

Title: Tuesday, October 16, 2007 Public Accounts Committee

Date: 07/10/16

Time: 9:00 a.m.

[Mr. MacDonald in the chair]

The Chair: Good morning, everyone. I would like now to please call this meeting of our Standing Committee on Public Accounts to order. I would like to thank everyone in advance for their attendance this morning.

If I could please have Philip introduce the distinguished researchers who are with him.

Dr. Massolin: Okay. Thanks very much, Mr. Chair. I just wanted to take this opportunity – good morning, everyone – to introduce Anne Marzalik, to my left here. She is a researcher for the Legislative Assembly of Ontario. She is a research officer there and has been doing that job for about 10 years. She is here on secondment, and we have her for a couple more weeks. We'd like to keep her forever, but I don't think that's feasible. She has really helped out on all these committees. Anne's background: she's got an undergraduate degree in political science but also has a master of business administration, so we've got a numbers person here as well, which is very helpful. I hope you all join me in welcoming Anne.

The Chair: Thank you.

Now, may I please have approval of the agenda for the first portion of our meeting?

Mr. Strang: So moved, Mr. Chairman.

The Chair: Thank you. Moved by Ivan Strang that the agenda for the October 16, 2007, meeting of the Standing Committee on Public Accounts be approved as circulated.

Now, if we could get to this portion of our meeting. The rest of this hour is to be, again, an internal briefing with our Auditor General, Mr. Fred Dunn, and our research co-ordinator. If we could, I would like to call for a motion to move this portion of the meeting, please, in camera.

Mr. Chase: I so move that this portion of the meeting be in camera.

The Chair: Moved by Mr. Chase that the meeting move in camera. All those in favour? Opposed? Seeing none, I would like to thank you for that. Also, *Hansard* staff and any member of the public, if you could leave the room at this time, we would be grateful.

[The committee met in camera from 9:01 a.m. to 9:55 a.m.]

[The committee adjourned from 9:55 a.m. to 10 a.m.]

The Chair: Good morning, everyone. I would like now to call this portion of the Standing Committee on Public Accounts to order. On behalf of all the members I would like to welcome the officials from Mount Royal College.

We will quickly at this time go around the table and introduce ourselves for each others' convenience. We'll start with the hon. Member for Calgary-Foothills.

Mr. Webber: My name is Len Webber, Calgary-Foothills.

Dr. Massolin: Good morning. Philip Massolin, committee research co-ordinator, Legislative Assembly Office.

Mr. Rodney: Dave Rodney from southwest of Mount Royal, Calgary-Lougheed. Welcome.

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

Mr. R. Miller: Good morning. Thank you for being here. Rick Miller, MLA, Edmonton-Rutherford.

Mr. Dumont: Jeff Dumont, Auditor General's office.

Mr. Shaw: Richard Shaw, Mount Royal board member.

Mr. Roberts: Richard Roberts, vice-president administrative services, Mount Royal College.

Dr. Marshall: Dave Marshall, president of Mount Royal.

Ms Williams: Cathy Williams, public member of the board of governors of Mount Royal.

Mr. Wight: Hunter Wight. I'm vice-president external relations at Mount Royal College.

Mr. Seto: Peter Seto, director, office of institutional analysis and planning, Mount Royal College.

Mr. Dunn: Fred Dunn, Auditor General.

Mr. Dunford: Clint Dunford, Lethbridge-West.

Mr. Cenaiko: Harvey Cenaiko, Calgary-Buffalo.

Mr. Cardinal: Mike Cardinal, Athabasca-Redwater.

Mr. Herard: Denis Herard, Calgary-Egmont. Welcome.

Mrs. Forsyth: Hi. I'm Heather Forsyth, Calgary-Fish Creek.

Mr. Strang: Good morning. Ivan Strang, West Yellowhead.

Mrs. Dacyshyn: Corinne Dacyshyn, committee clerk.

The Chair: Hugh MacDonald, Edmonton-Gold Bar.

Again I would like to welcome the officials from Mount Royal College. We look forward to discussing your 2005-2006 and 2006-07 financial statements. On behalf of the committee I would like to thank you for providing that information to us and the researchers on time. Appreciate that.

Please note that you do not have to touch the microphones. The *Hansard* staff will turn them on and off for you. Also, members, please do not leave your BlackBerrys on top of the committee table as they can interfere with *Hansard* equipment. I would also like to advise that the legislative committee meetings are now being audio streamed for listening on the Internet.

I understand that we have a brief opening statement, I believe, from Dr. David Marshall, including a short PowerPoint presentation. Following this presentation Mr. Dunn will have a few comments for us. I would also like to remind the presenters that they are welcome to respond to questions in writing through the committee clerk to all members if they do not immediately have the answer or their information available to us.

Please proceed, Dr. Marshall.

Dr. Marshall: Thank you, Mr. MacDonald. Actually, Cathy Williams, chair of the Mount Royal finance committee, will begin our presentation today.

Cathy.

Ms Williams: Thank you. Thank you very much for inviting us to be with you here today. We understand that your particular interest is with respect to the financials and how our practices relate to the expenditure of public funds. We would like to begin with a brief presentation sharing the broad context for our budget decisions. In general all activities, budget or otherwise, at Mount Royal are directed at achieving our institutional vision, mandate, and aspirations.

We're going to start with just a brief overview from myself. Dave is going to talk a bit about how we are working on our baccalaureate degrees. Richard Roberts will take us through the financial aspects, with a bit of a sum-up from Richard Shaw.

Our vision reflects our goal to prepare every student for success in life, our mandate is to deliver the credentials to do so, and our aspiration is to be the best in Canada, if not the world, in doing this. This is nothing new for Mount Royal. We'll be 100 years old very shortly and have always adjusted our plans and budgets to serve our students.

In doing so, of course, Mount Royal has always been hard to pigeonhole in the system, never quite fitting either the college or the university sectors. For example, Mount Royal has never delivered technical or vocational programs typical in the community colleges. In fact, we were the first to deliver university courses in Calgary, delivering university transfer from the University of Alberta in 1931. On the other hand, it could very well have chosen to pursue the role as Calgary's university in the '60s but chose to continue its mission as an instructionally and professionally focused institution.

That's why we have supported the concept of the minister's proposed roles and mandates framework. This is a slide from the ministry's presentation on the various categories of institutions proposed and the various ways that the categories will be differentiated. Mount Royal supports in concept its proposed designation as a baccalaureate institution. I say "in concept" since, as in most initiatives such as these, the devil is in the details. Implemented inappropriately, the framework will hurt rather than help students, but at least in concept Mount Royal supports the concept of establishing a category of institution that focuses on undergraduate university programming. It is basically what we are now and what we have been proposing for several years.

We thought it important to start our presentation today with these observations since our business plan and financial statements reflect the institutional strategy and investments necessary to achieve our and, we believe, the minister's aspiration for Mount Royal to become recognized as Canada's premier baccalaureate institution.

I'll now pass over to Dave.

Dr. Marshall: Thank you, Cathy. I thought I'd just take a few moments to update the committee on our progress in supporting the concept of the baccalaureate institution and how we're moving ahead with the minister and the ministry. Key to this, of course, is the implementation of our degrees. We have already implemented our first university degree, the bachelor of nursing. That started in 2007.

To start in 2008, we have another set of bachelors degrees. They're at various stages of the approval process. All of these have received the first level of approval. That is what was called the system or stage 1 approval, where the minister approves the degrees as degrees appropriate and needed within this system, the Alberta

system. After that they then go through the quality council to be assessed as high-quality credentials and then from there back to the minister and the ministry for implementation. These are all of the degrees that are in the various stages of either Campus Alberta quality approval or, in fact, back at the ministry for approval, but we intend these degrees to be implemented in 2008.

There is a next set. These have not yet been submitted to the minister, but these degrees are under development at Mount Royal at the current time. We suspect most of these will end up in stage 1; that is, on the minister's desk for system approval sometime in the new year of 2008.

Just so you understand the timetable and, again, to fit our budget decisions of the past and our budget decisions of the future into Mount Royal's implementation timetable, we first submitted our baccalaureate degrees to the government in our budget cycle of 2005-2006. The government initiated, actually, some special regulation in 2006 that allowed Mount Royal to start to become recognized as a baccalaureate institution, a university-level institution. Our first degrees were approved by quality council in October of '06, the first university degrees offered in September of '07. We would anticipate having a new governance model with a new type of academic council at Mount Royal by August to September of '08.

We have – and you'll hear a little more on this – proposed an expansion to our library and lab circumstances. These are requirements. These are items that have been recommended, in fact, through the quality council reviews of Mount Royal as items necessary for us to be ready to deliver undergraduate university credentials.

We hope to be recognized by a national process of recognition of university-level institutions – it's called the Association of Universities and Colleges of Canada membership – by April '11; have our first university-degree graduates, being our nursing graduates, by June '11; reach our growth and expansion targets by September '11; and have 85 per cent of our students in university programs by September '12.

We thought we should just present this to you so you'll understand some of the budget issues that you'll see, some of the budget decisions. Everything that we're doing in our budget process, again, is targeting towards the partnership that we're developing with the minister and the ministry in Mount Royal's transformation.

10:10

Just, again, so you'll understand where we're going, this slide shows Mount Royal in 2005-2006, when we started this process, and Mount Royal possibly in 2012-13. It shows Mount Royal growing by approximately 2,500 full-time equivalent students in that period, and it shows us transforming many of our credentials into full university credentials.

I think there are a few points that we need to make on this, and these are, again, points that we've kept consistent through all our budget discussions and processes. First is that no students are displaced by the changes that are going on at Mount Royal. This is essentially a decision on Mount Royal's behalf to serve our current groups of students better, and that's something we've always done in our hundred-year tradition of changing the kinds of credentials that we offer.

One of the questions we always get asked: what happens to our diplomas and certificates? Right now our diplomas and certificates represent about 15 per cent of our enrolment, and our intention is to keep every single diploma and certificate that we have that is needed and appropriate either to our students or to the employment market.

Depending, again, on the kind of growth that the minister decides is appropriate for the Calgary region, Mount Royal would be willing

to enhance its enrolment by 2,500 students over this time period. That, of course, is contingent upon the kinds of analysis that the ministry is currently doing on postsecondary needs in Calgary and elsewhere, but our model would be willing to take us to that level.

Sometimes people ask us the cost of all this. You'll see some of this again in our budget discussions, but there are two things, I think, to understand: there's the cost of conversion and the cost of growth. We don't put these up as accurate figures that anybody should be held to. This is just to give people orders of magnitude. It roughly costs about \$10,000 grant money per new student that you add over and above your current enrolment level. Conversion of students is a different matter. When you add new programs and eliminate others, the cost is considerably less, so it works out to somewhere, depending upon the program, of course, in the \$1,000 per student range. So you can see that conversion – that is, trading one program for others – of programs is a considerably more efficient way to go, certainly in the use of taxpayer dollars.

Richard, I'll turn it over to you. Richard will now start going into the details of the budget process at Mount Royal.

Mr. Roberts: Thanks, Dave. For the purposes of the presentation this morning I'm going to concentrate on the '07-08 budget material. That would have been in the business plan that was circulated to you. Our '06-07 financials weren't ready for distribution, so that's why you didn't have those today. They're not quite finalized yet.

As you can see on the PowerPoint overhead, the focus of our financial planning process right now is around the transformation process that Dave just outlined. There are a number of aspects that are identified in the business plan that are highlighted here, including the new mandate that was recently approved by the ministry, a new academic plan, the new bachelor of nursing program. We've got a degree implementation committee that's managing the transition process, the transformation process within the college, with 11 task forces that are supporting that. As Dave indicated, we've got seven new degrees that are in various stages of working their way through the approval process with a target of a September '08 implementation.

What do the numbers look like? Our budget for '07-08, the current year: we've got a \$155.5 million budget on the revenue side and slightly less than that on the expense side, \$153.2 million, and we've got some reserve appropriations that are identified at the bottom there. The reserve appropriations go towards a parking reserve to support the potential for us to build a parkade in the future and also capital reserves. The net change in unrestricted net assets would come from our unrestricted net assets balance, which is on our balance sheet. Basically, we're in a balanced position budget-wise. This budget is based on about 8,000 full-load equivalent students on the credit side and about 26,000 continuing education students.

Just to give you a little different picture of the financials on the revenue side, you can see that the major revenue source, of course, is government grants, at about 46 per cent. We're very grateful for the support we're getting from the ministry to support and maintain our operations. The 6 per cent grants increase that we've received the last few years and anticipate receiving in the subsequent year have been essential for us to be able to maintain programs and services and really allow us to focus on the quality side.

The next-largest revenue that's identified there is the tuition. You can see that tuition fees are about 33 per cent, and this would include both credit fees and fees from our continuing education activity. On the sales and rentals piece this includes our residence for students, the bookstore, and parking – those are the major sources of revenue

from the sales and rental side – and then some smaller revenue streams.

Looking at the pie chart again, on the expense side you can see that by far and away the largest expenditure there is salaries and benefits – 67 per cent, or \$103 million, of our budget goes towards that expenditure – with supplies and services being the next major expenditure. The largest piece of that supplies and services: we contract out our custodial, so that's a big piece of that. Cost of goods sold: this would be for the bookstore. Then amortization and scholarship round out the expense components.

Dave talked about the capital priorities. Those are identified and profiled in the business plan. Our number one priority is the expansion of the library. We're working on a proposal right now that would be coming to the ministry towards the end of October that will provide a detailed proposal around our plans for expanding the library. We also have identified the need to upgrade our labs for the rollout of the science degrees and the expansion of the nursing program. That's our second priority.

We have a student centre expansion under way that's going to double the size of the student centre at Mount Royal, and that's being very creatively funded. The students have voted to actually pay for this through a student levy, so the college borrowed \$13 million, with the ministry's support, and the loan will be paid off over the next 30 years through that student levy.

Of course, technology renewal and deferred maintenance are always high priorities. Those are continual challenges for us as we try to make sure that our existing technological infrastructure and building infrastructure stay in good shape.

Over to Richard Shaw.

Mr. Shaw: I have a last couple of slides I'll speak to. I'd sort of like to finish off this part of the presentation with just a couple more slides to bring us back to the issue that Cathy started with today. Whether delivering university transfer courses in 1931 or full university degrees in 2007, Mount Royal has always strived to be accountable to both the public and our students, and we think there are many indicators of that accessibility. First and foremost, of course, is our commitment to sending our students out into the workforce work ready, and our statistics show that 98 per cent of our students are employed within one year of graduating.

We also feel a special responsibility to our community to provide greater access to undergraduate university degrees, and this comment I'm about to make surprised me: Calgary has the lowest youth participation rate in university education of any major city in Canada and is the only city of its size in the world with only one university-level institution. A demonstration of our access responsibility is our unique Bridge to Canadian Nursing program. That's a program that has been funded to the amount of \$11.3 million, an innovative program to assess and train international nurses who have come to Canada. We can train them so that they can then become nurses in Canada. There are 60 students enrolled in that program this fall at Mount Royal.

In addition, we'd like to note that on campus we generate in excess of \$40 million in enterprise revenue annually. In terms of accountability we have conducted a board governance review and implemented some best practice recommendations from the Auditor General's office. In addition, we've improved our internal controls and information technology controls, again in response to the Auditor General's audit recommendations. Also, we've established an internal audit function and, as well, a new fraud and whistleblower policy. So we feel that we have in place the appropriate accountability models at Mount Royal.

10:20

In terms of our future outlook, well, the reality is that we continue to turn away qualified applicants in most programs, so we need to be able to continue to grow. Of course, we're going to turn 100 in 2010, and that should be an occasion for a big celebration. In addition, we continue to plan to roll out more university-level degree programs in order to meet the needs of our city. With the help of government, of course, we will obtain the support for all of these degree programs and the facilities necessary for Mount Royal to achieve that aspiration of being recognized worldwide as Canada's best baccalaureate institution.

I wish to thank you for your attention, and we'd be pleased to answer your questions.

The Chair: Thank you very much.

First, Mr. Dunn.

Mr. Dunn: I'll be very, very brief, Mr. Chairman, and just supplement what you heard from the college members.

Our audit work, as you know, in the last few years has primarily focused on the financial statements. We issued an unqualified auditor's report on the June 30, 2006, financial statements, and as Mr. Roberts has just indicated, we are at the point now of just completing the audit of the June 30, 2007, financial statements and expect to provide an unqualified opinion thereon very shortly.

As mentioned by Mr. Shaw, our November 2006 report did include a recommendation that related to information technology controls at a number of colleges, which included also Mount Royal College. For your reference it's on page 42 of our November 2006 report of the Auditor General that we indicate the three areas around information technology.

Jeff Dumont and myself will answer any questions that are directed to us, and those are my opening comments, Mr. Chairman.

The Chair: Thank you very much.

We will now proceed with questions. Mr. Chase, please, followed by Mr. Strang.

Mr. Chase: Thank you. My two questions both have to do with capacity. In the 2004-2005 year the Alberta government announced its plan to have 15,000 new postsecondary seats by the fall of 2008, which is rapidly approaching, and 60,000 additional seats by 2020. The government in recent announcements appears to be backing off from its commitment to address the seat shortage crisis. On page 10 of the 2005-06 annual report it states that of the 14,617 applications for first-year placements, the college was only able to accommodate approximately one-third; in other words, 5,092 students. What is being done to address this gap?

Dr. Marshall: In our most recent proposal for our degree approval process, Mr. Chase – thank you for the question – we have indicated to the government that within these degree programs, at least, we're willing to grow by about a thousand students over the next four years as these degrees are rolled out. We've indicated that we can do this with no additional capital facilities except the specialized facilities that have been recommended by the quality council for the implementation of degrees, such as the library and some science labs.

Mr. Chase: Thank you. I and my Calgary caucus colleagues have met numerous times with postsecondary students' union representatives regarding the critical shortage of affordable housing for students. Established eastern universities are able to accommodate on average 20 per cent of their students in on-campus residences.

What percentage of your students can you accommodate on campus, and is this a problem for you?

Dr. Marshall: We have approximately 8,000 full-load equivalent students. We use that figure. It's a little misleading because Mount Royal has a very large number of part-time students. Out of those 8,000 full-load equivalents, perhaps in the 4,000 range would be actually full-time students, that are attending full time. We have a thousand residence beds for our 8,000 full-load equivalents. It's satisfactory at the current time although there's no question that in the very hot Calgary rental market we've had a waiting list for residence rooms this year.

