulations in the future to see if there are any gaps, if there are any holes, and to potentially look at, you know, providing some clarifying language or additional goalposts around the mandatory noninstructional fees if necessary. Yeah, I'm very open and committed to taking a close look at that regulation, to have a look at the language and go from there and see if anything can be done.

11:10

Mr. Eggen: Thank you.

Mr. Chair, the minister has said quite often that finances shouldn't be a barrier to postsecondary education, but he's responsible for tuition increases that we've seen since 2019. In addition, the financial aid announced by the minister, like the new beginnings bursary, targets certain academic fields while ignoring others. How can the minister claim that finances should not be a barrier while he's still picking winners and losers to receive financial support?

This individual goes on to say that the ministry's business plan clearly states that the Ministry of Advanced Education "is responsible for an adult learning system that provides accessible, affordable and high quality education." This is the first sentence of the plan; it's like a mission statement: accessible and affordable. Why is it that students face such immense financial barriers right now? The financial worries of students, in large part, are the result

of the government's actions on tuition, increasing other fees, and so forth. How does that fit into providing an affordable education and accessibility for all students who want to go to school? Certainly, as I've said a few times here this morning, our government would ensure that all Albertans can have access to affordable education and tuition here in the province.

Mr. Nicolaides: Yeah. The government is committed to making sure that postsecondary education is affordable and accessible, and I think we've demonstrated that. As I mentioned, we are introducing the most conservative cap on tuition rates that has ever existed in the province. Our tuition rates currently are quite on par with other comparators. The national average for undergraduate tuition rates currently in Canada is \$6,834. In Alberta it's \$7,221. That's below Ontario, below New Brunswick, below Saskatchewan, below Nova Scotia.

The Chair: Thank you, Minister.

We now move to questions from the government caucus. MLA Allard, you may proceed.

Mrs. Allard: Thank you, Mr. Chair. I just have one more question, and it pertains to Grande Prairie. Big surprise. I note that Alberta's capital plan is investing huge, \$491 million, in investments aimed at improving the future of Alberta. I commend the minister, through the chair, on that. Many of my constituents are concerned about employment in northern Alberta, particularly in skilled trades like power engineering or in emerging technologies with respect to the energy sector. I do note that the polytechnic is really a great balance, I think, in our community for the nimbleness to provide the training as technologies emerge and as those demands arise, and I love the collaboration, again, between the educational institution and the chamber of commerce and the large employers in the area.

I'm going to give you I think three questions because I'm going to try not to hog all the time. I wanted to ask, through the chair: Minister, what investments are being made for Grande Prairie to benefit our economy and get our students the high-paying jobs they're asking for? That's my first question.

I believe the investment is a two-year investment once you outline it. Will this lab be fully functional and benefiting the students and economy of Grande Prairie by year 3?

My final question is: would you say that this investment in Grande Prairie is indicative of the government's commitment to northern Alberta as a whole, and is there anything else the government is doing for northern Alberta given that northeast and northwest are very different?

Those are my questions.

Mr. Nicolaides: Yeah. Absolutely. In the capital budget I believe it's \$11 million, if memory serves me correctly, that we have allocated to power engineering and instrumentation, the development of a new power instrumentation lab – I was going to say at Grande Prairie college – at Northwestern Polytechnic. I think that the institution's top capital ask was to allocate that space and to develop that new power instrumentation lab, so we are funding that, and we are committed to that. As I mentioned before, I think it's critically important that we are investing, both from a program basis and from an infrastructure basis, in all of our communities. There's no significant benefit to just having all of this delivered in Calgary or Edmonton. We need to make sure that local programming, high-quality programming, is available in our individual communities.

In addition, which I think was the first part of your question, we are also investing to expand spaces at, you know, all of our universities and colleges. I think I have the numbers for Grande Prairie. But, yeah, in Budget 2022, of course, we provided last year

that \$171 million investment to create 10,000 additional spaces. Northwestern Polytechnic did benefit from that. I think you're asking for the details. More specifically, they received 95 new spaces in the collaborative bachelor of science in nursing – so we'll be able to train more nurses right there in Grande Prairie – and, in addition, 48 additional spaces for their practical nurse program and 48 spaces in their health care aide. So Northwestern Polytechnic is going to be able to graduate a significant number of additional health care professionals, from RNs to LPNs to health care aides, that will benefit the community directly.