Mr. Chase: Thank you.

The Chair: Thank you.

Mr. Strang, please, followed by Mr. Eggen.

Mr. Strang: Thanks, Mr. Chairman. I guess what I'd like to talk about is that your cost of human resources has escalated in the last few years. How have your reported salary and benefits expenses for 2007-08 changed since last year? I know that in the 2005-06 annual general report they were listed as being just over \$87 million.

Mr. Roberts: In the highlights that I provided in the presentation, we identified the salary and benefits budget at just over \$103 million. Basically, there are two factors that drive the salary and benefits. One of them is the collective bargaining settlements. For the current fiscal year, '07-08, both our faculty and the support staff association received a 4 per cent salary increase, so that's one factor driving the increase. The other, of course, is additional staff. We did bring on additional staff in the current year in response to previous access programs that were funded by the government and also to begin to position for the rollout of the degrees. We're doing some advance hiring to position us when approvals and the degrees do come forward, and the nursing one would be an example. That was implemented in September '07, and we're also staffing up anticipating some additional approvals coming shortly.

Mr. Strang: Okay. My supplementary question, Mr. Chairman: in this tight labour market how does Mount Royal College find the balance between offering competitive wages while keeping your costs in line?

Dr. Marshall: I'll start with the answer to that, Mr. Strang, and then Richard might want to add some more detail. We've taken the perspective that in the long run the best strategy for us to both keep and attract employees is not necessarily through the wages and attempting to be as competitive with the private sector as some might like us to be but, rather, creating a workplace environment that is the place that people want to work. There's increasing knowledge that tells us that in the long run being seen as the best employer for reasons other than salary are the reasons that we'll keep employees and that we'll be able to attract them.

Mr. Roberts: Just to add to Dave's comments, we've identified in the business plan six key strategies, and one of them is to make Mount Royal an employer of choice. There are a number of key factors that go into that, and we're working on all of those. To Dave's point, we're looking at those things that we need to do to create the very best working conditions for people, whether they're faculty, support staff, or management, such that Mount Royal can stand out as an employer of choice and really facilitate and help us

address the recruitment and retention issues. We think we've got a great starting point, but we are going to be working through a human resource strategic plan to this agenda over the next year to try to drive that agenda forward even more aggressively and to make sure we're leveraging off every opportunity we can to achieve the employer of choice status.

Mr. Strang: Thank you very much.

The Chair: Thank you.

Mr. Eggen, please, followed by Dave Rodney.

Mr. Eggen: Well, thanks, Mr. Chair, and thank you as well to everyone who came down from Calgary this morning to entertain our questions. I think that for all postsecondary institutions across the province the question of accessibility is at the top of the list. As Mr. Shaw mentioned, Mount Royal College, unfortunately, still has to turn away qualified applicants. It's unfortunate, and we have to look at the full spectrum of solutions to mitigate that problem.

Further to that, my first question is to ask: what is the percentage of students that attend Mount Royal College from outside the province or outside the country, and how much does the college spend on advertisements to attract students from outside the province or even from outside the country?

Dr. Marshall: Thank you, Mr. Eggen. I'm going to ask Peter Seto, director of our office of information, to answer those detailed questions.

Mr. Seto: Approximately 85 per cent of the students in a first-year intake at Mount Royal are from Alberta. Most of those 85 per cent, about 80 per cent, are from Calgary regionally so on balance about 15 per cent. As far as international goes, that constitutes around 3 per cent – it varies year by year – from elsewhere in Canada about 12 per cent of our enrolment in first-year places.

10:30

Mr. Eggen: Okay. Thank you.

Further to that, then, are you looking at those percentages as being a definable element to perhaps improving accessibility for Alberta students? After all, the institution is primarily funded publicly through provincial dollars. Is there any look at how the mix of students from outside the province might affect the accessibility overall for students to attend the facility?

Mr. Seto: Certainly, if we look at the University of Calgary or the University of Alberta, I can't say exactly the proportion, but it's not 3 per cent. It's up around anywhere from 8 to 10 per cent of their enrolment. Even looking across Canada in terms of the enrolment profile that Statistics Canada provides, the proportion at Mount Royal is nowhere approaching any national standards or benchmarks as it relates to the international.

Dr. Marshall: If I could just speak, Mr. Eggen, about the aspirations in that regard. Our aspirations are to serve our immediate community. Our highest priority is to provide access to, in the first instance, Calgarians, to the level of programming that they need and that we think might be missing in Calgary. Our second priority, almost as high as that one, is to provide a service to the rest of Alberta. In particular, we see an increasingly large number of collaborative projects with our college partners around the province in assisting them to have access to the kinds of credentials that we have as well.

Mr. Eggen: Thank you.

The Chair: Mr. Rodney, please, followed by Mr. Miller.

Mr. Rodney: Thank you, Chair. Thank you, ladies and gentlemen, for coming up from Calgary. On the heels of the Auditor General's remarks and in reaction to the annual report of the Auditor General of Alberta, in volume 1 of 2 there's a section under Advanced Education and Technology. I'm sorry; I can't find anything for Mount Royal College. I've gone through my binders, and everything appears to be very good. I do want to say congratulations and thank you for the good work, and thank you in advance for continuing that. That being said, obviously, some best practices have been followed and perhaps could be imitated.

I have looked through the documents, and I can't find a specific section that spells out exactly what it is that you folks have done in the past couple of years, for instance, to make sure that return on investment for the taxpayer dollar has been ensured. In other words, do you have certain personnel or processes or technology that you follow that makes sure that money is spent wisely? It's our job to find that out and your job as well. What can you share with us?

Mr. Roberts: I think we could go at that from a number of perspectives. First of all, from an overall planning and budget perspective we spend a lot of time at the front end of the process to make sure that it's really clear what the outputs and outcomes are that we're wanting to achieve as an organization and ensuring that the planning and budget process directs the resources to those priorities. As we look at the transition process right now – and you really saw that highlighted in our presentation – that's our priority and our focus. We're making sure that our planning process is responsive to that and that the priorities that are identified are working forward through the budget process and being applied to those priorities. Then at the end of the year we're able to evaluate that and make sure that we're making the progress that we need to in those areas.

From an overall planning perspective we believe we have a robust process in place, and it is identified in the business plan. We do go through some of the planning process that we use at Mount Royal. We're pleased with that, but we're always trying to improve it.

On the other side, the internal control side, managing the business, we do work very closely with the Auditor General's office. They've been really a great support to us in helping us identify opportunities to improve and providing us with information on best practices that we try to incorporate into Mount Royal to make sure that we are keeping up with the changing expectations, both internally and externally, about the value for money and making sure that we're accountable for the dollars that we have and for the outcomes and responsibilities that we have to our students and the community.

Dr. Marshall: I can add just a little bit to that, Mr. Rodney. One of the things that we're doing, for example, is examining carefully the proportion of our budget allocation that is assigned to what you might call direct instruction and what is assigned to other ancillary functions of the institution. We've set a target, a very ambitious target, to increase the proportion of our overall budget that actually goes to direct instruction rather than to administration or other needs. We measure that on a regular basis. Clearly, our community wants us to be accountable to those numbers. So we've set those targets, and that's one of the ways in which, for example, we say that we're responsible. We're being responsive, we think, to the needs of the taxpayer, who would like to see the highest level of instructional setting possible in our institution.

Ms Williams: If I could just add something from the board perspective. I think our board is very active in being involved with the strategic direction that the college has taken. We have an annual retreat every year in September to look forward on how we as an organization – the board and the executive, the faculty, and students all together – want the institution to go. Then from a standpoint of accountability the regular processes with the Finance and Audit Committee, for example, to review how things are going, how we are doing against a budget. Certainly, the Finance and Audit Committee of the board meets with the Auditor General both before the audit is started as well as afterwards to hear the results.

In my four years on the board there's been amazing improvement in the quality of our internal controls and our processes, which has been reflected in the much stronger reports that we've gotten from the Auditor General as well. I think that as much as we possibly can, too, we try and benchmark against other institutions to understand how our costs look against other institutions' costs and how we're either outperforming or where we could do better.

The Chair: Thank you.
Mr. Rodney.

Mr. Rodney: It looks like Mr. Seto has one additional comment.

The Chair: Yes, but quickly. There are many members.

Mr. Seto: We are also following the leadership of the ministry on their key performance report card indicators. We annually report on those. Those are outcomes as they relate to student satisfaction and employment and other factors. We always score very highly on that report card to get maximum funding as it's available through the performance envelope.

Mr. Rodney: Okay. With respect to the fact, Mr. Chair, that I get to see these folks at Calgary caucus and their answer was so thorough and there are so many other colleagues that want to speak, I will forgo my follow-up. Thank you.

The Chair: Thank you.
Mr. Miller, followed by Mr. Dunford, please.

Mr. R. Miller: Thank you very much. Once again, welcome to Edmonton. Thank you for being here. As far back as '05-06 I found references to the need for a new library facility, and certainly it was in your presentation today. I'm just wondering whether or not you've had a capital commitment from the department at this point or if you're still waiting for that.

Dr. Marshall: We're still waiting for the capital commitment. We did receive permission from the minister to invest half a million dollars in a full-scale study of the potential library/lab facility. We're just finishing that. The board will receive that report at the end of October. That will then go to the minister in November. We've of course given them interim reports on all of that as well. But to this point, other than assisting us in moving the project along, we haven't received any final commitment on that project.

Mr. R. Miller: Have you been given any reason for not having received the funding yet, or is it simply a matter of you not having been ready for it? In other words, are you comfortable that it's proceeding as quickly as you need it?

Dr. Marshall: Well, we've certainly been ready. We do recognize that this is a budget issue and that the minister is under considerable pressure to implement a large number of capital projects. That has been our number one priority, as you say, for several years. We can only remain optimistic that our number one priority will float up to the top of the government's number one priority in the not-too-distant future.

Mr. R. Miller: Thank you.

10:40

The Chair: Thank you, Mr. Miller.

Mr. Dunford: Well, welcome. Thanks for being here. I'm focused on your pie chart on your 2005-06 revenues by source. I'm always intrigued by the question: what is the role of the employer in the education of, presumably, future workers? Notwithstanding the fact that they do pay corporate tax, I'm wondering: where in the numbers that have been presented to us are the donations from corporations that went toward sort of student education rather than building a building?

Dr. Marshall: I'll ask Hunter Wight, vice-president external, to answer that question.

Mr. Wight: Thanks very much. Mr. Dunford, there are, I guess, two answers to that question, and I'll also defer to Richard on the percentage. It's my understanding that the percentage represented in the charts at .9 per cent is, in fact, the amount of the donations expended in that particular year, not the amount of donations raised. Richard, correct me if I'm wrong, but I believe the foundation is on an annual basis raising about \$10 million in support if you average it out.

In actual fact, most of the dollars raised from the corporate sector are directed to student need. We find that scholarships, bursaries are very much a primary target for corporate donations coming in. Yes, we have received funding for the naming of buildings and the naming of facilities, some significant gifts in that area. We have been able to take advantage of those gifts and turn much of that revenue into areas that directly affect students; as mentioned, primarily the scholarship and bursary area.

Richard, you may want to comment on that as well.

Mr. Roberts: I'll just add a quick comment. Hunter is right, and when we look at student support in terms of scholarships, typically they're raised through endowments, so the endowments would be evidenced on the balance sheet in the financial statements. In the case of 2005-06 right at the very bottom under Net Assets – I think it's page 32 – you see that they're showing just over \$25 million, up from \$21.7 million the year before. Much of the fundraising activity is in terms of endowments, which then produces a much smaller amount on an annual basis in terms of what the actual scholarship is that's funded from that endowment. About 5 per cent of the endowments is spent each year, and that's how it translates into the expenditures in the pie chart that was identified.

Dr. Marshall: I'd just add something for the future, Mr. Dunford, on that. We are moving into a large capital campaign over the next little while. Based on a gap analysis that we've done on the proportion of our overall budget that goes to scholarships and bursaries, where we are now relative to a benchmark of the standard undergraduate-type institution in the country, we have to almost triple the proportion of our budget that goes to scholarships and

bursaries in order to really be seen as even an average undergraduate institution. In our next campaign, which is planned to be a very large one, half of that campaign will be targeted on increasing our scholarship and bursary endowment.

Mr. Dunford: Okay. That, I think, has pre-empted my supplemental, but perhaps because this is a public meeting and there will be interest among students in terms of what it costs to go to postsecondary institutions, do we have any idea, then, of the I'm going to say average Mount Royal College graduate? Of course, there isn't such a thing – I understand that – but if you were pressed to say, "Okay; through that student's career here at Mount Royal College the student provided this per cent of their cost, the taxpayer provided this per cent of their cost, and the global employers provided this per cent," would we have those percentages right now?

Dr. Marshall: We could give an overall target. If you took the government's proportion and the student's proportion – and this is forgetting accommodation costs; I'm talking now direct instruction costs, Mr. Dunford – we should be around the 70-30 target. I mean, it should be around 70 per cent from the public rather than 30 per cent. That's the balance, if you took tuition and grants and added them together, and the proportion. When you start putting in other sources of revenue, that starts to change considerably, as you can see from our financial sheets. If you look at all the revenue coming into the institution and look at all the revenues coming from everywhere, it actually becomes 40-40-20, you know.

That's all without the cost of accommodation. The largest cost for students in going to postsecondary education isn't the tuition they pay. It isn't the cost of books. It's the cost of eating and living every day. It brings us back to our core mission, we hope, which is to ensure that more and more Calgary folks and maybe even more in other cities don't necessarily have to leave home. They can leave by choice, but they don't have to leave to keep the cost down.

Mr. Dunford: Thank you.

The Chair: Thank you.

Mr. Chase, followed by Heather Forsyth, please.

Mr. Chase: Thank you. I'm continuing on the critical themes of accessibility and capacity. Page 6 of the 2005-06 annual report states that "there are too few Alberta post-secondary graduates to propel the province forward," that "without quick action, the consequences will continue to be felt society-wide," and that many students are either moving to other provinces for postsecondary education or are giving up altogether. I'll ask both my questions because they're very much related. First, what measures has the college implemented to combat this issue? Secondly, has the government been called upon to help address this concern? If so, what responses or encouragement have you received from the government?

Dr. Marshall: I suppose the immediate answer is the answer we gave earlier about our proposals to respond to growth where, in response to the government's initiative and the kind of growth that they'd like to have in our area and our programs and our community, we're willing to grow by up to 2,500 students over the next few years. Again, we have some capacity. We need specialized facilities in library and labs, but by and large we're ready to do that. I think that perhaps the best thing we can do is to keep bringing this issue to the attention of the public and of the government.

The minister himself in presentations recently has said how aware

he is that Alberta has the lowest participation rate in postsecondary education in the country. We've just put some recent statistics together, for example, to show that – and we can share this recent study with you if you wish; Peter Seto can pass it around – in 2006-07 the grade 12 graduating population in Calgary was 13,160. Of those, 77 per cent did not proceed to Mount Royal or to the U of C. A significant number of students are going somewhere else. We know that many leave the city, of course, and assume the extra cost of doing that. We know that many are going to work with the attraction of the workplace today, which speaks to the other challenge that we think we should all start to prepare for, which is the possibility of all of those students returning to their postsecondary aspirations when and if the job market isn't as attractive as it is today.

I think we can do two things. We can certainly indicate to the government that we're ready and willing to partner with you and our other postsecondary partners in Calgary and elsewhere to help meet the needs that the government in their analysis thinks are there and, secondly, assist them and the public in understanding from our perspectives the depth of the challenge that we face in this area.

Mr. Chase: Thank you.

The Chair: Thank you very much.

Heather Forsyth, please, followed by David Eggen.

Mrs. Forsyth: Thank you, Mr. Chair. Welcome. As a Calgarian what you've done and how innovative you are in how you're looking at the future: it makes you proud to be a Calgarian.

I'm looking at your institutional priorities and strategies from 2006-07, and then I go to 2007-08. My first comment is under number 1, your transition planning. Your (a) is "develop and acquire the tools necessary to gain the AUCC membership." You go to 2007-08, and again it's the same. I guess my comment on that and also on (e), which is "implement the recommendations of the Transition Task Forces," from 2006-07 and, again, '07-08: have you done anything?

10:50

Dr. Marshall: Yes. This is something we're doing in a partnership with the minister and the ministry to ensure that Mount Royal has in place all of the environmental conditions necessary to deliver the highest quality university credentials. Of course, many of those recommendations for the conditions come out of the work of the quality council as well. Yes, we have been working with several ministers in a row now to achieve those.

The four major areas for which government assistance is needed are the implementation of the degrees at an appropriate funding level, the provision of the physical facilities that are necessary in order to be seen as an institution that can deliver those credentials, the opportunity to have a different kind of governance model that helps us be recognized as an institution, and, of course, some consideration of label.

[Mr. Webber in the chair]

Those are the four things that we think we need to work with the government on in order to eventually get to the point where Mount Royal would in fact be recognized nationally and internationally as an institution ready, capable to deliver university-level credentials.

Mrs. Forsyth: My second question is back to, again, the 2006-07 priorities under your research initiatives. You indicate that in '05-06

the research fund allocation committee approved more than \$75,000 to be spent on research projects. I couldn't find anything in 2007-08, what they were, what the accountability or the outcomes of those particular initiatives were.

Mr. Roberts: There are a couple of things that happened in that transition year. One of them is that there was a task force that was struck around research and scholarship. I guess that from a planning perspective we actually took a step backwards, and that document, that planning process finished and is now being articulated in a more comprehensive strategy around supporting research and scholarship as we move through the transition process. That \$75,000 expenditure is continuing, but it's now being enveloped with a broader strategy about how we support faculty as they move forward and engage in scholarship on a go-forward basis. I think that's probably the most fundamental change over those two years and why that particular line item didn't get carried forward.

The Acting Chair: We've got David Eggen up, followed by Denis Herard.

Mr. Eggen: Well, thank you, Mr. Chair. My question has to do with affordability. Again, for students across the province and particularly, I'm sure, Mount Royal not exempted, the price of postsecondary education is often first on their minds. I was wondering if your facility has mechanisms in place to monitor how students might be managing or not managing to pay for their postsecondary education at Mount Royal College and if you might have some of those statistics or monitoring capacity available for us to view.

Dr. Marshall: I don't have any statistics to share with you on how they're managing their debt. We can share some statistics with you. Peter can provide some statistics on the proportion of our students who are assuming debt that we're aware of; that is, public debt rather than their own private debt.

In terms of process, we have a very extensive student support service operation at Mount Royal that has the role of monitoring these kinds of effects, and we work in very close partnership in that regard with our student association, who does the same, collecting the information. This is, by and large, soft information because it's hard to collect hard data on that. We think we're very responsive to the challenges that students have in this area.

Peter, perhaps you could provide some of the statistics on the actual loans.

Mr. Seto: Sure. Thirty-seven per cent of our full-time students are receiving some kind of financial aid. Total dollars awarded for full-time students in the institution: about \$19 million in student financial aid. We do receive financial aid reports from the ministry on an annual basis. I'm sorry that I don't have it, but it does get broken down by program as well. Those are the institutional figures and the kind of reliance of our students, about 37 per cent.

Mr. Eggen: But you do have those broken-down figures available somewhere.

Mr. Seto: Yes. They would be coming from the Ministry of Advanced Ed and Technology. That comes from their annual reports on student financial aid.

Mr. Eggen: Okay. I see.

Mr. Wight: I would add, if I could, just as the president mentioned

earlier, that the college is blessed with a very strong foundation board, individuals from the Calgary corporate community who are very much behind Mount Royal and work very hard to support Mount Royal. As the president mentioned, in the upcoming campaign that we are presently researching for probably a spring launch, we've identified somewhere between \$35 million and \$40 million of raised funds that we would direct toward scholarships and bursaries to ensure that financial barriers are minimized for students who have the capacity and wish to take courses at Mount Royal.

Mr. Eggen: Excellent. Thanks.

Well, further to that, then, I guess two statistics that I would like to hear more about – perhaps if you don't have them, you could provide or look into it – would be, number one, how many students would have had to drop out in the last few years as a result of financial difficulties or how many students in your facility had to access an emergency fund, if you indeed have one. Perhaps that would be an indication of some track of affordability.

Mr. Seto: Yeah, sure. We do have statistics, not available to me right now, on the emergency fund. We're in process right now, this fall, with a leaver survey. What we're doing is surveying those students who were enrolled with Mount Royal last year, and we didn't see them show up, so otherwise not graduating. We are actually doing telephone and e-mail surveys with them. Financial ability: if that's been an impairment or a hindrance or a barrier, that's one of the things we'd like to find out about. That will give us some better information. For us specifically at Mount Royal that's what we're doing this fall.

Mr. Eggen: I think we would be interested in seeing that too.

The Acting Chair: Actually, Mr. Seto, is it possible that you could provide that information to our clerk so that we can share it with all the members?

Mr. Seto: Yes. We should have everything wrapped up and analyzed; early in January is the target. It'll take time to process and grab the students, but absolutely we'd be pleased to.

The Acting Chair: Excellent. Thank you.

Mr. Herard: Mr. Chairman, if I could maybe ask a question of clarification first before my real question. I'm just looking at this A Question of Access document. The reason why no statistics are available as to the part of the population of grade 12 students that go on to SAIT, NAIT, U of A, U of L: is part of the reason why we're only seeing one sort of reciprocal piece of information here the fact that we don't have a central system that'll tell us this?

Mr. Seto: There is a central system right now, the ASI system. That is where some of this information comes from. The applicants are being tracked. It's not an application process, but the applicants are being tracked. That's what we're seeing here. Not only are we seeing the applicants but, through some of these, those that actually landed and, I think, that actually were enrolled as well. That information is available on the ministry's system as it links to what is called the ASI.

Mr. Herard: Okay. So you only chose to look at yourself and the University of Calgary.

11:00

Mr. Seto: Right. Just to define the Calgary situation, the Calgary

region, and the number of grade 12 graduates that aren't being accommodated.

Mr. Herard: Thank you, Mr. Chairman, for that clarification.

You know, we're hearing constantly, of course, of the shortage of skilled professionals and skilled tradespeople that we're facing in this province, and we keep hearing about those who perhaps can't get access to our postsecondary institutions in one way or another. I want to come at it from the other direction. I need to know whether or not within your institution you're able to determine how many withdrawals you have in a particular year, how many drop-outs. How many completions in terms of diplomas, degrees, certificates, and so on do you actually produce in a year?

I'm coming at it from the perspective that we've got 140,000 postsecondary students in Alberta. I'm not sure what your completion rate is, but I could guess somewhere, hopefully, above 60 per cent but maybe not. I don't know. If we can improve that by 10 per cent, that would put a lot more people, skilled people, in the workforce over the 10 years that we're expecting this huge shortage. I guess I'd like to know if you can track that, if you do track that.

The second part of my question is: what do you offer at Mount Royal to determine and detect students at risk? Counsellors? Mentors? What is it that you do to make sure that more and more students actually complete their studies?

Dr. Marshall: Let me take the first one on if I could, Mr. Herard. Mount Royal takes special pride in the close interaction between the individual student and the individual faculty in the system. I mean, I could talk at length about that. That's one of the things that Mount Royal is known for. We're known for a first-year student having difficulty at the end of September, and a faculty member calling them and saying: "I didn't see you in class. Where were you?" You know, the culture of Mount Royal is one of observing, taking care of, and watching students. I mean, I could just keep listing the things that we do, but that's part of our culture and, I think, what we do very, very well.

[Mr. MacDonald in the chair]

On the issue of retention, clearly, that's a significant issue for us. I mean, we know that if we could just increase retention rates by, as you say, 10 per cent, our enrolment would go up significantly. It's a special challenge for us in two regards. One is that we've traditionally been a place that a student comes to start and then goes and finds somewhere else to finish off. In fact, half of our students quite literally see themselves as starting their university career with us and then going on. One of the challenges that's becoming increasingly evident, though – and you can see it from some of the statistics, actually, in this chart – is the ability of students to find someplace to go after those two years.

Our retention rate is only measured by the credentials that we fully offer, so the diplomas, the certificates, and the applied degrees. There is no retention rate to measure for us in those others until such time as we implement year 3 and 4 in many degrees. Then retention will be a primary issue of our institution, to make sure that those kinds of students that saw themselves starting with us at least have the choice of staying with us and not getting lost somewhere else in the system.

The Chair: Thank you.

Mr. Miller, please, followed by Mr. Strang.

Mr. R. Miller: Thank you, Mr. Chairman. In the special report

issued by the Office of the Auditor General in November of 2006, the Auditor General made recommendations to the public sector colleges to deal with the risk of information technology control failure at eight colleges, and Mount Royal was one of them. Weaknesses identified included inadequate security awareness, inadequate protection against unauthorized access, and undocumented change management processes. My question would be: what has the college done to resolve the general computer control weaknesses and ensure that information on its systems is reliable and secure?

Mr. Roberts: Yeah. Thank you. You're correct. That report came out shortly after the Auditor General was engaged and involved with Mount Royal in a very extensive audit of our IT operations, one that, actually, we welcomed and have been able to leverage significantly as we've moved forward and responded to the recommendations that were made through that review.

We've just completed a follow-up review of that. What the college has done is to develop a detailed go-forward plan to address all of the recommendations. Because of the significant aspect of many of the recommendations, they do take some time to fully implement. They involve implementation of new systems and changes in practice. But Mount Royal does plan over the next year to 15 months to fully respond to all of the recommendations that were made in the IT review, and we have a specific game plan on how we're going to move forward and do that.

We've already made significant progress. I think Mount Royal is very well positioned. We already have very, very strong IT systems and controls in place, so really this is the value add. This is taking us to the next level and to the point where we're confident that we would be then exemplifying best practices in the IT area.

Mr. R. Miller: Thank you, Mr. Roberts. Is there an estimate of the financial cost to implement those plans and programs?

Mr. Roberts: We're working through that right now for the upcoming budget year. We did spend in the neighbourhood of \$300,000 in the current fiscal year towards addressing some of those IT controls. It's always a question of separating those things that you would do anyway, so often it's a matter that when you're upgrading something and bringing in new technology, then you also change your practices and perhaps take a slightly different approach than you would have otherwise.

That was the investment that we made in the current year, and we're in the process of identifying what the rest of the plan will cost as we roll that out in the subsequent year.

Mr. R. Miller: Thank you, Mr. Chairman.

The Chair: Thank you very much.

Mr. Strang, please, followed by Mr. Chase.

Mr. Strang: Thanks, Mr. Chairman. I guess the one question I often wonder about is the aspect of the amount of people that you're always saying you're turning away. From the college perspective do you work with all your other colleagues in the province of Alberta as a unit to see whether these are not – you know, you turn one way, but Grant MacEwan will and Grande Prairie will and Red Deer will. It may be all the same person, but they're all applying. Do we really keep a good track of that?

Dr. Marshall: Actually, we can keep track of that, and again I'll ask Peter Seto to give you some statistics on that.

There's no question, Mr. Strang, that somebody will apply to several places. That's just a sensible thing for a student applying. We do have some data on the students that apply to us and where else they apply. So we know: if they didn't come to us, where did they go, for example, within Calgary? We do have some statistics on that, and Peter is digging them out right now. I can see it. He's going to share this with you in a moment. We do have some statistics, and we do try to work with each other to try and determine, you know: where are the bottlenecks in student access?

One of the challenges for us in Calgary – and I think it's the same with many of the other communities – is that almost all of the students applying to us and coming to us are students who for various reasons, financial or otherwise, can really only access the postsecondary experience if it's in their community. So our emphasis is in working with our postsecondary colleges in Calgary.

Peter, do you have some statistics on that?

Mr. Seto: Yes. We do receive on an annual basis the ASI, the applicant student information. Once again that's coming from the ministry, and it shows the level of cross-application. The registrars within the province do meet and talk about those figures. I think on the whole, though, the indication as it relates to an applicant shows the desire and the inclination to choose a particular program in many cases. That's an opportunity where we do look at the information provided from the ministry, and that's something that we watch very closely. More recently we're examining those figures as they relate to the specific programs, so that's something we're seeking further clarification on from the ministry.

Dr. Marshall: In terms of statistics, Peter, I think our students by and large apply to Mount Royal or the U of C, and they'll choose one or the other. I think it's in the range or some 40 or 50 per cent of our applicants that are overlap applicants. We have – and, Peter, my statistics may be wrong – about a 15 per cent overlap with SAIT. Other than that, there really is very little overlap in applicant activity between us and any other institution in the province.

11:10

Mr. Strang: I guess Peter just twigged me on another question that I'd like to ask. You know, you're saying that you want to move into different fields now. Are we sort of working as a total unit from a college perspective in the province of Alberta so that we have certain strata throughout the province so that we can sort of meet the demand? I know that if you look at the '92-93 to the 2007-08 scenario, populationwise we're up about a million people. I'm just wondering how you're computing that out so that we're not getting the duplication of classes in one college over another and we're distributing throughout the province as a unit.

Dr. Marshall: Yeah. That's a complicated thing to do. You've got to take into account the capacity of the institution, the demography in a particular geographical location, the growth. That's the first step in the approval of any new credentials. So when I showed you earlier that Mount Royal had already received system approval of a number of credentials and they were moving through the quality process, that means that all of those degrees have gone through that process. The ministry has a very detailed and thorough process of determining whether a new credential or even a conversion of a credential fits into the system: should it belong in one community or another community? It doesn't go forward to the quality council for examination or even forward to funding or anything until that analysis is done.

In our case our changes are mostly existing programs extending

to years 3 and 4, so they aren't new programs, or the conversion of one credential into a different kind of credential. There's very little of adding anything new, or a new program, to the system.

Mr. Strang: Okay. Thank you.

The Chair: Thank you very much.

Mr. Chase, followed by Mr. Webber.

Mr. Chase: Thank you. From capacity and accessibility concerns I'm now focusing on affordability. Two weeks ago I as a representative of the University of Calgary and my colleague Craig Cheffins, your Mount Royal representative, attended a student housing affordability rally on your campus, at which time we shared our theme: with no place to live, there's no way to learn. The majority of Mount Royal students listed on the poverty wall indicated that they were forced to pay well over the recommended 30 per cent of their finances for housing. On page 22 of the 2005-06 annual report it states that students received \$21,498,610 in government loans, grants, and bursaries and that one-third of the student population required financial assistance beyond that money, obviously. Does the college feel that this is doing enough to address issues of student affordability? Secondly, if you have the figures, how many students were provided with emergency financial assistance directly from the college?

Dr. Marshall: Hunter, maybe you could answer the first one about how we're proceeding with our support for students, and Peter could answer the statistic on the second.

Mr. Wight: Yes. I think Richard mentioned earlier that we have a significant endowment base right now that provides on an annual basis scholarships and bursaries for students presently in the institution, but in addition to that, the foundation board of the college has set out a target of raising between \$35 million and \$40 million that we would put into endowments to increase that to ensure that finances were not a significant barrier to any student who wanted to take courses at Mount Royal. There's very much a drive forward on behalf of the institution to try to ensure that we have sufficient funding in place to do everything we can to guarantee that a student who has the capability and has the desire to go to Mount Royal isn't hampered by financial issues, so we are moving forward on that basis.

Mr. Seto: I don't have the figures on our annual report as it relates to the emergency funding, but on a regular basis, as I mentioned before, about 37 per cent are receiving some kind of financial aid at the college.

Mr. Chase: Sorry. I was having a little bit of trouble hearing. About 30 per cent of students apply for extra funding?

Mr. Seto: Yes; 37 per cent. Right.

Mr. Chase: Thank you.

The Chair: Thank you.

Mr. Webber, please, followed by David Eggen.

Mr. Webber: Thank you, Mr. Chair, and thank you, Dr. Marshall and everyone, for the presentation. I just wanted to share with you that I am a proud alumni of the Mount Royal College. I took the university transfer program and went off to U of C and completed

my commerce degree. I had two great years at Mount Royal College, a lot of fond memories, and it sounds like you're continuing the tradition of a fine institution.

I wanted to just comment on your overhead. There was one particular overhead. *Where Are We Going?* is what it was titled. In there you had indicated that your university transfer program numbers will be decreasing in the future. Those are your plans. I'm just curious to know why exactly you're planning on doing that.

Dr. Marshall: In actual fact, the potential for university transfer will increase dramatically. Any student in a four-year program is a university transfer student. All that's occurring, in some of the programs, not all – we have some wonderful partnerships in university transfer that we have no intention of changing, for example engineering, Mr. Webber. We do the first two years of engineering, and then the students have really good and convenient paths to move on to years 3 and 4 in engineering, quite frankly, right across Canada. That's a good relationship. The challenges, the duplication of us putting together an engineering program just wouldn't be appropriate. It's very significant; there's an accreditation process. This works. However, with many of the others there are bottlenecks that we need to work on.

So we're not eliminating university transfer in the slightest. All we're doing is giving students the choice or the opportunity, if they wish, after their second year to stay with us for year 3 or 4 or after their third year to stay to year 4, or at any point during that four-year program they're more than welcome and, in fact, would receive our assistance and our encouragement. If they wish to transfer to another institution, we should see ourselves as helping them do that. So university transfer isn't going anywhere at all.

Mr. Webber: Excellent. Good to hear.

My supplemental question, Mr. Chair, is a little bit unrelated, but it is with respect to the overhead presentation. I didn't quite hear with regard to the financials that you had up there. The institutional one-time of \$2 million: what was that for? Do you recall the overhead at all?

Mr. Roberts: I mentioned before that we really wanted to make sure that we were able to focus our resources on the priorities, so in the budget process we've deliberately established a fund, the \$2 million fund, that we can expend on one-time priorities, whether they be capital or other initiatives, that would only require a one-time expenditure so that we're in the position the subsequent fiscal year to do the same thing again, so that we would have those dollars again. Rather than allow all of those dollars to go into ongoing operating costs, we specifically held back and targeted that fund to allow us to invest and make the change necessary in the organization to move our agenda forward. That's what that fund is related to.

Mr. Webber: Thank you, sir.

Thank you, Mr. Chair.

The Chair: Thank you.

David Eggen, please, followed by Harvey Cenaiko.

Mr. Eggen: Well, thank you, Mr. Chair. I would like to ask something about affordability once again. I'm curious to know if Mount Royal College has in place any internal mechanisms to try to reduce tuition fees at your facility. Just perhaps some comment on initiatives you have to do that.

Dr. Marshall: We have a tuition fee consultation process that we go

through on an annual basis with our students. It's led by Richard, and he might want to comment on that.

From our perspective, the level of tuition that we feel we have to charge is related to the level of expense we have to incur to deliver the program that students want, and we've approached it that way. The way we approach our students is with a clear understanding, clear statements of the expense of delivering a particular program, the services they get, whether they're academic or otherwise, at Mount Royal. For example, we pride ourselves on our small class size. We can say to the students: we can maintain that, but there's an expense to that. We take the amount of funds that we get from the government, and student tuition needs to fill the gap between the money that we receive from the public purse or from our private sector and the amount needed to deliver the programs that the students ask us for.

11:20

I wouldn't say that there's a plan in place for us to reduce tuition unless our plan, as it always is, is to continue to encourage the government to take a greater role in the provision of funds to institutions like Mount Royal. But there's certainly a significant plan for us to work with our students so they understand where their money goes and the value they get for their tuition. Otherwise, we can't expect them to support the levels of tuition that they pay.

Richard, you might want to add something to that.

Mr. Roberts: Sure. Just a quick comment. The ministry recently revised the overall provincial tuition policy, which now restricts the tuition increases that institutions can pass on to students to the Alberta CPI, so that's the maximum increase that can now be applied to credit students across the province. There already is a provincial envelope around the tuition environment, so we work within that. Of course, affordability is a big part of that and the reason why that tuition policy is in place. Then, as Dave said, at an institutional level we focus on the individual students that are having financial difficulty so that we have the programs and services to help support them when they have financial issues. Those two things are working in parallel.

Mr. Eggen: Excellent. Then I would like to just ask as a follow-up what, in your view, would be the most effective thing that could be done to in fact reduce tuition for students at Mount Royal College in real terms, having a wish list or, you know, ideal circumstances available to you.

Dr. Marshall: Well, the ideal circumstance is a combination of perhaps two things for the students and one to help us. One, of course, is to examine the government/student investment ratio to make sure that's the right ratio and, if it's not, to increase the government side and decrease the student side. But that has to be done for us because doing one without the other isn't going to serve us as an institution in trying to deliver the quality programs that we need to do.