Mrs. Allard: Thank you, Minister. We really appreciate that, through the chair, with respect to the new hospital we have. It's imperative that we have training in the area, so thank you.

With that, Mr. Chair, I'll cede my time to MLA McIver.

The Chair: MLA McIver, you may proceed.

Mr. McIver: Thanks, Chair. Thanks, Minister, for being here. I appreciate your informative remarks this morning. Now, Minister, in September, through the chair, our government signed an MOU with WestJet to ensure they could come to Alberta and create more jobs, which is, obviously, a good thing. On page 8 of the fiscal plan I see that as part of boosting Alberta's advantage, there'll be targeted investments to address critical shortages in the aviation sector. I see there's another \$2.1 million budgeted in the consolidated capital plan for the Mount Royal aviation diploma program expansion. Minister, beyond targeted enrolment can you describe what capital investments the government is making to ensure a strong aviation sector in Alberta? I guess with the other big production plant coming in Wheatland county, this is all going to matter.

Mr. Nicolaides: Yeah. Absolutely. I'm really excited because I firmly believe that Alberta is well positioned to become Canada's next aviation hub with the De Havilland announcement, that you mentioned, in Wheatland county. It's going to be an incredible state-of-the-art facility with respect to aircraft. Manufacturing is quite a significant investment.

In addition, the MOU that we signed with WestJet is game changing. As part of that MOU, their entire fleet of 787 Dreamliners will be based in Calgary. Calgary will become WestJet's transit hub, so if you are connecting on WestJet's network, you will be coming through Calgary, which I think is a significant vote of confidence in the province and the direction that we've taken.

To specifically answer your question, I think you asked about infrastructure. We are providing – there's about I think it was collectively \$7 million in capital. Sorry; \$5 million, in particular, for Mount Royal University to construct a new hangar. That new hangar, I believe, will be located on their Springbank campus, which will be necessary to help them expand operations. Last year's budget included, as well, \$2 million to assist in the purchase of new and additional aircraft. Those are the specific capital projects.

Yesterday I was at Mount Royal's Springbank campus to announce the government's plans to invest \$11 million over three years to develop a centre of aviation excellence at Mount Royal University, develop a new bachelor's in aviation, and to create a new bursary to help and encourage students to pursue careers in aviation. So it's an exciting time. I think this is just first steps. I'm excited to be able to move the needle further.

In the MOU we have also, just on the capital side, talked about a 787 simulator, which we are looking at, and we are talking with WestJet to get some more clarity over, you know, what that looks like. That may be something that we can move forward on in the future.

Mr. McIver: Okay. I think they should get another one for the pubs, because it's a lot – I was able to sit in one of those. It's a lot of fun trying to learn how to fly a big plane in a simulator.

Now, you did talk about new credentials for aviation. Do you think we have it covered, or is there more work we need to do to have more educational specific opportunities for people in Alberta to take advantage of what I hope will be a burgeoning airline industry?

11:20

Mr. Nicolaides: Yeah. Well, we have a variety of programs, you know, both public and private. A shout-out to – I don't have the exact number, but there are a significant number of private career colleges that operate in this space that operate to help provide individuals with pilot licences. So both sides of the equation, both the public system and the private, have an incredible amount of opportunities.

Is there more that we can do? Yeah, I think so. You know, the bachelor's program in aviation that I mentioned will really put Alberta on the map. There's only a small handful of institutions in all of Canada that offer a bachelor of aviation, so I think that this will help move the needle, but I do believe that we can look at offering even more programming in the aviation space. That's part of the reason why we've provided that funding to that centre of excellence concept, to be able to explore if there's more that we can do. I really want to see Alberta become the educational destination and centre for aviation in Canada, so I would imagine that that may include additional programs in the future. We're happy to explore that and look at that in more detail.

Mr. McIver: Thanks, Minister.