Personally – and I don't think this is a Mount Royal position necessarily – I think that significantly more can be done on the side of bursaries and scholarships and grants to students in need. I think one of the significant ways to assist students with affordability is to re-examine the grant and the aid and the bursary side of that equation.

Mr. Eggen: Thank you very much.

Mr. Wight: If I could just add to that from a foundation standpoint,

which is near and dear to my heart, that the government's current program that they have that provides matched donations, if you will, for individuals, corporations, and foundations that do donate to postsecondary institutions is one that we would certainly support, and we would continue to encourage the government to maintain and, if at all possible, increase that program. Being on the front line from a fundraising standpoint, I know the impact it has when you can say to a potential donor that the dollars received, particularly for scholarships and bursaries, could be matched as much as 2 to 1. That's a great incentive for the private sector to come forward and help support areas such as endowments or scholarships and bursaries. It also assists with the financial support for students entering schools.

Mr. Eggen: Absolutely. Thank you.

Ms Williams: I just have to jump in because I'm a recently retired CFO, and we've only talked in this case about one side of the equation. We as Mount Royal have to continue to be as efficient and effective in the delivery of services to keep our expenses affordable as well. I mean, it's not just: how do we get the funds in? It's: how do we spend them? We will continue to do that in order to make sure that the increases that come along are totally justified and as minimal as they can be. It's two sides of the equation.

Mr. Eggen: Totally, yeah.

Mr. Cenaiko: Thank you very much for being here with us this morning. This is an historic event. This is the first time that the Public Accounts Committee has asked educational institutions and/or regional health authorities to come to our committee and answer questions for us.

Hearing some of the members of the opposition question you regarding issues related to tuition, I was wondering if you can remind us what the percentage or the amount of the total cost of that education is versus the portion that the student pays.

Mr. Roberts: I'm just looking for it in the annual report, so I'll wing it till I find the page. Basically, some background is important here. It was a couple of years ago that the government froze tuition fees for a period of two years and then moved into the current environment, where we've got now a cap that means that tuition fees can only go up a maximum of CPI. At that point in time, prior to that policy change, tuition fees were approaching about 30 per cent of the cost of education, so the student fee couldn't exceed 30 per cent. That was one of the concerns at the time, that 30 per cent was, in fact, too high. As a result of the two years of freeze and now the CPI cap it's dropped right across the province from that 30 per cent, and I believe Mount Royal is in at about 25 per cent now. Peter, is that about right?

Mr. Seto: That's right: 25 per cent of the operations that we're netting out of any of the cost recovery areas, so of the direct instruction essentially.

Mr. Roberts: That will continue to drop as tuition fees grow at a slower rate than the overall cost of education going into the future.

Mr. Cenaiko: Do you have that rate?

Mr. Seto: Twenty-five per cent.

Mr. Cenaiko: So the average cost per student.

Dr. Marshall: In absolute dollars just a matter of scale, Mr. Cenaiko, not precise, the average cost – and I'll just pick one we've just been working on, which is nursing. Our expenditure per nurse is about \$15,000 a year. The tuition cost for that nurse is \$5,800, in that range. So for the nursing program the tuition costs are about one-third of the cost of running the whole program.

Mr. Cenaiko: My supplementary to this would be, then: when you work with your colleagues in institutions across the country, looking at some of the new programs that you have and will be instituting in the future, what are some of those, I guess, issues and/or barriers that you're finding and/or other institutions across Canada are finding in looking at moving forward regarding access and regarding the cost of tuition and tuition fees?

Dr. Marshall: You can track all of the different variables, Mr. Cenaiko. Let's just say all of the undergraduate universities across the country: you can track their variables to see exactly how they've responded to the changes in grant revenues that have come to them and the changes of tuition revenue. In almost every institution across the country increases in the combination of those have not kept up with the increased cost to deliver the program, basically haven't kept up with inflation.

Now, I will say that Alberta has been a tremendous treat for me as a president, over my last 13 years as a president in Ontario, where I don't think I had a grant increase over 1 per cent. So let me praise this government for the levels of grants that they're providing. They've been outstanding. [interjections] Well, I'll give you that. I can only say that I hope they continue for all the years that I'm a president at Mount Royal.

So the variables you can track. For example, you can track – and this one is very easy to watch – the average class size at institutions, at undergraduate universities across Canada. You can see that over the past 15 years the average class size at the typical undergraduate university in Canada has gone up by 10 students. Something has to give when the overall revenue per student isn't keeping pace with the overall cost increase. At Mount Royal we've made a pledge to keep that average class size constant. We've done it over the past five years, and we'll try and do it over the next five. Each institution will choose its own variable. But that's what you'll see if you go and look. You'll see different choices. So we'll trade off something else because the close interaction between faculty and students is a highest priority for us no matter what kind of credential we're delivering.

Mr. Cenaiko: Thank you very much.

The Chair: Thank you.

Before we proceed to Mr. Miller, the chair would like to note to all members that on page 26 of the research paper that has been so ably done for us by Philip Massolin and his staff, grants per capita in 2003-04 at Mount Royal College were \$6,450, and two years later they were \$7,620. There's some very useful information for all of us in those numbers that have been compiled.

Mr. Miller.

11:30

Mr. R. Miller: Thank you, Mr. Chairman, and thank you for giving a nod to the research staff because they've done tremendous work for us in preparation for today's meetings. On page 24 of that report – and I'm not sure whether or not the folks from the college have been provided with it – the research staff has determined that the college continues to “lobby for a fully funded deferred maintenance

program to address critical maintenance issues.” At present only the critical deferred maintenance issues are being addressed. The total deferred maintenance and renewal projects are estimated at \$28 million, which apparently excludes the costs associated with replacing and upgrading information technology. My question for you folks would be, if you could just comment in general terms, how critical an issue has this become for the college?

Dr. Marshall: I’m going to comment in an editorial sort of way, Mr. Miller, and then I’ll turn it to Richard to give you the details. Mount Royal has made a commitment in its budget process to take care of its deferred maintenance. I mean, it has taken operating funds. It has looked at the amortization of funds that need to be put aside to make sure that we don’t have leaky pipes, we don’t have crumbling walls, and on and on and on. That has been a significant burden to the institution to do so. As deferred maintenance becomes an issue of some priority for all governments, I’ve experienced in the past that the better strategy for institutions is sometimes to let walls crumble, to not do it, and then when things reach crises, that support is given, for instance just for deferred maintenance, and it goes to institutions that have not made the reinvestment in their operating funds. That’s my editorial.

This is a critical issue for Mount Royal because of our commitment to taking care of our deferred maintenance challenges, and we want the support, if necessary, to free up some of our other operating dollars for other reasons.

Richard.

Mr. Roberts: Sure. One of the real challenges we’ve had is that the amount of funding through the IMP, which provides institutions support to deal with deferred maintenance, has been static, I think, for almost 10 years now. That has really created a difficulty for us in that, of course, costs have gone up and the buildings are getting older and the funding that we’ve got to address those major priorities has stayed about the same. What we would really like to see is some increase to that fund that would help us keep pace with the aging nature of the buildings and allow us to ensure that the problem doesn’t get any worse and start to obviously deal with some of the more critical problems.

The difficulty with deferred maintenance is it tends to come often in a big way. We track it in a way where it’s linear, but the reality is that it’s a step function. Suddenly your roof needs to be replaced, and that’s a major, major expense at that particular time. What we want to be able to do is create a situation where we’re keeping pace with these things on an ongoing basis and not allowing the problem, as Dave indicated, to reach a crisis stage where we have to make a major intervention.

The program is really there, and I think it’s a matter of looking at the program, the IMP, and making sure that it’s actually adequate to meet the needs, not only for Mount Royal but right across the system. I think there is some good documentation in place, that Alberta Infrastructure has been working on, that suggests that there is a need for increased support to make sure that that fund has the adequate resources to do the job.

Mr. R. Miller: I have a supplemental question, Mr. Chairman, but I see that the Auditor General would perhaps like to supplement that answer.

Mr. Dunn: Just to pick up on Mr. Miller’s question. The first chapter of our current annual report, volume 1, deals with assessing and prioritizing Alberta’s infrastructure needs, and the second recommendation deals with the government information on deferred

maintenance. On page 53 of that chapter we describe the estimate right now of deferred maintenance across the whole of the province as \$6.1 billion, and postsecondaries are identified at \$1.2 billion, of which you are a component of that \$1.2 billion. If you want reference to that in the recommendations which have been made to Infrastructure and Transportation as to deferred maintenance, it starts on page 49 and goes on for a few pages within that chapter.

Mr. R. Miller: Thank you. I hope that my colleagues from the other side of the floor are paying careful attention to that editorial comment.

I think Dr. Marshall answered my supplementary question already, but just to be sure and on the record: are there any specific health or safety issues that this committee should be aware of or concerned about at this time, or are you managing to look after those, perhaps at the expense of other areas of your operations?

Dr. Marshall: I’m satisfied that at the current time within Mount Royal we have the processes in place to continually monitor health and safety issues on our campus. Richard chairs a college-wide committee that meets fairly regularly to examine all aspects of our campus life and to ensure that these things are covered, and we cover them. Your comment is an appropriate one. We do cover them. The health and safety of our students and our employees is highest priority for us, and we will invest in that as necessary.

Mr. R. Miller: Thank you, Mr. Chairman.

Mr. Dunford: Just quickly, for the record, to follow up on Harvey Cenaiko’s comment about the historic nature of this. Now, an hour and a half into it, I think you see that this can be both a shield and a sword. The shield, of course, is that you’re here to defend what you have done, but because of the presence of *Hansard* it also is a sword because in your questions – and clearly you folks have been very good at it – you can give us very positive highlights of what you’ve been doing, and of course they go into *Hansard*, then, unfiltered and unedited, so this is very important. My hope is that word will start to get around that this is not something to be feared but, you know, that this is something to get on a waiting list to make sure that you can come in front of Public Accounts.

Dr. Marshall: Agreed.

Mr. Dunford: Now, having said all that, here comes my zinger. Just anecdotally, one time in a rather heated with some light discussion with student leaders, I made the comment that the taxpayer of Alberta did not owe them an education between 8 and 5 and Monday to Friday. That’s the segue into my question about capacity at Mount Royal and the utilization of that capacity. Now, I’m not asking you to say that you’re in favour of three shifts a day, but I’d like to hear of how we get beyond just the 8 a.m. to 5 p.m. scenario.

Dr. Marshall: Two comments. First, Mount Royal looked forward very much to coming here today. I hope you’ve sensed the great pride in all of us in what we’re doing. We’ll take any opportunity to talk about what we’re doing today and what we hope to do in the future. So thank you for the opportunity, right off the bat.

Secondly, I tell the story in one of my opening year speeches of when I’m on the golf course, probably with an MLA, in the summer, and one of them says: well, do you have holidays all summer like everybody else at Mount Royal? I hit my ball into the trees, and then I answer the question as best I can.

Mount Royal is a full year-round, all weekend, till 10 o'clock at night operation, Mr. Dunford. You come to Mount Royal at 9:30 on almost any weeknight, and our parking lot is still full. Our goal is to be a full-year operation. Students don't have, you know, punch-clock timetables in their lives. They need access to the programs when they can get them, and that is our goal: to provide them.

One very significant example, of course, is our continuing education operation at Mount Royal. We have well over 30,000 students a year taking programs through our continuing education operation, and those operate all day Saturday, all day Sunday. In the summer we do everything from program offerings through to opening ourselves to our community. We have 5,000 what we call college kids, 5,000 little things, you know, between the ages of seven and 12 on our campus. It's absolutely wonderful. The campus is full. We bring in in the summertime 500 to 600 students from around the world, a faculty from around the world, to come and work with our language division and special language training program.

Our goal is to be a 24-hour-a-day, 364 days operation. We'll take Christmas day off. I think we're getting there. More needs to be done. I admit that.

When we talk about our capacity, when we talk about our ability to grow by a thousand or 2,500, that doesn't mean that there are empty classrooms, an empty wing of Mount Royal. It means that we can increase our capacity by better utilizing the facilities we have, so a little more teaching on Friday afternoon, maybe, a little more on Monday morning. It's our aspiration, and I think we're following through on that.

11:40

Mr. Dunford: This isn't supplementary to my first one, but it's going to be the last time I get to ask a question given the time. In the discussion about transferability from Mount Royal College to other institutions many ideas came up as to what the reason would be. What I'd like to know is: are there still barriers at the university level that work against your students going to a particular institution?

Dr. Marshall: There are barriers at every university across the country, and their barriers are essentially their own capacity. We know – and I think it was in part 1 of the couple of slides that Peter shared with you a moment ago – how many students we have in university transfer and how many would proceed to the University of Calgary, for example. This is not a criticism of the University of Calgary. They only have so much capacity in year 3 and only want so much capacity. Institutions like Calgary and others are focusing on, for example, the expansion of graduate programs. We're focusing on the expansion of undergraduate, so it's a good symbiotic relationship that not every student we send out of year 2 should go to a university, but our students go across the country after year 2.

I can tell you a story from the last convocation I ran at my last institution. The very first student that came across the stage – and it was a small place – said to me: "Dave, I'm so glad you're going to Mount Royal. I'm only here because Mount Royal gave me the first two years of university." This is at my last university, a real surprise to me.

We send them everywhere. I guess our point is it's a shame they have to go everywhere. They should be able to stay with us. There are barriers. It's not anybody's fault. It's an issue of capacity and probably appropriate capacity.

The Chair: Thank you.

Mr. Chase, please, followed by Heather Forsyth.

Mr. Chase: Thank you. In 2006, much to the concern of Alberta postsecondary students and members of the opposition, the government pushed through Bill 40, which took the power to adjust tuition rates out of the democratic purview of the Legislative Assembly, placing it in the realm or at the whim of the ad hoc advanced education minister's regulations.

On page 28 of your Mount Royal 2007 and into the future business plan it states that an estimated 3.5 per cent increase in tuition rates for each of the next four years would be necessary in order to avoid running a deficit budget. My questions. Are there any mechanisms in place in which to collaborate or develop fundraising initiatives with larger institutions in order to expand your own financial resources? Secondly, what is probably obvious, almost rhetorical: do you believe that this proposed increase in tuition will discourage students from applying to Mount Royal?

Dr. Marshall: Well, on the second question first. I presume that you're meaning private-sector fundraising initiatives in partnership with others. We do a lot of fundraising, as Hunter Wight has told you, and we think it's really important, but we believe that we should run our institution at a good level through the combination of student tuition and government support. We won't go out to our private-sector partners to raise money so that we can survive. We'll go out and partner with our private-sector partners so that we can rise to higher levels of excellence. So I don't think that we would try and do that. If the amount of funds from the two sources of tuition and grants aren't appropriate, we should adjust what we're doing inside, you know, and not try and rely on private-sector funds in order to survive.

The second part of that. There's a lot of debate about levels of tuition and how they affect accessibility. I think we can say right now that at Mount Royal, from our statistics as best that we have them, there's no question that increased tuition adds an increased burden to students, a financial burden. There doesn't seem to be any evidence that that increased burden has resulted in students not pursuing their postsecondary aspirations. I think the better thing for us to focus on is that burden, not whether it affects their aspirations.

Mr. Chase: Thank you.

The Chair: Thank you.

Heather Forsyth, please, followed by David Eggen.

Mrs. Forsyth: Thank you, Mr. Chair. I was having an enlightening conversation with my colleague on the right, and I was commenting on the fact of how well you've answered the questions and how smart you were. His comment back was: it's not smart; it's the passion that you're showing in regard to how much you believe that what you're doing is right. I think that's probably a good analogy. So again, you know, thank you for that.

I want to go to your annual report if I may. On page 18 you're talking about gaining perspectives from graduates and about a graduate follow-up survey that you did. I think that's a great idea. I just haven't been able to find any information anywhere in all of the stuff that we have received – as you can see, a ton – about what that survey indicated. My second question is: have you considered or have you done – I guess that's the better question – a survey about what your students that are enrolled in Mount Royal want? I think that's an important question.

Dr. Marshall: We participate in a number of what we call graduate follow-up surveys as well as existing student surveys. The one that's mentioned in here is the Canadian Undergraduate Survey Consor-

tium. Actually, today in the *Globe and Mail* is the *Globe and Mail* student satisfaction report for Canadian universities. We can't be in it because we're not a university, a member of AUCC, but we actually commissioned the *Globe* to do that study for us so that we would be able to benchmark ourselves against actual responses from students at other institutions. We have the results of that.

We've done some of our own studies on student engagement and satisfaction. Student satisfaction and responsiveness to what we do is so important to us. We're engaging in every exercise we can. There's another one that's called the national study of student engagement, NSSE, which is starting to become the benchmark for American and Canadian universities. We're going to get involved with that.

Now, the reason that they all aren't in here is that some of them we're not allowed to share. We share them with our board, and Richard and Cathy might want to comment. They've had extensive presentations on what we do right and wrong according to our students. On the CUSC one, for example, being in it, we have to agree that it will be only shared internally and not shared with the wider public. We'd love to go out, just for example, and say that if Mount Royal was compared to all the other institutions in here, we're the number one institution in Canada, but we're not allowed to say that.

Mrs. Forsyth: If I may, Mr. Chair. Back to you, Dave: why can't you share that information?

Dr. Marshall: The reason, at least in some of the studies, is that they worry – it's for institutions to know how their students feel about them in a wide range of categories. It's not there for marketing and promotion purposes. Many institutions want to go in it without being concerned that there's going to be a headline: this institution was number one, this was number two, and this was number three. This is raw data for your institution to understand. You are ranked, and you know where you stand relative to all of the other institutions, but it shouldn't be made public because it's only for your internal information so that you understand how well you're doing, and you can gather insight from your students as to what you might do better and what you're doing well. That's the essential reason, Mrs. Forsyth.

Mrs. Forsyth: Can I?

The Chair: You go right ahead, provided that it's not a policy question.

Mrs. Forsyth: If you were to do that study yourself, not guided by anyone else, like this Canadian company, to find out about student satisfaction yourself, just for Mount Royal, then could that be released?

Dr. Marshall: Yes.

Mrs. Forsyth: Have you thought about doing that?

Dr. Marshall: We actually have. Peter, you might want to talk about some of them.