Moving on, on page 23 of the government's estimates Advanced Education will be spending about \$6.64 million specifically on Indigenous education. Truth and reconciliation is important. Our government has certainly shown a strong commitment to Indigenous people, but what specific actions is the government doing to help Indigenous students access postsecondary education? We want Indigenous people to be the leaders of tomorrow, which means we need to educate them today, I think.

Mr. Nicolaides: Yeah. Absolutely. In Budget 2022 we had received funding over a number of years, which continues, of course, into this budget and future years, to support Indigenous learners. We're taking guidance, of course, from Indigenous leaders and others about the best approach. We are providing some funding to a really incredible organization, Trade Winds to Success, that helps to encourage . . .

The Chair: Good. Thank you, Minister.

We now move to questions from the Official Opposition. MLA Eggen, you may proceed.

Mr. Eggen: Well, thank you, Mr. Chair. Just further to my question about, "How is this budget constructed to account for inflation and population growth and so forth and CPI?" I mean, our numbers that I'm using, which I think are entirely accurate, are that last year inflation was pegged at 6.4 per cent, population at 2.2 per cent. This comes together to an 8.6 number, that I think we need to apply to many parts of not just this budget but this whole UCP budget for 2023.

If you have, for example, a flat line in a budget line – right? – then you have, really, an 8.6 per cent reduction to that same line item. For example, the budget that was just put out here in terms of the global spending for postsecondary education: if you apply those numbers to the budget, based on page 89 of the fiscal plan, you end

up only spending .6 per cent more in this budget on Advanced Education. I mean, the rhetoric that we're getting, the message that I'm getting from the ministry, is that this is a time to reinvest in Advanced Education, but the numbers don't add up in that regard. In fact, just having a .6 per cent increase to spending in the budget for Advanced Education really makes a lot of these initiatives seem hard to achieve.

I'm just curious to know if the minister understands what I'm saying.

Mr. Nicolaides: Yeah. Sure. I think I do. But, you know, as we mentioned, there's opportunity, which we are doing, to make targeted investments in areas that are particularly important and to create tens of thousands of new seats in the most in-demand programs to help ensure that Albertans, our young Albertans, have access to the programs that they need right in their own communities, right here at home, and are able to access those high-quality programs right here in our incredible province. We're being very strategic, of course. We're being very strategic and very deliberate.

It's part of the reason why we're able to deliver the second balanced budget to Albertans. After several years of quite reckless spending we've been able to bring that under control and continue to make very strategic investments in areas that are going to strengthen Alberta's economic competitiveness, ensure that we're able to train individuals in our local communities, and give young Albertans the educational opportunities they need at home and all of that at the same time that we're able to put money back into the Alberta heritage savings trust, we're able to pay down the debt, and we're able to keep our province in a very strong financial and fiscal position.

Mr. Eggen: Thank you for that, but I don't think we could find anyone that would suggest that making an investment in advanced education for young people to receive the training that they need to help grow our economy and to build our population and the quality of life would be considered to be a reckless expenditure. After four years of quite significant cuts the perception that the UCP is trying to project to Albertans is that, you know, this is a time to spend and to make reinvestment, but here's poor old Advanced Education still as an outlier in that equation with, as I say, adjusting for population and inflation, only receiving a .6 per cent increase from the previous year.

As I said before, you know, we're relying on advanced education – schools and students and teachers and administrators, support staff – to shoulder this burden, and the result, of course, is that they can't keep doing that forever, right? We'll end up with certain breaking points. As I say, you are living on borrowed time by not funding advanced education properly. An example of that, I would suggest, is the faculty and support staff losses in our schools over these last few years. I have 1,185 positions lost. Ironically, we still see increases to senior management positions, so this really bothers a lot of the people that have shouldered the burden of all these cuts for so many years; 1,185 positions lost – right? – which is significant, but then there still doesn't seem to be any curb on senior management positions being increased.

I'm just curious to ask the minister if he's aware of this phenomenon and if he would plan to do anything about it.

Mr. Nicolaides: Sure. Well, I leave it up to the individual universities and colleges to manage their operations and to determine the administrative structure that works for them and the amount of senior executives that they need. I think it's important that there is a degree of, of course, transparency and accountability,

and this is where the strengths of a performance-based funding model and the investment management agreements can come into place.

We are talking right now with all of our universities and colleges about the introduction of an administrative expense ratio in those investment management agreements and performance-based funding models so that we can be sure that dollars are going to where they need to go and that government is not funding our universities and colleges and that that is subsequently going to a greater bloated bureaucracy or administration. I know you don't agree with the model, the performance-based funding model, but this is an area where it really demonstrates how it can be incredibly effective at providing the right parameters to our institutions and the right benchmarks for them to kind of operate within.

You know, with respect to your comments about investing in postsecondary education and the future, Advanced Education is able to generate some incredible results. We have had some challenges in funding over the last few years, but even with that we're able to invest in new facilities such as the MacEwan School of Business, that's going to add 7,500 new spaces. We're able to increase funding to the University of Calgary's vet med school to double the number of vet grads. We're able to dramatically increase the number of doctors that we're training, increase the number of nurses that we're training, increase the number of health care aides that we're training.

11:30

I'll just give you a high-level overview. At Lakeland College they received funding for 111 additional spaces in their health care aide program; Lethbridge College received 19 spaces for their bachelor of nursing program; MacEwan University received 120 new spaces for their bachelor of science in nursing; Medicine Hat College received 30 spaces for their health care aide program; and the list goes on and on. So we have been able to be very targeted, very deliberate, very strategic to increase capacity in the spaces that are in the greatest demand, where we need to graduate more individuals, and do that in a very efficient way for taxpayers.

Mr. Eggen: Yes. Thank you for that. And each of those ambitions must be underlined and backed up with money. You know, I'm just concerned that while the UCP is putting in the front window this idea that they're reinvesting in advanced education, the numbers just simply don't bear that out.

I have a question here from – time's a little bit tight for it. Well, I'll make it a short version of it. What steps will the government take to ensure quality of education, research, and teaching in postsecondary institutions in the province to deal with the challenges of inflation, enrolment growth in the aftermath of previous cuts? I mean, I think this individual has sort of captured in a nutshell the numbers that I have put forward, which is, in fact, that this is being touted as a growth budget for Advanced Education, but in reality it's just quite static.

Mr. Nicolaidis: Sorry. I was just looking behind you to see how much time I have left.

Mr. Eggen: It's right here.

Mr. Nicolaidis: Yeah. I don't know how it's a static budget when we're adding thousands of new spaces to in-demand programs, increasing student aid grants by 15 per cent, and supporting key industries of our economy.

The Chair: Good. Thank you.

We now move to government caucus. MLA McIver, you may proceed.

Mr. McIver: Yeah. Well, thank you, and I'll continue on here. We were talking about support for Indigenous people in postsecondary, Minister, and we certainly understand that the budget is not static but growing, and we appreciate the support on that. How do the changes, the extra \$6.64 million for Indigenous education, align with the Truth and Reconciliation Commission and Canada's calls for action?

Mr. Nicolaidis: Yeah. Sure. Thank you. You know, as you mentioned, we had carved out dollars to support Indigenous training opportunities and the greater inclusion of Indigenous learners in our postsecondary system. Empowering Indigenous learners to reach their education and career goals is particularly important, in line with the cause of the Truth and Reconciliation Commission. We're working to break down barriers in postsecondary education and creating additional pathways. In particular, I think it's call to action 63 of the Truth and Reconciliation Commission that talks about the empowerment and training of Indigenous adult learners.

So we are taking steps as it relates to addressing that very particular call to action, and I think that we're doing that in innovative ways. As I mentioned, we're providing funding to Trade Winds to Success. It's an Indigenous-led and -run organization that works to bring Indigenous youth into trade opportunities and pathways. We're also working with the five First Nations colleges to support their efforts, because, again, I think they know best about how greater to reach out into their communities and what educational programs are needed, and also providing some funding to our public universities and colleges to support their efforts.

Mr. McIver: Okay. Also, First Nations colleges: if you could briefly expand on Advanced Education's work on that portion of your file and how it's going to improve the lives of Indigenous people on- and off-reserve, please.