11:50

Mr. Seto: Sure. The consortium is consisting of 30 primarily undergraduate universities across the country. We're using a common instrument, a common survey. We do have the actual raw data. The process that we're going through right now is having a

presentation – and it was at the request of the board – to show Mount Royal's positioning relative to approximately 100 measures, questions that were asked on the CUSC. Similarly, we've requested it from the contractor, and that information is going to be provided and will be able to provide Mount Royal's positioning discretely against 58 of the universities across the country as a respondent to the same instrument.

There were about 200 items that related to student satisfaction from the classroom experience to the college environment, health care, clubs, those kinds of things. That we've got clearance for. Now that the university report card has been published, those eventually will become part of our own set of key performance indicators for the institution, so in subsequent years we'll be able to insert that and measure our progress as we march down the road to delivering more degrees.

The Chair: Thank you.

David Eggen, please. Then I think we're going to have to conclude this formal part of the questions, but we will get some questions on the record. If you could respond to us, please, through the clerk in writing, we'd be grateful.

Mr. Eggen: Well, thanks, Mr. Chair. My question is referencing some statistics that were provided to us in regard to your provincial and federal grants. You're forecasting to increase those two funding streams by 11.8 per cent for 2007-2008. You know, to my estimation, considering the rate of inflation in the city of Calgary coupled with both your planned and forecasted growth in the next year and beyond, the two simply don't add up. I'm wondering if you could provide us with some of the funding challenge areas that you are expecting to see as a result of this discrepancy and in which areas you expect to see the most acute challenges.

Mr. Roberts: Sure. Thank you. The budget that's established for '07-08 does not include any of the expectations of funding for the degree proposals that we have put forward. It really is the kind of budget that will allow us to roll out the nursing program, to roll out some access programs that were already in play, and then to deal with the inflationary costs associated with maintaining all of the existing programs and services. We've structured it that way to say: this is the kind of budget that we need in order to support the existing environment. The individual degrees will need to be funded, and they would be incremental to this budget. As those are approved, they would be added on. They haven't been incorporated. I think that may be a partial answer to your question. There's no enrolment growth here beyond those programs that have already been approved and funded in the forecast.

Mr. Eggen: Yes. In fact, that's what my analysis sort of went towards as well. You have several degree proposals waiting in the wings, so to speak, so I guess my question is not so much a question. Those are contingent upon increases that would have to exceed this 11.8 per cent increase that we see for 2007-2008. I guess I could ask you: would those degree proposals be in jeopardy if we don't see additional funding made available for them?

Dr. Marshall: Yes.

Mr. Eggen: Yes. Good. Thanks a lot.

The Chair: Thank you.

We have four members left interested in asking questions.

Perhaps now we will have them read into the record. Again, responses in writing through the clerk to all hon. members. Mr. Strang, please.

Mr. Strang: Thanks, Mr. Chairman. I guess one thing. I tried to look through this system to see if you people utilize regional consortiums. I notice that you're talking on the aspect of nursing. I know that in my riding we've found that that's very beneficial from the perspective of residency so that they don't have to come to a larger centre. They can do it in a smaller centre. If you could let me know on that, I'd appreciate it.

Thank you.

The Chair: Thank you.
Mr. Miller, please.

Mr. R. Miller: Thank you very much, Mr. Chairman. I referenced earlier the research report that was done for us by staff. One of the things that they've highlighted is information that came from your office of institutional analysis indicating that out of all Mount Royal students transferring to an Alberta university from any program as opposed to just the university transfer programs, the proportion of those students going to the University of Calgary has decreased from 67.4 per cent in the year 2002 to 48.4 per cent in the year 2006. Comparatively, in Edmonton the number of students transferring to the U of A from Grant MacEwan has remained relatively static at, it looks like, about 85 per cent. The staff had suggested that we may wish to ask the University of Calgary officials why those transfers from your college have decreased considerably since 2002, but I figure it would be appropriate to ask you folks that question as well. So if you wouldn't mind responding as the chair has indicated, that would be information that I would find useful.

Thank you.

The Chair: Thank you.

Mr. Herard: Further to that question, it looks like – and I'll provide you the document from which the questions that you just heard came so that you can see what it is we're working from – at the same time there's been a substantial increase in the number of Mount Royal students who are transferring to part-time studies at Athabasca University. It's kind of an interesting thing that's happening, and we'd just like to know more about that.

Thank you.

The Chair: Thank you very much, Mr. Herard.
Mr. Chase, please.

Mr. Chase: Thank you. I'm referencing page 9 of the 2005-06 annual report, where it states that "enrolment has remained relatively flat for the last three years" but that a proposal put forth by the college to offer new baccalaureate degrees is expected to increase enrolment. My two questions: what is the current status of the government's financial commitment to fund this proposal, and secondly, what would be the cost to the college to implement these proposed new degree programs?

The Chair: Thank you very much.

Mr. Rodney: It's kind of having to do with the future, not the past.

The Chair: No. The chair, hon. member, would disagree. That

question, certainly in light of what else was asked here today, was entirely in order.

Mr. Dunn, do you have any closing comments?

Mr. Dunn: I have no closing comments, Mr. Chairman.

The Chair: Okay. On behalf of the committee I would like to thank you very much for your time and patience with us this morning. Good luck in all your endeavours. I hope you have a very safe trip back to Calgary, and the best of luck.

Dr. Marshall: Thank you, Mr. MacDonald. On behalf of all of us from Mount Royal thank you for the opportunity to share some of our visions and aspirations and challenges. We look forward to doing it again.

The Chair: Thank you.

That concludes this portion of our meeting. We will reconvene at 1 o'clock.

[The committee adjourned from 11:59 a.m. to 1 p.m.]

The Chair: Good afternoon. If I could call this portion of our meeting to order, I would like to welcome the officials from Grant MacEwan College. We look forward to discussing your financial statements and appreciate the material you have provided to the committee and our research staff in advance. I would like to remind you that you do not have to touch the microphones. Our *Hansard* staff will turn them on and off for you. I'd also like to advise that legislative committee meetings are now being audio streamed for listening on the Internet.

Perhaps we could quickly go around the table, starting with the vice-chair, and introduce ourselves.

Mr. Prins: Good afternoon. My name is Ray Prins, MLA for Lacombe-Ponoka.

Dr. Massolin: Good afternoon. Philip Massolin, committee research co-ordinator, Legislative Assembly Office.

Mr. Webber: Welcome. Len Webber, MLA, Calgary-Foothills.

Mr. Rodney: Howdy, folks. I can say that because I'm from Calgary, Calgary-Lougheed. Dave Rodney. Welcome.

Mr. Johnston: Good afternoon. Art Johnston, Calgary-Hays.

Mr. Eggen: David Eggen, Edmonton-Calder.

Mr. R. Miller: Thank you for being here. Rick Miller, MLA, Edmonton-Rutherford.

Mr. Chase: Welcome. Harry Chase, Calgary-Varsity.

Dr. Byrne: Paul Byrne, Grant MacEwan College.

Mr. Quinton: Brent Quinton from Grant MacEwan.

Mr. Dumont: Jeff Dumont, Auditor General's office.

Mr. Dunn: Fred Dunn, Auditor General.

Mr. Dunford: Bonjour. I'm trying to be bilingual. Clint Dunford, Lethbridge-West. Très bien.

Mr. Cenaiko: Harvey Cenaiko, Calgary-Buffalo.

Dr. Brown: I'm Neil Brown from Calgary-Nose Hill.

Mr. Herard: Denis Herard, Calgary-Egmont. Welcome.

Mrs. Forsyth: Hi there. I'm Heather Forsyth, Calgary-Fish Creek.

Mrs. Dacyshyn: Corinne Dacyshyn, committee clerk.

The Chair: I'm Hugh MacDonald from Edmonton-Gold Bar.

It's also my pleasure to introduce to the committee this afternoon Mr. Geoff Dubrow. If he could stand. He's sitting at the back at the moment. He is the director of capacity development, Canadian Comprehensive Auditing Foundation. We welcome him to our meeting this afternoon. He's a very keen adviser on public accounts and public accounts related issues across Canada. We appreciate his time and his visit.

Dr. Byrne, I understand that you have a brief opening statement and a short PowerPoint presentation. I would ask you now, please, to proceed.

Dr. Byrne: Thank you very much. We're delighted to be here. We hope that we'll be able to respond to some of your questions. We thought we would like to first share with you through a PowerPoint presentation, that I believe you have a paper copy of, just some highlights about MacEwan and what we do in the communities that we serve and how we serve them.

With the co-operation and advice of the Auditor General we also have provided you with the most recent letters of communication from the Auditor General and our management response. Those were two addenda, perhaps, to your package. The Auditor General encouraged us to do that, and we're delighted to be able to provide you with that information as well.

We also have, hopefully, an opportunity to dialogue a little bit about some of the things that we may be going forward with. Fundamentally, I'd like to go through the presentation, stop at that time and be pleased to respond to questions if that's acceptable, Mr. Chair.

A little bit about what MacEwan has been doing in our community is really captured in this statement: we try to inspire and enable individuals to succeed in life through career and degree studies. Fundamentally, it's a program of study that runs a continuum of activity for all types of learners. The college has grown quite dramatically, in fact extremely dramatically, in a window of about five to six years. Although we have not put the names of the other institutions on there, the yellow bar graph indicates all of the other public postsecondary institutions in the province at the college and technical institute level. So it gives you an idea of how dramatically we have increased access in our community.

As far as a quality measure, we are slightly above the system average in a couple of areas and considerably above in other areas. Fundamentally, MacEwan benchmarks itself, trying to attain the highest level it can. For us, our business is education, it's teaching and learning, and therefore we feel that the quality of programs that we offer have to be the highest possible. You can see that on the two key student satisfaction and graduate employment records, we're at 98 per cent, slightly above the system-wide average.

What we've tried to do to be responsive and innovative, all part of

what we feel is accountability, is new programming delivery. I won't read out each of these programs, but you can see that there are quite an array of programs that we have been providing to our public in all sorts of areas over the last five years. Some of them are our own baccalaureate degrees; others are diplomas and applied activity that we've been doing for the community that we serve, including eCampus.

As far as being cost-effective, MacEwan is below the system average. If you can read that dotted line, you'll see that our blue bar graph goes up, and we're currently sitting, based on the '05-06 data, as the third-lowest cost per FLE in the system. Comparatively speaking, we're quite different than some of the other institutions for a variety of reasons.

As far as affordability goes, our tuition fee policy puts us in the lower trimester of the various institutions that are charging tuition in Alberta. We've tried to work hard at keeping that tuition at a very affordable and reasonable rate.

On the accountability factors, in addition to meeting all provincial accountability required, we've done a few things. We've established a multilevel process for evaluating academic programs for quality, accessibility, cost-effectiveness, and responsiveness. We do this internally, and again I emphasize that our primary business is teaching/learning, so it's extremely critical that we evaluate our academic programs on quality. We've implemented a rigorous process for evaluating all services in support areas in addition to the academic endeavours, and of course we keep active community advisory committees in place for all programs.

Finally, we have a detailed action plan and follow-up process to ensure that evaluation findings are addressed. One of the ways we monitor the programs is using a report card model. That label, of course, may be familiar to you. Most of us have gone to school with a report card of some type. Each one of our programs has an annual report card model, and it looks at these main indicators. Student demand. We are a market-driven organization, and if demand from students or applicants starts to dwindle, we try, of course, to find out why and address it, and if not, programs may have to change or even be terminated.

Certainly, we try to achieve enrolment targets that we set to ensure that we're providing as much accessibility as possible. We look at things like program completion rate, student satisfaction with program quality and outcomes, and cost-effectiveness. We do this for every one of our 70 programs at MacEwan. An action plan, then, obviously, follows to make sure that the program is addressing any challenges it may have based on this report card. Sort of like going home and explaining to your parents why you got a D instead of an A and what you are going to do about that D.

On the accountability side, MacEwan is developing and implementing a comprehensive accountability framework that includes student focus measurements. Students are our primary reason for being, so what we want to do is pay attention to what their needs are, what their issues are, and how we might provide opportunities to enhance their lifestyle, their learning ability, and, hopefully, their future participation as a citizen in Alberta and beyond.

1:10

Issues, again, around student retention, quality of service, and program innovation and very much on employee-focused measures. This is, of course, more applicable to our applied activity, our applied degrees, and our diplomas and certificates although we are also doing this with our various degrees, including in the nursing area as we launch that forward.

Looking at resource measures. Of course, part of what I believe

this committee wants to look at is some of the things that we're doing with our own expenditures and what we're doing to fund raise.

Facilities are also part of an accountability activity. At MacEwan even with the most recent addition to our city centre campus – and we're a multicampus organization, with four campuses throughout the greater Edmonton area – we remain among the lowest in metres square per FLE in the system. There's not much of a change between the blue and the red bar there, but that shows you that we still remain well below the average and certainly below other institutions.

We're effective in how we use it. Again, that's because we're now back up to 14.2 metres square per FLE, which is the low part of the system. The normal is about 20. Theoretically, if we were to translate that into the space that we need in square footage, for those that aren't totally bilingual, that's about 430,000 square feet, in rough terms. Alternatively, we would have to reduce our FLEs by about 2,800, which is larger than six of the other colleges.

I'm going to ask Brent, who's our VP responsible for finance and resources, to take you through the rest of these slides.

Mr. Quinton: All right. Thank you. I'd just quickly touch on our financial operations as well as on some of the audit issues that you may have read about. In terms of our sources of revenue – where do we get our funds from to do what we do? – as you can see, the grants which are from the government form the most significant chunk, but fairly close behind it are tuition and related fees and then sales, rentals, and service. This is also a key issue for students when it comes to affordability. There are a lot of costs other than just tuition. You get into book sales and all sorts of other costs. So there you can see certainly the three biggest chunks: grants but then students and related fees as well as sales and other services mostly provided to students.

On the expenditure end, of course, the nature of our institution: the salaries and benefits by far the largest chunk. Supplies and services: that's simply, I guess, an offset to the revenues. Again, book sales are probably one of the biggest chunks there.

Also to take a look at how we spend our money by function. The credit programming is 35 per cent; you'll see some noncredit programming, 5 per cent. Academic support, of course, is very integral to students' success, and that's a fair chunk. Facility operation: despite the technology students still want to come to a facility and interact with others, so we have a significant expenditure on our facilities.

We just want to take, again, a couple of minutes to respond to the 2005-06 recommendations from the Auditor General. Now, we did just wrap up our audit not that long ago on 2006-07 and have sent those financial statements as well as the Auditor General's management letter.

Certainly, some issues around financial process improvement. We've undertaken many steps to work towards automation of our financial statement production. We still have some ways to go, but we've made improvements there, improving many of the back-end processes to make sure that for own purposes, from a management perspective, we know we've got good information, but also it certainly helps with the audit itself.

Addition of senior finance personnel. This is always a hard one for us because, as Paul said, we're there for students, so we tend to focus a lot of our resources there. But, obviously, the time came. We needed to add some more in some of the back-office functions.

Continuing to look at process improvements. Again, we've done a fair number this year, and I think you'll see in the management letter that we were able to make some very significant improvements, but there are still going to be lots that we have to make.

Computer control environment has been an area of concern for the last while, and we've implemented many improvements there over the environment and in staff duties. We've completed a risk assessment – and we do have a system recovery plan in place – are installing standard and mandatory antivirus software on all work stations and servers, closed-network access to financial applications from student workstation locations.

In the press in recent days or weeks there was an issue, certainly, raised about MacEwan. It should be noted that one of the areas they really focused in on was from several years ago. That had been resolved. Access and processes were changed to make sure that was fixed, and that was fixed some time ago. Also, we did a lot of work to look into what few records were accessed to make sure that nothing became of that information – and to date we certainly have not heard of anything that's come out of that in terms of anybody's information being used in some way that it shouldn't be – and then policy development to enhance security of information assets.

Financial information access and accountability improvements. We've improved our systems and process over access to financial information, improved processes regarding information change management and reviews, and improved processes over human resource information and processing.

Again, I guess, just in wrap-up on the audit side, we did – and hopefully you did receive it – send out the most recent audit, the management letter from the Auditor General's office, which was our recent audit, and in our minds certainly showed significant improvement. There's still lots to be done, and we'll continue on in that, but a lot of improvement we feel has been made to make sure that we're held accountable.

With that, I guess that's the end of our presentation. We'll just open it up from there.

The Chair: Thank you very much.

Mr. Dunn?

Mr. Dunn: Yes. Again, I'll try to be brief, Mr. Chairman. Our work at the college over the last two years has focused on the audit of the financial statements. We did issue unqualified audit opinions in both the June 30, 2006, and, as just mentioned, the June 30, 2007, financial statements. However, our annual report includes recommendations concerning the areas that were highlighted by Paul and Brent around financial processes, restricting access to financial information, construction processes, and donations to the college.

We have a recommendation in our most current Auditor General's report – that's the 2007 Auditor General's report – on page 18, that's recommendation 19, regarding improvements in the financial processes. The work that had been done is why I recommended to them that they share with you the current management letter, which was issued after the production of this Auditor General's report. On page 9 of that management letter we make a comment regarding the implementation of that. However, we had originally made that recommendation on the financial processes of the college in our 2000 and 2001 annual report. As I said in our recent management letter of June 30, 2007, in the financial statement audit we concluded that the college had finally implemented the recommendation because they were able to produce an accurate set of June 30, 2007, financial statements at the agreed time.

We also indicated that the college should continue to work on broader financial systems and process issues that affect the college's day-to-day operations and not just the year-end processes. We will continue to do more in-depth examinations of the various business processes in future years, and any findings will be reported in our annual reports in the future.

Jeff Dumont and myself will be prepared to answer any questions that are directed to us by the committee. Thank you very much, Mr. Chairman.

The Chair: Thank you, Mr. Dunn.

With that we will proceed to questions from the members. We will start with Mr. Chase, followed by Mr. Webber.

Mr. Chase: Thank you very much. When my colleagues and I last met with Grant MacEwan College admin and academic representatives, I formed the impression that the institution was pleased with its niche applied-degree market and wasn't interested at that time in pursuing university status, unlike Mount Royal College, with whom we met this morning.

My first question has to do with seat availability. In 2005-2006 we learned that Mount Royal was forced to turn away almost two-thirds of its first-year applicants. What percentage of eligible first-year students or students in general have you been forced to turn away?