Mr. Nicolaidis: Yeah. The five First Nations colleges receive an annual grant of \$640,000 from Advanced Education, and this goes to those institutions, at their discretion, to be able to offer programming that is required and necessary in their community. We are talking with them about investing, through the Alberta Works initiative, an additional \$2 million over four years to expand some of those spaces at those First Nations colleges and also speaking with them about any other ways that the government of Alberta can be of assistance.

Mr. McIver: Thank you, Minister. I tried to go fast because time is short.

I'm going to pass the puck over to MLA Stephan now if that's okay.

Mr. Stephan: Sure. Thank you very much. It's great to be talking to you about Advanced Education, Minister. This is a great ministry and a great area with our young and growing population. Central Alberta, as you know, Minister, is a very fast-growing region. We're having individuals come to central Alberta, well, to Alberta as a whole, from all over the country and throughout all the world. Much of the credit for this, the attraction to Alberta, not only goes to entrepreneurs and businesses but, in central Alberta, Red Deer Polytechnic. As one of Alberta's newest polytechnics, as you know, Minister, RDP plays a key role in attracting and retaining young people and generating research in central Alberta that supports our industries.

The 2023-26 fiscal plan outlines an expansion in targeted enrolment in high-demand economic and health care fields, which you've alluded to, Minister. How much of this funding will go towards RDP specifically, and how many seats will that add?

Mr. Nicolaides: Sure. And a quick shout-out to President Cullum and the entire team there at Red Deer Polytechnic for the incredible work that they do. Indeed, Red Deer Polytechnic received just under \$4 million as part of that targeted enrolment expansion initiative to add 711 seats at the institution: 40 seats are going to the computer programming diploma program; 150 seats in the health care aide certificate program; 168 seats in the bachelor of science in nursing program; 64 seats in the medical laboratory assistant certificate program; 144 seats in the practical nurse diploma program; 22 seats in the bachelor of applied arts and animation; 75 seats in machine learning analyst diploma program; and 48 seats in the licensed practical nurse to bachelor of science nursing certificate program.

Mr. Stephan: That is really great news. I know a lot of young adults. With, again, central Alberta growing so much, the best thing that we can do for them as a government is provide them with skills and knowledge that align with market demand so that they're able to apply those skills and knowledge in areas where there is great need. So thank you for that, Minister, and thank you for your support of Red Deer Polytechnic and this government's support for that and for the intentional way in which we are serving our young adults.

I'll turn my time over to MLA Walker.

Mr. Walker: Well, thank you so much, MLA Stephan and Minister for being here. This has been a wonderful, really productive, and informative discussion, I would say, through the chair. We've had a lot of great focus on all the wonderful regions of Alberta as it pertains to postsecondary education. Grande Prairie, Red Deer, well, heck, let's talk capital region, right? Why not? We're in the city of Edmonton.

Well, I would begin by saying that, as you know, I have a vision, but I've just never been able to really get around to it, and it's sort of been an idea that's bubbled around the surface for a long time, and that is to have an industry-centred and -supported vocational training institute probably somewhere in Strathcona county. We are a big municipality, heavy in industry, but we don't have a postsecondary institution. Now, it could be something done through NAIT or whatever. Like, I know they do a great job, Minister, with the crane satellite campus they have in Spruce Grove. I went out there, and that worked well. It could be something like that, or it could be something totally different to support the Industrial Heartland and the three refineries we have in Strathcona county.

But, anyway, that's an aside. I want to really again focus on the capital region here and northern Alberta in general being a key economic hub and driver. I'm sure you understand how important it is to invest in our region. In addition, Edmonton and area is expected to grow significantly over the next 10 years and require thousands of new postsecondary seats for students.

11:40

Just this month, and as detailed in your capital plan, you announced \$125 million for MacEwan University's new School of Business. I'm so excited for this. I met with the great government relations people from MacEwan. It's really attractive. I can't wait to hear more from you on this. I think it'll be great for the capital region and Alberta in general, this additional capacity through a new school of business, which they sorely need.

Minister, my first question: could you please detail how many students this will support and the overall economic impact of a project so large right here in the centre of our capital city?

Mr. Nicolaides: Yeah. Thank you. Yeah, I was incredibly excited as, I think, was the entire MacEwan community. When we made the announcement, folks from MacEwan University were just

thrilled I think is perhaps understating the level of excitement and anticipation. It's quite a significant investment, and we do have more students projected. So we need to be proactive; we need to take steps now to make sure that we have both the physical space and the enrolment space to be able to accommodate those students. That's precisely what we're doing. We're trying our very best to be as proactive as we can.

In particular, we'll be adding approximately 7,500 full-load equivalents with the new school of business. Just to put that into context, the Edmonton region is projected to see an enrolment increase of approximately 23 per cent between 2019 and 2028. Again, the forecasts show that there are going to be some significant increases, so let's take the steps now. Let's build those additional spaces. Let's provide the additional funding to create more seats to be ready for those students.

Mr. Walker: Amazing. Well, really excited. When is it set to be built? Is it within the next three years? I guess it's part of the capital plan, Minister. Shovels will hit the ground.

Mr. Nicolaides: Yeah. The date is escaping me, but I think they said that they'll be ready to accept students in I want to say '27.

Mr. Walker: Okay. I'll quote you, because I know you're never wrong, right?

Mr. Nicolaides: Yeah. I've been proven to be wrong.

Mr. Walker: Thanks so much.

The Chair: Thank you.

We now move to the Official Opposition for another 10-minute block of combined time.

Mr. Eggen: Thank you, Mr. Chair. My calculations, which are sometimes wrong, would suggest that this is my last round, so I'll try to squeeze in some questions. You don't have to answer them; you can always provide me with the data if you want to. You should. I think you have to.

Every year I've been asking. For the first year we did receive the Campus Alberta grants broken out to each school, and in each of the subsequent budgets that information has not been provided. I mean, I've always managed to find it, but I think the public deserves to have that released as part of the budget, as it always had been in the past. I would ask, please, if you can provide the Campus Alberta grants as they are broken out to each school. I know some of the other MLAs were asking about: how much does Lakeland get; how much do schools in their area get? I think everybody deserves to see where the money is going, to each school, every year. We'll get it sooner or later; it would be sooner if you could provide it for me, please.

In regard to – I have a question from the students in Calgary. They were curious to know: who did you consult with to build this budget in regard to students? How did that consultation process go? Who did you invite? They feel like they weren't – I think this was the GSA in Calgary, Graduate Students' Association. They didn't feel as though they were included as part of the budget consultation process. You know, we just would like to know who and what and when and why and where did you do all of those things. That would be very helpful, I think, for clarity because, after all, it's an awful lot to do with the students, this whole advanced education business, right?

Then a couple of questions that perhaps we can have an interaction on now. I note that the province did announce an increase to the Alberta student grant to help with inflation and added expenses;

however, it's unclear how many students will qualify. This person is asking: how many students will qualify? Have you made that calculation for additional ASG money? And then it seems like the ASG support is phased out once a family income hits \$66,000 for a family of four. Why is the government basing student supports on family income regardless of whether students actually receive family support for their education? The general Alberta inflation supports go to people with \$180,000 of income and then downward, so there seems to be quite a significant discrepancy there. A lot of students are feeling as though they've been left out as a result.

Another question I want to kind of get in there before the bell. You know, of course, public institutions have been hit hard by funding cuts, stagnating operating expenditures, and inflation. As a result, costs often get passed down to students. While there are no cuts to operating funding – while it's a very modest increase, it's basically flat for operating expenses this year – the government has allocated \$24 million to the University of Alberta and \$20 million to the University of Calgary over three years to meet targeted enrolment growth set by the province. This individual is asking: is this adequate to meet the needs of these institutions to grow their enrolment as they should? Of course, I would suggest that it's not, in fact.

The last question. I might as well do that since I'm here doing this. The fiscal plan notes on page 94 that Budget 2023 adds \$111 million over three years for targeted enrolment expansion, adding seats in areas with the highest student demand, including nontrade construction, energy, technology, and business. Can the ministry provide clarity as to what nontrade construction is specifically, and how would these seats fit in with construction but not within trades? How many seats will be allocated for nontrade instruction? Where will this funding go in the province – like, to what schools? – and how is the need being identified as well?