1:20

Dr. Byrne: Let me respond to a couple of things, because you mention two or three things in there, if I might, through the chair. The college has been the largest university transfer college in Canada for a number of years, so to move from university transfer to undergraduate degree was a natural phenomena. We have not sought nor are we seeking university status. We are a college that offers baccalaureate degrees, applied degrees, diplomas, and certificates.

The total number of applicants we receive, it's difficult to assume that every single one of those people is qualified. Any of the institutions gets a total number to work with, but let me give you the '06-07 data for your information. You may have received something recently from the ministry which looked at the total number of high school applicants that we received. I'll just give you a slight comparator. I'm going to have to look at that because, unfortunately, we just received this by e-mail yesterday morning, but our '06-07 for high school applicant numbers – I'm just going to deal with high school first – is 5,710. That's the ministry's figure, or some ministry's figure. Qualified applicants from that group is 4,054. We offered 3,774 applicants admission. Applicants attending turned out to be 3,022. You end up going over.

That, however, is only a small piece, about a third of what MacEwan is all about. The majority of our students are not immediate high school leavers. We had 17,066 total applications versus the 5,710 that you would see there. We accepted 7,486 students, and we rejected qualified applicants of 699 or 700. Now, what happens to those other 9,000 is rather a curious phenomena. For one, they would be multiple applicants. They would have applied to us as well as other institutions. There's little doubt, in my mind at least, that that happens. So they may have been able to get into another organization. Very likely they did. In our case, because we are both a university transfer institution and now our own baccalaureate institution, they might have chosen another institution and the acceptance got there from the other institution before it got there from us.

So how many people were outright rejected who were qualified based on our data? Seven hundred, about 699, from the total pool that we have. Where did the others go? We're assuming they've moved on to another institution.

Mr. Chase: Thank you. My second question: what percentage of your students complete their studies at Grant MacEwan as opposed

to transferring to other postsecondary institutions, primarily the University of Alberta? Again, your academic sort of focus.

Dr. Byrne: Sure. In rough terms just a percentage of our total enrolment of about 10,700 students, about 40 per cent of those students, have been engaged in university degree work or university transfer. Our transfer rates are extremely high – in fact, we showed that stat earlier in our presentation – so those that complete year 1 or year 2, almost 100 per cent of those that complete year 2 would have moved on to another degree program, the majority of whom would have selected the University of Alberta, but not exclusively. That will change now because we have our own degrees, BA level and BCom.

I'll give you a very specific for instance that might answer your question in a different way, if I may. We have approval for a bachelor of commerce degree, which we've been offering years 1 and 2. We have not yet received our funding for years 3 and 4, but I will share with you that we had about 400 students who were looking for access for year 4. We worked with the University of Alberta and found places for about 360 of those students. We took roughly 180; they took 180. The other 40 found places elsewhere. So we're working collaboratively to try to ensure that those students have opportunity to go on. But that's a microcosm. That's an example of one program.

I hope that responds to some of your questions.

Mr. Chase: Thank you.

The Chair: Thank you very much.

Mr. Webber, followed by Mr. Miller.

Mr. Webber: Okay. Thank you, Mr. Chair. First of all, thank you, gentlemen, for coming here today. I appreciate it. I'd like to refer to the Auditor General's report from November 2006, page 35, with regard to the Auditor General examining the contracting practices for major construction projects at Grant MacEwan. The Auditor General wrote here that about 25 per cent of the Robbins health learning centre was finished, and nearly \$14 million was paid to the builder before the final contract was signed. The Auditor General recommended that "Grant MacEwan College ensure that signed contracts (interim or final) for construction projects are in place before projects start." My two questions to you gentlemen are: how did the college assess and manage the risks, both financial and nonfinancial, since construction started without a signed contract, and what steps has the college taken to address the recommendations of the Auditor General?

Mr. Quinton: Well, thank you. I think I can answer that. First of all, in terms of that we felt comfortable that we were managing the risks. There were a number of documents in place. We had a letter of understanding. We had our tender documents, which outlined some very specific requirements, as well as the responses from those proponents that had submitted responses. The combination of those documents and in consultation with our legal advice, while not as good as or binding as a contract, did provide enough assurance to us to continue on, especially given the market that we were in. That's what we've done, certainly, on the risk management side.

In terms of the go-forward, we have looked at that. We've looked at our procurement policies and also our practices around contracting. Now, I think the Auditor General also noted in their most recent report that they will test that, although they can't test that until we get to a point when we're actually entering a contract of that nature or significance.

Mr. Webber: Great. Thank you, sir.

I guess I've asked both my questions, so thank you, Mr. Chair.

The Chair: Mr. Miller, please, followed by Mr. Rodney.

Mr. R. Miller: Thank you, Mr. Chairman. Once again, thank you for making yourselves available to our committee today. I'd like to jump ahead of my colleague Mr. Herard, who loves to ask this question of the entities that appear before us. I note in the annual reports that administration costs have gone from 20.3 per cent of your budget in the '03-04 business year to 30.5 per cent in the '07-08 business year, and I'm just wondering if you could provide an explanation to our committee as to the ever-increasing costs of administration.

Mr. Quinton: Well, certainly, there are a number of things there. Part of it can be in reporting as well in terms of how you classify and categorize items, but I think that in terms of the types of administration we have grown a degree in terms of the academic administration and supports around and to students. Certainly, as we move towards degrees, you will find that there is significantly more support required to students.

In terms of the back office types of functions, if you will, on that end we don't feel that that has changed significantly over time. Again, any increase we've had proportionately is on the academic support side. Also, I think that over time the initial measures and how you report your expenditures – certainly we've refined that as well.

Mr. R. Miller: Okay. A somewhat related question, I suppose. I note that the forecast for total tuition and related fees this business year is \$54.7 million, and that's an increase of 7.7 per cent for the student population. Again, you're going to hear a lot of questions today about affordability, I'm sure, so I just wonder if you could comment on that. It would be somewhat over the rate of inflation and certainly somewhat more than the 3.5 per cent that the government allows you in tuition increases alone.

Mr. Quinton: Right. Again, we do stick to the policy line in terms of the tuition fee policy, so we do only raise it by the allowable limit, and we stick within that. Any increase in tuition fees beyond that is based on forecasts and projections within our program and our enrolment increases. For example, we started our bachelor of arts a year ago, and over a four-year time period that starts to ramp up, and also with other programs. When you look at either the financial statements or budgets, we do hold the line in terms of tuition fee policy, so we do not increase it more than any other institution does. Any other increase is related to a change in enrolment levels.

Mr. R. Miller: Thank you.

Dr. Byrne: Or, I might add, a change in programming. The tuition fee for an undergraduate degree now that we're into a full baccalaureate degree is different, and that's part of the factor of that 7.4.

1:30

The Chair: Thank you.

Mr. Rodney, followed by David Eggen, please.

Mr. Rodney: Thank you, Chair. Thank you, gentlemen, for being here today. I have a question here, and it's not in the spirit of beating a dead horse at all. Part of the idea of coming before Public

Accounts, of course, is an opportunity to set the record straight. Just keep that in mind as I ask the question related to recommendation number 10 from the Auditor General's report in November of 2006, the recommendation that the college "establish a policy clearly indicating it will not solicit or accept donations with participating vendors during a tendering process."

I guess I really have two questions, and they're both related, so I'll ask them at the same time. This is looking back. I'm just wondering: in the meantime what steps has the college taken to address the recommendation, and how does the college ensure that the tendering process is indeed fair and transparent? You know, we all learn things as we go on. Sometimes the word "unfortunate" might apply. Again, the two questions: what have you done in terms of this recommendation in the meantime, and how can you ensure fairness and transparency when it comes to tendering processes?

Mr. Quinton: Well, certainly, in terms of addressing that we've worked on our procurement policy in terms of that very specific issue. Also on a go-forward, I think, our practices relative to some of the other institutions: we've done perhaps a little bit more investment on the administrative side in terms of beefing up our procurement department, and we are fairly strict, as others within the college would tell you, about following good practices. I think we've done both in terms of looking at that specific issue but also on a go-forward.

To note and, I guess, to set the record straight, our opinion of that particular issue that happened was, very unfortunately, a perceived potential conflict of interest versus an actual conflict of interest. The donation that happened at that time actually was negotiated two years prior; the announcement just didn't happen until then. Certainly bad timing in terms of the announcement of that particular donation, but that was negotiated a couple of years prior to that and therefore, in our minds, had nothing to do with the awarding of that contract.

Mr. Rodney: I didn't think I would ask a follow-up, but how it has affected actual policy is really the question. You know, lessons were learned about that. I don't want to say go-forward because we can't talk in the future, but going back, then, and moving in between time, what specifically has happened that's changed so that this sort of thing doesn't happen again here or at other institutions, for that matter?

Mr. Quinton: On a policy level a specific inclusion in terms of a statement around not accepting donations or other types of influence, if you will, during a tender process. I think that's in terms of policy. In terms of practice, again, I think we're good on that, but also if you want to call it an educational-type thing, where we've met with our procurement people and many others in terms of how we would deal with this matter.

Mr. Rodney: Okay. Sure. Thank you.

The Chair: Thank you.

Mr. Dunn: May I supplement this? This was an important matter that we raised at that time. It broke down to two matters: (a) was there even a donation? The question was: was there a donation and, of course, the possibility of matching with the access to the future fund. We were quite concerned that all organizations, postsecondaries were playing by the same rules. Was it that you just created a donation? As we stated in here, it was not clear whether the

\$250,000 was a donation or a negotiated reduction, as I mentioned before, of a previous construction of a residence.

What was really of concern to us, as we mentioned under Background, the third paragraph, “the request for tender documents included a requirement for the bidder to include ‘donations and other contributions’ as value added items in the tender.” We felt that takes you offside. You shouldn’t put that in your tender documents. That’s clearly what we were objecting to because it doesn’t give a perception. Everybody else who’s bidding on the project: to them it’s reality. That’s why we felt it was very, very important for the college to not dismiss it and to change their policies around that.

Mr. Quinton: Also a change in practice on that end again. We’ve taken that out, and what we do now is: once the tender is awarded, we then turn the relevant information over to our fund development people and let them go at it after that point.

Mr. Rodney: Thanks to all three for the clarification. I appreciate that.

The Chair: Thank you.

Mr. Eggen: Sorry, just as to the previous question: this was rectified, then? I’m sorry, I wasn’t clear on that, the provision that you had. Go ahead.

Mr. Quinton: Right. Again, in terms of policy it’s been under development, but certainly inserting a clause where, you know, we would not accept donations from any vendor during a tender process. So both handled from a policy level but also a practice level, where we’ve looked at our practices and changed those as well.

Mr. Eggen: Do you have records of the people who have been tendering and in fact providing contracting services for you that subsequently have made donations? Is that something that you’ve been tracking?

Mr. Quinton: Well, I might not be clear on the question, but certainly we go after vendors and that for donations outside of the procurement process. But in terms of the process itself we would have records on who the bidders are and certainly you’d be able to look to see that they’re . . .

Mr. Eggen: Corresponding to the donations that have been received.

Mr. Quinton: Right.

Mr. Eggen: Do you have that immediately available?

Mr. Quinton: Not immediately, but we could certainly provide it.

Mr. Eggen: If you could, that would be great.

The Chair: Thank you. If you could provide that information to all members through the committee clerk.

Mr. Dunford: I’m just going to wait if you want to make notes.

Mr. Quinton: It’s okay.

Mr. Dunford: All right. I wanted to say that as one of the many, many architects of Campus Alberta I’m particularly proud of the fact

that a University of Lethbridge sign appears on a building in downtown Edmonton. If I’m not mistaken, I believe all thanks should go to you. I think that was one of the early transfer programs – was it not? – of the business admin program, the two-year program at Grant MacEwan going directly into the U of L management degree?

Dr. Byrne: That’s correct. Not that it should be attributed to me, but it is correct that we have that program.

Mr. Dunford: Okay. All right. That was an early achievement, I guess, of an objective that we had with Campus Alberta. In the years that we’re looking at, has that flourished, that kind of co-operation with other postsecondary institutions in Alberta, or has that been it?

Dr. Byrne: We would be able to cite a number of examples. I think the partnership we have with University of Lethbridge is a long-standing one, and it allowed our two-year business management diploma students to enter a four-year degree in business management. Certainly U of A has been a major player for that type of transfer arrangement, but the biggest partnership we have now – and you may remember when you were minister – is really through eCampus Alberta. We and SAIT are the two leading institutions in that consortium, which now has about 5,600 to 5,700 registrants and will probably grow to approximately 7,000 this year. That’s a very collaborative approach among and between institutions. I think that’s probably a newer development since we started with Lethbridge.

Mr. Dunford: Okay. This is supplemental in some ways but different in others. I get to have two questions every time I’m here, so I’ll use it. I addressed this question this morning to Mount Royal College. I’m interested in the role that employers play in the operating revenue of Grant MacEwan. I’m not talking about corporations that have donated money for a particular building. I’m curious as to whether or not some of the burden of taxpayers educating their workers has seen any kind of relief with more dollars coming in for operation of just the general education of your students?

Dr. Byrne: It would certainly be very modest. I would start with that response. Some areas have been far more active, but it’s mostly in kind. An example I would give is the insurance industry. We have an insurance program that is extremely well supported in kind from the insurance industry as well as many other programs that have either a clinical placement or a field placement. So industry and business do provide placement opportunities. They do in some cases provide salaries to these individuals to do this work. They provide scholarships, and this is often the difficulty when somebody starts wondering about who’s giving what money. A lot of that money in our case goes to scholarships and bursaries. That’s a very critical part of supporting students and making it more affordable, but as far as a direct injection of dollars from an operating perspective, that really doesn’t exist.

1:40

Mr. Dunford: Okay. Thank you.

The Chair: Thank you very much.

Mr. Chase, please, followed by Mr. Cenaiko.

Mr. Chase: Thank you. Unlike Mount Royal College campus' southwest Calgary suburban location, at least your central campus has the advantage of its downtown, well public transit served location, which makes cost and access considerably less of a deterrent. Have your downtown campus and satellite campus expansions kept up with your student applications and program delivery needs?

Dr. Byrne: I think we're at a point right now – and we did show you a slide that indicated we're at 14.2 metres square per FLE. That puts us in the lowest quadrant of space per institution. The institution that you're familiar with, for example, is at quite a different end of that continuum, more like 20 metres square. That does make a difference, and it does limit our capacity. What we're trying to do right now is to make the best use of the space we have. We have doubled the capacity of our city centre campus that we have and doubled the capacity of what we call our south campus. We've done that over a planned six-year time frame, but we're pretty well at the outer edge. The stuff that we have going through process now for approval: once it's approved, we will be at capacity.

However, having said that, we're also looking at different forms of delivery, and we're trying very hard to encourage and support alternative approaches. We've moved to a laptop model for many of our students, who can do much of that work outside of the physical space. There is still a need, however, and a desire on the part of most of our students, be they young or old, to come into an environment where they can get into interaction and discourse.

Mr. Chase: Thank you. Basically, you're suffering what all postsecondary institutions in Alberta are suffering, and that's a seat and space crunch. I know from our caucus' former Grant MacEwan meeting that you have extensively sought peer review of your baccalaureate programs. I believe the number of institutions you approached for external evaluation numbered around 32. You mentioned earlier that, for example, you had received funding for only years 1 and 2 of a proposed – well, it's not proposed; it's an actual BCom degree, baccalaureate expansion direction. Where or why is there a holdup in funding for years 3 and 4 of the program?

Dr. Byrne: I can't answer the reason why. I can explain where. It's within the ministry, but we have been working very closely with the ministry, who understands the situation and the magnitude of it. What we have done is that we've resourced it with some internal funds to ensure that years 3 and 4 over this next two-year window are in place. I'm reasonably confident that we will gain the financial support from the ministry to enable that degree to continue.

It is, by the way, among the highest demand areas right now. If I can put in somewhat of a commercial, not so much for our degree, we need to produce people who can make revenue happen. In other words, we need to support the business side of the sector. We do a lot of work in the social service side and the health care, all of which are important, but if we don't have a strong economy, it's not going to pay for it. The BCom students are part of that wealth generation group.

Mr. Chase: Management and sustainability are key goals, then.

Dr. Byrne: Yes.

The Chair: Thank you.

Mr. Cenaiko, followed by Mr. Miller.

Mr. Cenaiko: Thank you very much. I want to thank both of you, Paul and Brent, for being with us this afternoon. As I think one of my colleagues mentioned, this is really a historic event for learning institutions as well as the health regions, who now have come before the Public Accounts Committee and have taken questions from the committee members.

I've got a couple of questions, really. Speaking about the college's degree programs and your plans for the future of where you want to obviously look at additional programs to supplement the larger universities that we have, not just in Alberta but as well across Canada, are we attracting the same level of candidates from a college perspective as we would from a university perspective?

Dr. Byrne: You're referring to the level of student competency and capability?

Mr. Cenaiko: Yes.

Dr. Byrne: By and large, yes. They have to meet a minimum standard, but there is no question that the students that come to MacEwan would be applying to our institution in part because they may not have had the cut-off point to get into the University of Alberta. They may be able to apply to another university in Alberta or Canada and get in, but the U of A cut-off point might be beyond them.

Mr. Cenaiko: Do they have less ability?

Dr. Byrne: It depends on how much credence you want to put in an academic grade from a high school. I think that there are certain things that you can evaluate on those grades. But this is what's most important. It's the completion rate. It's the participation. We have found that once they get in, if they're given the proper care and attention, they can go much further. If you were to talk, for example, to the dean of engineering at the University of Alberta, he would tell you that our first-year transfer students – we only offer the first year of engineering – do on average as well as and in some cases better than the students he has who start at first year. Yet if you were to look at their academic incoming grades, you might see a difference. Ours would be lower than theirs. Yet the success rate, the completion rate at the end of the five years of that engineering degree is every bit as high. We have longitudinal studies to support this kind of information.

We have a different environment, not a better environment, but it's an environment that helps those that need a little more assistance in learning to get through the programs.

Mr. Cenaiko: Well, Mr. Chair, the reason I ask that question is that my son actually is a graduate of Grant MacEwan, and one of the issues that he faced was, in fact, the access through – he didn't quite have his marks where he should have, but he graduated from Grant MacEwan College and has been very successful in the career he has chosen.