I mean, those are some questions that I had for cleanup, and I'll be happy if you want to get started on those. I just want to say that this has been a constructive engagement . . .

The Chair: Excuse me; I have to interject that the five minutes are up.

Minister, you may respond.

Mr. Nicolaides: Sure. Maybe I'll start with the with the last piece there. On the nontrades I think the question is: what is nontrades construction? There are management-related programs that touch on the construction space but are not trades related and some other engineering-related programs as well. That's what touches that parameter. Of course, the trades component is directed through the Ministry of Skilled Trades and Professions, that works to provide that.

I think the other question was specifically around the number, if I remember correctly, of spaces at the U of A and the U of C in particular.

Mr. Eggen: Yeah. You know, the three-year rolling allocation from the government is for, I think, \$20 million for the University of Alberta, \$25 million for the University of Calgary. It was around whether that is adequate to cover the enrolment increase demands that each of those institutions needs to fulfill.

Mr. Nicolaides: Of course, all of the seats that we're allocating, both through Budget 2022 and in the current budget cycle through the targeted enrolment expansion, are based on proposals from the individual institutions. What we did last year was that we invited all universities and colleges to submit proposals to expand spaces in their high-demand programs. They did, and then, of course, we

evaluated and scored that and looked at the best approaches and funded those.

11:50

I can't recall, off the top of my head, the total number of seats that we provided at the University of Alberta and the University of Calgary. I have the individual numbers, so maybe if you have a calculator handy. At the University of Alberta there were 96 seats added to business admin and management; 48 seats to veterinary medical assistant; 336 seats in engineering; 450 seats in bachelor of science; 2,232 seats for their business program; 132 for their nursing program. Again, that was all for the University of Alberta. The University of Calgary: 210 seats for bachelor of science software engineering; 270 for bachelor of science computer science; and a range of other programs in quantum computing, nursing, veterinary medicine, and in a variety of other areas.

You know, is it enough? Is it meeting the demand? Again, we deferred quite extensively to the universities themselves to let us know: where are the real pain points? What are those programs where you're turning away qualified applicants, and what amount of funding would be necessary to be able to overcome that?

With respect to the Alberta student grant I was just looking into it. I'll give you a little bit more information on the eligibility criteria. The Alberta student grant is intended and exists to be support for low-income individuals. For dependent students it does include parental income; for independent students it only looks at their own individual income. The classification: you're considered independent, effectively, if it's two years after graduation. Those are the parameters that are used in determining eligibility criteria for the Alberta student grant.

As you noted – well, I think you had noted it – we have been able to increase the Alberta student grant quite recently. We increased the amount to \$475 to support those recipients and those students to be able to receive the financial support that they need to participate in postsecondary education.

I'm trying to get through this quickly; I know I only have 20 seconds left. With respect to budget consultation I listen extensively to our student leaders. I meet with them very frequently, and I think I met with most of the student-leader organizations and advocacy groups in advance of the budget, where they presented and talked to me about their budget priorities and the things that they were looking to see in the budget. And, you know, we tried our best to be able to accommodate . . .

The Chair: Good. Thank you, Minister.

We now move to the government caucus, with MLA Walker to proceed.

Mr. Walker: Yeah. I'll cede my time to MLA Rosin.

The Chair: Okay. MLA Rosin, you may proceed.

Ms Rosin: Okay. Thank you, Chair, and thank you, Minister. I just have one primary question, recognizing that we are winding down on the clock in our time together. I know a lot of the work that your ministry has focused on in the past few years has been focused around targeted enrolment growth and making sure that Alberta's postsecondary system is reflective of Alberta's emerging and continually diversifying economy to ensure that our graduates are reflective of the jobs that Alberta needs at this moment in time, to ensure that our graduates can find employment and help to continue to grow and diversify Alberta's economy.