The degree granting program that you have now, then, how does that tie in with your connection to the community and, as well, your connection to the University of Alberta?

Dr. Byrne: Certainly, the connection to the community. One of the reasons we moved into degree completion – we were already, as mentioned earlier, the largest college in Canada in transfer – is that students wanted to stay in our institution.

When working with other institutions, including the U of A, we

looked at those programs where the demand cycle was high. The opportunity was there to provide access, so we selected those programs that would meet the community's needs, meaning our internal community, students we already had or transfer students. We also have an interesting program with the U of A that some of you may not be aware of, and that is that we recycle students who do not necessarily make it through their first year with a great deal of success. They go on the different kinds of deans' lists, so to speak. They come back through with MacEwan, and we, if you will, recycle those students. Some of them stay with us now, and some will go back to the U of A. I think it's a very important concept that we provide continuity of learning opportunities and a range of learning opportunities for people.

Right now I think we're responding to the needs in the community. We see the demand rate up in a number of areas, particularly in areas like nursing. We now have a bachelor of science in nursing, which is different from a bachelor of nursing degree – there are all these subtle differences – which is going to be, ramping in '09 to 2010, a requirement for practise in Alberta. So we have responded to that need in the community. Of course, the need isn't going away. If you had Capital health in here, they were probably telling you that they need a hundred million more nurses. We're part of that solution a little bit. We're not doing a hundred million, but we're trying to do it. So that's a directed activity with the community.

The BCom program that we'd like to get funded is a supply chain management logistics major. The U of A wants us to do it because they will then offer a master's under an MBA. Of course, all of the transportation that's coming through this port authority of the greater Edmonton area would be dependent upon people with skills in logistics.

1:50

Mr. Cenaiko: Very good. Thank you very much.

The Chair: Thank you.

Mr. Miller, please, followed by Mr. Strang.

Mr. R. Miller: Thank you very much, Mr. Chairman. I don't like to get into the us versus them game, but as an Edmonton MLA I can't help but do that once in a while. I'm looking at the per capita grants, and I see that in the '05-06 year Grant MacEwan received \$6,204.90 per capita in grants from the provincial government and Mount Royal College \$7,620.20. I'm wondering if you feel that that's adequate and fair for your students as opposed to students attending Mount Royal College.

Dr. Byrne: Boy, this is a hot-button question. Let me respond by sharing with you that as much as people think Mount Royal and MacEwan are twin sisters, we're not, and it's important, I think, and I'm sure you understand that after this morning's meeting. I'll give you these examples. One is that Mount Royal has a much larger number of applied degrees: 19, I believe, versus four for MacEwan. We are much, much larger in the areas such as degree transfer, but we are also larger in so-called diploma and certificate programs and have a great deal of continuing education. Is it fair? The short answer would be: no, it's not fair. But there are some explanations for the variance. At this stage we think we do well with the resources we have. We'd always like to have a little more. But I can't comment on how that has occurred and why other than to mention those two factors to you.

Mr. R. Miller: Thank you. I do note that it has gone up fractionally

in relation to Mount Royal College over the last year. Perhaps that's in relation to the fact that you are now offering more degree programs, although I know they are too. I'm not sure whether that would be an explanation for it, but I do note that it has gone up a little bit. I think we were 77 per cent of their per capita grant previously, and it's now 81 per cent. I don't know if you'd care to comment on that. It's improving, but we're still way behind.

Mr. Quinton: I could probably add a little bit to that. I think, you know, that part of it is the history of MacEwan. In the last five or 10 years, certainly, one of the things that MacEwan has done I believe more than any others has been to take in additional enrolments without funding, which on average brings down, if you want to look at it, our per capita grant. That has had an impact. It has impacted not only in terms of our revenue source per student, but as you saw in some of the information on our space as well, when we take in students that are not being funded through additional grant, it impacts us in many ways.

In the last couple of years we've had to hold the line on that. We've had to within the college put a stop to that because we just couldn't do it anymore. We took in more students than we were being funded for, and we had to put a little bit of a stop to it. Now, the ministry comes along every so many years and provides some additional funds, not enough to make up for all of the unfunded enrolments but to make up for part of that. That has helped along with our new programs, which have also added more revenue, or students that are fully funded, if you will, through grants.

Dr. Byrne: The argument could be made that we're our own worst enemy: we've taken in more laundry than we have room for in the laundry tub.

Mr. R. Miller: Thank you. I appreciate that.

The Chair: Thank you.

Mr. Strang, please, followed by David Eggen.

Mr. Strang: Thanks, Mr. Chairman. Dr. Byrne, first of all, I want to thank you very much for the support that you give the Pembina regional consortium and Yellowhead regional consortium because it certainly helps the area. We've had great results from that, especially on the nursing side. I guess that sort of leads to the question I want to ask. In the current volatile market conditions can you tell us what challenges you faced in the construction of the new Robbins Health Learning Centre and how you've overcome that?

Mr. Quinton: Well, we're not totally sure, but we believe that we're probably one of the last fixed-price contracts in Alberta, so that was a huge piece of it. I think that how we managed the project was to get the design right up front as close to what we really thought we needed and from that point on stuck to it, with very modest or very little changes. Certainly, in the current market it was a very significant challenge for our contractor. However, we developed a very good working relationship with them and worked with them on a regular basis to look at the issues and see how we could rejig things, if you will.

For example, one of the things we did was focus on finishing about 80 per cent of the building. The 20 per cent of it that we could do without in the first six months or so: letting that slide while we finished the main parts that we needed. We worked with our contractor almost on a daily basis to look at every issue that came up and to make sure that we met our timeline for the primary parts of

the building that we needed. At the same time, by not doing any significant adjustments to the design or other types of features and also doing some things ourselves, we were able to keep the price to MacEwan within the budget that we had for it. Very fortunate in this market that we felt that we were able to keep it, as you'll hear, on time and on budget.

Mr. Strang: I guess my supplemental would be: what are the anticipated costs of running the facility, and how would you be able to fund it?

Mr. Quinton: Basically, any time a new facility like that comes online – and, again, this has all gone through ministry approval – there is basically a formula grant that is provided by the ministry for operating dollars, which is essentially your basic day-to-day utilities and maintenance-type activity.

Mr. Strang: Okay. Thank you very much.

The Chair: Thank you.

David Eggen, please, followed by Neil Brown.

Mr. Eggen: Yes. Thanks, Mr. Chair. Affordability is a pressing issue in all postsecondary institutions across the province. I was just wondering if Grant MacEwan had any mechanisms in place to monitor how students might be managing or not managing to pay for their postsecondary education, specifically student dropout rates due to affordability issues or having to access emergency funding and things like that.

Dr. Byrne: I'll make a few comments on that in general. As it was pointed out, our tuition fees are in the lower third of the colleges and technical institutions. We've worked hard to try to keep them there.

On an earlier question you asked, we are out now on a major campaign, so if anybody here would like to help us with that, we're looking to double our scholarships and bursaries, which now provide annually to students about a million dollars in scholarships and bursaries. We'd like to make sure that that grows to about \$2 million over the next three to five years. In order to do that, we've got to get a significant endowment in place. That's where the access to the future fund would be nicer if there was \$3 billion sitting there, if I can put that plug in, because the interest off it is very important. We have a lot of people who would be willing to give us money, but they're looking for that to be matched. Scholarships and bursaries are important, and that's one way to make things more affordable. Doubling what we have available to students will be an important factor.

We have a student residence in place now, which reduces costs, particularly in this market, to students for housing. We also have programs in place, including a U-pass system now for our students. Everyone has to pay, and that's to the chagrin of those that want to drive and park, but that also keeps costs down for students.

To answer the question around tracking students who leave, we try to have an exit format with students, but many students who leave do so, especially if it is often for financial or personal reasons, unannounced and just don't even often go through a formal withdrawal. For the ones that do go through a formal withdrawal process, we do try to address financial matters. We have an emergency fund. Our students' association has an emergency fund. We have a student food bank; we have a clothing bank. We're doing a number of things to help those students who find themselves in some difficult situations. We also reduce textbook costs by using printed material that is part of a textbook rather than the full

textbook and recycle textbooks. So we're doing a number of things to try to keep the costs down.

Mr. Eggen: Thank you. Just further to that, then, would you be able to or have you been tracking how many students per year or semester have been accessing those emergency funds and/or utilizing the food bank?

2:00

Dr. Byrne: No, because that information is sensitive and confidential. Let me say that the full fund is actually used up each year. Whatever is put in is recycled and is used up, and the food bank depletes itself, but we would not be in a position to actually track the numbers. To be frank, that would not be something we'd want to overly monitor because there's some sensitivity for people who have that challenge in their life. This has been our experience, at least.

The Chair: Thank you.

Dr. Brown, please, followed by Harry Chase.

Dr. Brown: Thank you, Mr. Chairman. I would like to follow up on the Auditor General's report, volume 2, page 18, regarding the recommendation to improve financial processes and controls. The report said that the recommendation was first made in 2000-2001 and that the same issues arose year after year with some improvement, but there was a regression in the '06-07 year, which, I take it, means backsliding in terms of the progress on the project. I really do find it incredible that it has taken that long to implement what would seem to be quite a fundamental recommendation. The question I have is: why has it taken so long, and where is the institutional and administrative accountability for failure to accomplish those objectives that were set out by the Auditor General?

[Mr. Prins in the chair]

Mr. Quinton: Well, certainly there were recommendations made, and I think that over time what you would find is that many improvements were made, not enough to satisfy that particular recommendation. In the year you're speaking of, there was a regression in terms of a timeline, but again the issue is around timeline and production of financial statements, not in terms of any improprieties or any other actions happening. A lot of that stems from systems and some of the processes around systems.

Certainly, a significant focus of what we do and any new dollars we get tend to go to the classroom as opposed to administration. However, in this last year and in the 2007 letter that we received, you'll find that that was implemented. We felt that over those years we were making improvements, not enough to meet the Auditor General's requirements to say that that was satisfied up until this year. Again, our view of it was that it was primarily a timeline issue in terms of how quickly after year-end we were getting the audited financial statements completed and to the Auditor General, but it was not a financial management or prudence issue.

Dr. Brown: Well, I guess a follow-up question is: where does the buck stop, and what, if any, personnel changes were made or disciplinary actions taken in order to see that there was some administrative accountability there?

Mr. Quinton: Well, certainly, the actions were taken. It's difficult to take disciplinary action on people that didn't exist, and I think that one of the biggest challenges is not having enough or sufficient staff. Like many other organizations, trying to attract people in this market

continues to be extremely difficult. In the last year or two we've slowly been able to increase that and bring on more qualified staff. It's certainly coming at a price. Probably from a personnel perspective that has been our key focus: trying to get staff on board.

[Mr. MacDonald in the chair]

We still have positions that we had through our internal processes approved and funded that we have not been able to hire in terms of affordability, in terms of even availability in the market, so that's something we continue to work towards. We're starting to get a little bit more success, but again, in our view, it is around trying to get and keep, so attract and retain, qualified staff that can help us manage not only the manual processes but get us off the manual processes and onto more automated processes.

Mr. Dunn: Well, I will again comment here. As you appreciate, we do not make recommendations lightly. What Dr. Brown has raised to us is a very, very important matter. We have reported to Grant MacEwan over the years that this is important. As we say within our Implications and Risks, if you don't know where you are, how are you going to determine where you're going? If you cannot produce an accurate set of financial statements at a year-end, where you're required through regulation and legislation to produce it, what are you doing during the course of the year? So I thank Dr. Brown for raising this matter because we were very concerned as to whether or not it has really been accepted by Grant MacEwan. I appreciate the fact that it appears that it was not a task they felt that they could readily accomplish.

All other financial institutions – and you heard us talk this morning about Mount Royal College – have managed to address the issues. They have managed to satisfactorily do it in a much shorter time frame. As I've mentioned to you before, it breaks down to one of three things: people, processes, and technology. I've mentioned this to their audit committee in the past, and I will continue to mention it if it doesn't improve.

If you also look at the financial statements of Grant MacEwan, you'll see that there have been a number of prior period adjustments. Prior period adjustments reflect matters not raised accurately in prior years and that had to be reported in a subsequent period. Again this year we have two more prior period adjustments, not properly reflected in 2006 and that had to be reported in 2007 backwards into 2006. I expect that the college has accepted this, will continue to make progress, and will not let it slip back.

Dr. Byrne: We have accepted it. We are making progress. It will not slip back.

Mr. Dunn: Thank you.

The Chair: Thank you very much.

Mr. Chase, please, followed by Mr. Herard.

Mr. Chase: Thank you. My questions have to do with both accessibility and affordability. On page 7 of the 2005-2006 annual report it shows an overall decrease in the head count of students, yet the next page shows an increase in tuition fee revenue. What collaborative student input provision is there for tuition impact discussions? In other words, how do you work with your students' union or your council to take into account their affordability concerns?

Mr. Quinton: Well, during our process we have a tuition fee

committee which includes student representation on it, and that's the committee that reviews the student fee policy. Again, the tuition and related fee increases are limited by the tuition fee policy that the government has established, so we hold the line on that. That being said, there is potential for other, smaller level administrative fees that might be charged, but that's not done without consultation on an annual basis with students.

Mr. Chase: Thank you. I appreciate that the ultimate decision for fee increases is based solely at the advanced education minister's regulation as opposed to discussion in parliament. Bill 40 saw to that.

Housing affordability is a major deterrent to student access. Earlier you mentioned your student residence cutting down on costs. What percentage of your students are you able to accommodate on campus in this residence?

Mr. Quinton: Well, the total capacity of the residence is just shy of about 900 students, so within our entire student population that's less than 10 per cent. In most across the country 10 per cent is sort of a target level to hold. In the market that we have, if we could have more, that would probably be beneficial to students because the value in terms of not only what they pay but what they get for that as being all-inclusive – utilities, Internet, all sorts of things – is a very good value. Right now, of course, with the housing market the demand is up there, but we also have to balance that with when the market isn't so hot: what can we afford to do, and what level of a mortgage can we afford to pay? Currently our capacity is a little bit under 10 per cent in terms of our total full-load equivalent student population.

Mr. Chase: Thank you.

The Chair: Mr. Herard, please, followed by Mr. Miller.

Mr. Herard: Thank you, Mr. Chairman. Thank you for being here today. I don't think I've got any wet noodles to lash around for you today. Ten lashes with a wet noodle: you know the joke. I tried a little humour. It didn't work.

Just before I ask my question, I just want to clarify that I've got this right. You've got about 10,800 FLEs?

Mr. Quinton: It would be in that range, yeah.

Mr. Herard: In that range. Roughly how many of those are in university transfer courses?

Dr. Byrne: Thirty five to 40 per cent would be in transfer. That's an FLE count. We have a number of other students. You know, our total individual population served – if you will, the registrants' head count – is a much larger figure. We do a lot of customized work. We do management development work and so on and so forth for people.

Mr. Herard: Thank you. That clarifies the information before I ask the question.

We're currently in this province facing a huge crisis with respect to people – you know, well-trained people, well-educated people – for virtually every field. We've already had some questions with regard to access and the ability to have a position for all of the qualified students that present themselves, but I'd like to ask the question in sort of the reverse way. I look at page 2, and I see that your university transfer rates are about 67 per cent, and I'm wonder-

ing if that's pretty much in the same ballpark as course completions, diplomas, degree certificates, graduates. Is that roughly what the completion rate is on average for pretty much the entire operation, or is that just for university transfer?

2:10

Dr. Byrne: That particular one is just for university transfer. Completion rates vary from 100 per cent for some programs down to a low in the neighbourhood of 72 per cent, so there's a range. In the nursing program it would be 99 per cent, to give you an example, and something else, as I mentioned, would be lower.

Mr. Herard: Okay. I was pleased to hear that you produce a report card, and I think that probably all of us around this table would love to get a copy of your latest one. That would probably help us understand a lot of this.

Dr. Byrne: Just to be careful on that, you want the report card for each and every program that we have? That's our report card that we're referring to. We have roughly 75 programs. That's a lot of material.

Mr. Herard: Well, I guess what I would like . . .

Dr. Byrne: A summary?

Mr. Herard: A summary would be good.

Dr. Byrne: We'll try.

Mr. Herard: With respect to course completions, as you know, I've got a bias that says that with 140,000 students in postsecondary across this province, if we were to improve our completions by 10 per cent, it would take a huge dent out of this shortage that we're going to experience or think we're going to experience over the next decade. I guess my question is: what do you have in your institution to assist students at risk: counsellors, mentors? How do you detect someone who is at risk of dropping out or withdrawing and so on? I mean, to me it would make a lot of sense to be able to graduate more, to get our completion rates up, but many times there's not enough assistance available to students who, first of all, probably didn't know what they were getting into and, secondly, need some assistance to get on with it. Do you have programs like that in your system?

Dr. Byrne: Yes, we do. We have a range of programming activity, and we do it through basically a model of Student Resource Centre, which has a combination of counsellors, learning assistants. Each program area also has an individual at what is called the IA level who participates in assisting students who are facing challenges. We bring students together in pacing groups, which is another model that we've used to try to keep people on track and involved and engaged. We also have been doing some things with the students' association, and it's actually they who have become a very active player in trying to assist students who find themselves in challenges, usually academic challenges. So we have a number of these things in place that try to help. It's a safety net, but it doesn't catch everyone.

Mr. Herard: Thank you.

The Chair: Thank you.

Mr. Miller, please, followed by Mr. Johnston.

Mr. R. Miller: Thank you, Mr. Chairman. Gentlemen, you might want to duck because I've got a wet noodle. See? I got more of a laugh than you did.

Mr. Herard: At least I understood you.

Mr. R. Miller: The management letter presented from the office of the Auditor General highlighted recommendations for better record keeping of inventories and the management of petty cash within the college stores. The recommendations are a result of \$32,000 worth of ETS passes and bus tickets that were unaccounted for and a \$12,000 refund made to ETS because of incorrect record keeping. I'm wondering if you can share with us what measures the college has taken to address the Auditor General's recommendations in regard, specifically, to the bus passes and the record keeping.

Mr. Quinton: Well, certainly, we were aware of that, and we can say some about it, although it is still under investigation. Basically, there were several controls that were in place. Part of the challenge we have is how well they were followed. Certainly, we're looking at some processes around that to make sure that they're followed better. We're also investigating – and it is one of these situations where it's potential fraud and also potential collusion, if you will.