Specifically, I know, in looking at your budget on page 41 – I believe that is the economic outlook section of your fiscal plan – it states that Alberta's labour force is expected to expand by 3 per cent, or over 74,000 people, just this year alone, which is the fastest pace since 2008. Recognizing that with that continued population growth, we want to ensure that those individuals are well trained and have the skills they need to find employment in Alberta's diversifying economy, one of my two questions is around your Alberta work initiative. I know that it is intended to invest in more seats for occupations in need of skilled work. I'm wondering how your ministry is determining what occupations those are and what targeted programs we need to create, almost to future-proof our economy and get ahead of some of the emerging trends. Then, in addition to those certain occupations, I'm wondering: which specific programs will be offered? And, going forward off that, I'm also wondering: in which programs and specifically how many new seats have been created so far in all of the collective new and emerging programs cumulatively?

Mr. Nicolaides: Sure. Maybe I'll answer the last question: 14,000 new seats is the cumulative, all-in total of what we anticipate through funding available through Budget 2022 and Budget '23. That captures everything from, you know, the expansion of seats in bridging programs, aviation programs, physician, nursing, doctor, all of the other programs. There is quite a lot rolled into that.

In terms of your other questions about, you know, how we kind of determine and which programs were created, what we did in the first round of the targeted enrolment program that we did last year is that we looked at the top 200 programs with the highest postsecondary demand and then narrowed it down from there. As I mentioned earlier, we deferred quite a bit to our postsecondary institutions and asked them to take a look at their application and admission details and information and tell us, again, where the programs are where you're turning away students, and let's address that. Let's start to address that and create more spaces in those programs where we're turning away students so that we can make sure that we have adequate space to be able to accommodate them.

For the second round of targeted enrolment – and I think this ties into a question that MLA Eggen had that I wasn't able to get to – in terms of, you know, where those seats are going, how they have been allocated, the short answer is not yet. We know the broad categories, because we took a little bit of a different approach this time, but we don't know yet exactly how many seats at which individual institutions. We're still talking to our universities and colleges about that.

But for this cycle of targeted enrolment expansion what we've done is that we've taken a look at those areas where we expect to have labour shortages in 2030, and we've looked at data from a

variety of different sources, a variety of different ministries, to compile that information and get a clear sense of those areas that were projected to see a shortage in 2030. The ones that came up: we mentioned construction, nontrades. Again, that's civil engineers, construction managers, inspectors, and other engineering professionals. In health care: nurses, nursing supervisors, paramedicine, health care technologists, and other areas. Broadly, in technology we'll also be creating additional seats. That's in, you know, graphic design, computer programming, information systems analyst. Broadly, in business we'll be creating additional spaces in accounting programs: accounting technicians, bookkeeping, banking, insurance, financial clerks, et cetera. In energy: petroleum, mechanical, geological engineering, and other areas. Those are the priorities to make sure that we're being proactive to address anticipated future shortages of workers.

Ms Rosin: Okay. With a minute and a half left, I have one follow-up question. You mentioned, you know, that you looked at programs that have large student demand or application demand. Certainly, we know that there are programs that may attract lots of applicants but may not result in actual careers postuniversity. I'm just curious how your ministry is balancing student demand, we'll call it, with the market demand and how that's being equalized.

Mr. Nicolaides: Yeah. It's interesting. There are often a lot of parallels. You know, the ones where there is a high economic demand or need in the workforce tend to have high levels of applicants as well, so there's usually a lot of correlation that you can draw between those two areas. That'll help to ensure that we're adding the spaces in the areas where the students are looking to go and then also add to our workforce and add to our economy.

You know, we can't put ourselves in a situation where five, six years from now we are incredibly short of professionals in any particular industries. That, of course, causes significant challenges for recruitment, for new investment, for that aspect of our economy to grow. Whether that's aviation, tech, film, television, energy, we need to make sure that we have the adequate number of individuals graduating from those programs to meet those future needs.

The Chair: Okay. Thank you.

With that, 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 Monday, March 13, 2023, at 7 p.m. to consider the estimates of the Ministry of Skilled Trades and Professions.

Thank you, everyone. This meeting is adjourned.

[The committee adjourned at 12 p.m.]