That's what makes it challenging. Even with proper and documented controls in place, if more than one person gets together, so to speak, to not follow the controls, it makes it extremely difficult to find. You tend to find it; it's just a matter of timeliness. So we are following through with that and pursuing that matter to its fullest but also, in addition to that, looking at how we can improve the controls around that and add some extra controls that will help to ensure that it either doesn't happen or that we catch it much sooner if it does happen.

Mr. R. Miller: I guess the supplemental. As somebody asked over there – I think it was Mr. Dunford who followed with a similar supplemental. No, it wasn't; it was Dr. Brown. Sorry. Staff implications: have there been or will there be efforts made to recover the inventory or the lost dollars and that sort of thing? What have we done in terms of hard facts to try to recover?

Mr. Quinton: I guess I'm a little conscious about the confidentiality, but certainly it's still process. Our intent both from the management and the board perspective is that it will be pursued to the fullest extent.

Mr. R. Miller: Thank you.

The Chair: Thank you.

Mr. Johnston, followed by David Eggen, please.

Mr. Johnston: Thank you, Mr. Chair. On page 7 of the annual report, July '05 to June '06, it's noted that the college experienced a decrease in credit enrolments and also noncredit enrolments from 19,369 in '04-05 to 17,250 in '05-06. To what do you attribute these declines, and what steps has the college taken to bolster enrolment?

Dr. Byrne: If you look at our total numbers over the last several years as shown on one of the charts, we'd grown quite dramatically, too dramatically. As was also mentioned, we were dealing with a number of these students who were nonfunded, in other words self-funded or underfunded. We were trying to carry the programs on the tuition fee only. So part of what you're seeing here is a result of a correction that we have made to try to deal with that.

The issue of the part-time enrolment, the larger drop in actual continuing ed numbers. Two things have happened there. One is that we have actually gotten out of some of the businesses that we were in or tried to transfer those to other institutions who were more suitable for those particular types of programming. We've also moved one of those programs into a different status, so it will not be counted in the continuing education area.

So the little bit of dip that has occurred: we've done a planned enrolment levelling, which has actually ended up with a decline. I think if we look at our total FLE for this past year, we only grew by 61 or 63, depending on who did the counting, but those are the two figures.

Mr. Johnston: Okay. My follow-up question, of course: what impact would the decrease have on future planning for expansion?

Dr. Byrne: Well, it's rejigging the math, so to speak. In one case we are moving out of the nursing diploma and moving into the degree, so there will be a bit of a dip down, to give you an example. As we build that back up, it'll become a four-year degree, and you'll see an increase over time on that. That's an example of one that would go up. But it went down because we got out of that particular business to build the new business. I don't know if that answers your question fully.

Mr. Johnston: It does, thank you. And thank you for being here today.

The Chair: Thank you.

Mr. Chase, you indicated that you had another question.

Mr. Chase: Thank you. Having spent 34 years of my life as a public school teacher, I consider postsecondary education an absolutely necessary basic education investment extension. On page 11 of the 2005-06 annual report it states that almost \$6 million was raised through fundraising initiatives. What other college projects had to be funded with this money aside from the ones listed?

2:20

Mr. Quinton: I don't have it in front of me, but the fundraising that's gone on through both our foundation or fund development group has gone very much to specific projects. We have not used that funding for ongoing operations or those things that would be considered part of what we should be providing through grants or tuition. Those are either special projects or, in many cases, scholarships or bursaries to students and did not fund any types of ongoing expenditures within the college.

Mr. Chase: Thank you.

Dr. Byrne: For example, the building that we've just completed: we fund raised about \$11.2 million for that building. That was a capital fund.

Mr. Chase: Right, and I don't see buildings where education takes place as a bells-and-whistles circumstance. I see it, again, as a basic requirement.

How does the college determine which projects will be funded through fundraising initiatives?

Dr. Byrne: Right now we have a three-part plan. The first phase is to double our scholarships and bursaries. We'd like to move that

from an annual outgiving of about between \$900,000 and a million dollars to a \$2 million annual availability of scholarships and bursaries. That is our primary fund development activity.

Ramping up shortly, we'll be looking at a new facility for a centre for the arts, which is currently our oldest facility, based out on 156 street. We'd like to replace that, so we're now in the process of ramping up fund development for that particular activity and getting planning money from the ministry for that. That will be the second piece.

In the third piece is the long, long range, 15 to 20 years. I might add that it is extremely important for all of us to be looking that far out because things are happening very quickly here. That would be a new south campus to consolidate all of our activity on two campuses. Somebody asked about administrative costs. One of the factors that we face is because we have to have four libraries; we have to have four of everything because we've got four campuses. It would be nice to be able to have two major campuses, so the long-term goal of the college is to consolidate on two sites. The third fund development activity that will come along will be to assist in the development of that, but that's 10 to 15 years out.

Mr. Chase: Right. I would like to commend you. My wife and I attended a theatre production on a western theme at your satellite campus, and it was very well done and very well received by the audience.

The Chair: Thank you for that comment, Mr. Chase.

Mr. Dunford: On your PowerPoint presentation I was confused not by the numbers but by the message of your cubic metres, I guess it was.

Dr. Byrne: Metres square.

Mr. Dunford: Metres square. Okay. The fact that you seemed efficient was where I thought you were going, but as your presentation continued, you started indicating that if you were the same size as other folks, you would need this much more area. What are you trying to tell us there?

Dr. Byrne: What we're saying is that we're putting more students into a smaller space than the other institutions. That's good. It shows efficiency. The difficulty is that it's going to become a challenge to grow because we're already full. The problem that one faces is, to put it in a nutshell: how do you expand your enrolment? We're at 14.2, which puts us in the lower quadrant. We're pleased with the space we have. We have excellent space. It's quality. We've been very pleased with what the government has assisted us to offer and provide, but fundamentally that's going to be a challenge. Now, can we look at alternative ways of doing things? That's what we're doing to try to supplement the lack of space.

Mr. Chase: You're double-desking as opposed to double-bunking, then.

Mr. Dunford: Hey, that was good, Harry. Let me use that, then, as the segue to my fundamental question, and that is my concern about capacity and then utilization. When you're that cramped for students, is it because everything is between the hours of 8 a.m. and 5 p.m., Monday to Friday? What is the utilization at Grant MacEwan?

Dr. Byrne: We operate a minimum of six days a week and often seven. Many of our facilities are open seven days a week. We do year-round and multiple-year intakes. Our business program, for example, has four intakes; our nursing program has three. We are trying to make the best use of space on a year-round basis. However, it's important to note that you can do everything you want to try to use it and make it available. It's like getting them to come to the trough to drink, and it's tough over the summer. It's really tough.

Mr. Dunford: But at least it's there if the demand is there.

Dr. Byrne: Correct. Yes. And we actually have been shutting down areas that are underutilized to save on energy costs.

The Chair: Thank you.

David Eggen, please, followed by Mr. Webber.

Mr. Eggen: Thanks, Mr. Chair. I was interested to note that you mentioned that Grant MacEwan's tuition was in sort of the bottom third of tuition rates in the province. I'm not sure how that 7.7 per cent increase in the tuition fees fits into that, but I was curious to know, then, perhaps: what mechanisms do you have in place internally that are keeping your tuition fee lower than other postsecondary institutions in the province, if this is a conscious effort, and where have you found savings specifically?

Mr. Quinton: Well, it certainly is a difficult challenge. Again, what we do is monitor the other institutions. We don't want to be necessarily on the upper end. That being said, we're in a time period when virtually every other institution is increasing tuition by the tuition fee policy maximum because, of course, the revenues are needed. If we're doing that, then we're staying within that bottom third. In the past there have been issues where there was an opportunity a few years ago not to raise tuition by the full amount, and that's what we did. Again, at this point we're pretty much raising to the tuition fee policy limit, as everybody else is. If we continue to do that and everybody else continues to do that, we'll stay in the bottom third.

Within there right now what you'll find, I think, are the types of space and the amount of space. The types of office space or administrative space, the use of classrooms, tighter hallways: those types of things are what you'll find, which are part of what makes us efficient on the use of space. Then we also look any time there's an opportunity for renovation or for modifying the space to making sure that we're utilizing it in the best way possible. So if there's a change in certain programming – you know, some programs may require classrooms with 40 seats, and they're using a 60-seat classroom – when the time comes for renovations or new facilities, we always look at: what's the best way to reconfigure the space to get the most out of it that we can?

Mr. Eggen: Excellent. To ask a question that perhaps many students would like to hear the answer to: what would you envision would be the circumstances that would allow you to perhaps hold steady those tuition fee increases or even realize a net reduction?

Mr. Quinton: Well, I guess the answer is full funding through government grant, I suppose. Part of what we're doing, I guess, regardless of the tuition fee level: our fund development campaign to continue to boost our scholarships and bursaries, both direct and also through endowments, is a key issue because right now the

government grant level increases we are getting are quite good. We're very happy with that, but we also have to keep pace on the tuition side because of our costs and how they go up.

There were two years of freeze on tuition fees. Those freezes were essentially covered through increases to our operating grants from the government, and that certainly has helped students and has helped students across the board. In order to realize sort of a flat tuition or no-increase tuition or even a reduction, really, our other major source of revenue that you saw on that graph was government grants. Without that it just can't happen in this marketplace, with the costs going up as they are on an annual basis.

Mr. Eggen: Thanks.

Dr. Byrne: If I may just add to that. The government has provided a supplemental to allow us to keep it at the 3.5 level – in other words, consistent – and that has helped.

The 7.7 figure you're using, I believe that maybe we need to sort of address that, if that's something you're getting back to. I think that may be in there as a result – and unfortunately I don't have that. Is that total that you're dealing with or average?

2:30

Mr. Eggen: Yeah. I believe so. It was for the last year, right?

Mr. Quinton: Yeah. Again, we stay within the tuition fee policy guidelines, so any change in that is due to either changes in enrolments or changes in program mix, where we might add more of a program that has a higher tuition fee.

Dr. Byrne: The degree programs would be higher.

Mr. Quinton: But the annual increase for any student that's in a program, the maximum, we do not go over what the tuition fee policy allows.

Mr. Eggen: Yeah. I believe it was tuition plus other fees for this coming year.

Mr. Quinton: Most of those other fees also fall under that tuition fee policy, so they're part of the percentage that you're allowed to increase as well.

Mr. Eggen: Right.

The Chair: Mr. Webber, followed by Mr. Miller.

Mr. Webber: Thank you, Mr. Chair. Gentlemen, recently I chaired the Alberta affordable housing and homelessness task force, and during that project we heard day in and day out about the struggles that students were experiencing regarding finding accommodations while they were attending their postsecondary studies. Now, I'm looking at your document here, the Strategic Plan & Budget Strategies, page 30, where under your budget assumptions you indicate that "the student residence will be entering its third year of operations" and that "currently, the residence is operating at 80% occupancy, which does not meet financial targets." This shocks me because of what I've heard regarding the students' struggles. I guess my two questions are: why is the current occupancy rate so low when we hear of these struggles students are having, and what can Grant MacEwan do to increase the occupancy rate, when the demand is clearly there?

Mr. Quinton: Right. I think, again, our student residence is fairly new. In the first year, second year there were some issues in start-up and getting it there. What you'll find if you look at it today: we're still not at 100 per cent, but the reason we're not at 100 per cent goes back to our space issue, that we don't have enough space, and we're actually utilizing the second floor and half the first floor as office space. We have plans under way that are in development right now for next summer of '08 to move those people that are in there utilizing it as office space out and get that converted back into student residence space.

Dr. Byrne: I think it's important to note that we get a large number of people wanting space in the residence. We create a wait-list. I can tell you right now that we have apparently no wait-list, as I have been told. We also have extended opportunities to students from other public postsecondary institutions – NAIT, U of A, and NorQuest – to use our residence, and we do have students from those institutions as part of our group.

Mr. Webber: Great. Thank you, gentlemen.

The Chair: Thank you.

Mr. Miller, please, followed by Mr. Strang.

Mr. R. Miller: Thank you, Mr. Chairman. Gentlemen, on page 13 of your June 2006 financial statements it's reported that \$3.72 million was gained in revenue from private contracts, and then in the most recent financials, page 15, again it refers to contract programs, which I assume is meant to be the same, \$3.92 million raised. I was just wondering if you can describe for us what is included in a private contract.

Mr. Quinton: Well, there are a number of things, but a lot of it – you know, we do have some corporate training. Right now one of our biggest areas in corporate training is actually with Capital health. We will provide various types of training to their nursing staff in terms of upgrading or taking on new skills. But we also do contract training in other areas, and this is where outside organizations will come in and pay us to deliver various types of programming to their staff. That really is the bulk of it, where it's other agencies, other organizations, companies coming in on a contract basis to have us provide training to their staff.

Mr. R. Miller: And was my assumption correct that the contract programs and private contracts: the different terminology is referring to the same thing?

Mr. Quinton: Yes.

Mr. R. Miller: Thank you.

The Chair: Thank you.

Mr. Strang, please, followed by Mr. Chase.

Mr. Strang: Thanks, Mr. Chairman. Dr. Byrne, I guess the one question that always baffles me is on the aspect, number one, of the amount of students that apply and then they get rejected because you're full. Do you work within the college system to make sure that we're not counting those students two or three or four times? It's awfully deceiving for the government because, you know, we want to work with you so we can get as many people in. Do you feel that, you know, the ones that you reject are the same as your other

colleges within the Alberta system? That's what I'm looking at.

Dr. Byrne: Unfortunately, we do not have a good method by which we can validate where those other, in our case, say, 9,000 applicants ended up going. We can speculate that they did multiple apply, and that's a choice that individuals have. We are working toward an APAS system, which, once implemented, would have the capability of making sure that we don't duplicate the count of applicants. There is no question in my mind that the 17,086 applicants that we received applied elsewhere. I mean, it's not as if we as MacEwan rejected 9,800 people. That I don't think is accurate or valid. But at the moment we don't have a system to do that in a very meaningful manner, an accurate manner, to my knowledge.

Mr. Strang: Okay. My second supplemental. I was very impressed, Dr. Byrne, when you went on the aspect of sort of reassessing your programs that you offer. I'm just wondering: do you work within your scope or your area to make sure that we're getting the best utilization of the strengths that you have with the other colleges within your area so that we're leaning towards the needs of what we require in the workforce in, well, say, northern Alberta?

Dr. Byrne: We certainly have been working together. I'm not sure we've been working as closely together as we could and should. I'm seeing changes that are happening that are positive in that regard. Part of it is the role clarification that the ministry is going through right now to identify what institutions do have responsibility for and to clarify who they are. As you may know, Mount Royal and ourselves are now referred to, at least at the moment, as a baccalaureate and applied institution. Other institutions might be called regional institutions. So part of it is role clarification, mandate clarification.

Right now we have extremely good collaboration on issues that I mentioned earlier like eCampus Alberta. We have events that we're doing together as well, special training.

Difficulty in projecting employer needs: they're usually short term, they change frequently, and they're often inaccurate. So to be blunt, it's hard to get a good handle on it. We know, though, for example, in an area we're working in, health care, nursing, they seem to have a reasonably good projection of what their needs are based on some factual information. Some of the other challenges we would have are to determine how many BCom graduates the industry will need. Very difficult to become accurate about that. Police departments might be able to tell us what their retirement plans are and so on, and they could give us an accurate figure. It really does vary quite a bit.

As far as using the expertise of MacEwan, I think that for the most part we've done that. We've moved out of programming. We've moved programming over to other institutions. We have shared programming as well with other institutions, and we think that that is going to increase in the future to ensure that we're responding to some of those hot spots as they pop up.

Mr. Strang: Okay. Thank you very much.

The Chair: Thank you.

Mr. Chase: Just following up on Mr. Strang's concerns, a comment that an efficient tracking system of students would be a very important government tracking accountability tool. It would be very useful to know how many qualified, eligible Alberta students are forced to leave the province to pursue postsecondary education. We

don't want to be losing, obviously, our brightest and our best.

In the outcomes report in the 2005-06 annual report, the comment under the Employee Recruitment, Retention and Development heading states that employee-focused strategies are not easily measurable, and there is only a reporting of progress in qualitative terms. In quantitative terms how does the college measure its progress in the recruitment and retention of staff?

2:40

Dr. Byrne: We have an HR plan. We have so many positions available. As Brent has already alluded to, perhaps the two most difficult positions to fill in a general sense: one is in the financial area, particularly well-experienced and credentialed people. It's very hard to find those today, whether they have a CMA, a CA, or another accounting designation. It's difficult to get them and to attract them given where we are and what we're doing and the fact that we've grown. Where other institutions have had the benefit of having those people in place for a long period of time, our growth is requiring us to try to attract new people. Believe it or not, I would favour more accountants out there.

The other factor to look at is our human resource planning. We cannot do succession planning in the pure traditional sense of business. We have to do collegial model planning, and everyone has to be vetted through a process. When we hire a new faculty member – we hire somebody either as a chair or a dean – it's a very collegial process. We don't have somebody in line to come in. We just have somebody ready. One of the things that we've done for most of our mid- and senior management positions is that we have sort of a 2-IC who, theoretically, if somebody gets hit by a bus could come in and do that job for a while until we replace them.

We have not had as much challenge getting most of the other positions filled as you might expect. An example I would give is PhDs. In all but nursing PhDs we have been able to find them in abundance, and they have come to Alberta, they have come to Edmonton, they have come to MacEwan. I can explain how we've done that if somebody's interested.

Mr. Chase: Thank you. You may be able to somehow squeeze it in with this next question. What measures are being taken to offer suitable class-professor ratios? I referred to it in my teaching experience as pupil-teacher. To help you with potentially adding to your former question, what greater role or what role, if any, does tenure play in terms of keeping the staff that you've initially recruited?

Dr. Byrne: We do not have a tenure process in place in the traditional sense of a tenure. We do have a continuing appointment model. That in many ways is perceived to be a tenure approach, but we don't have a tenure process.

The types of things we're dealing with on class ratio, of course, are very much tied to our student satisfaction, so we monitor that regularly. If we up a class size to 40 from 35, what do we see happening? Are there more people dropping out? Is there more dissatisfaction? And faculty. We're a teaching institution, not a research institution, so our focus is on teaching and learning. Those individuals need to be able to provide us feedback on a regular basis for faculty members. We have a formal faculty evaluation system, but more importantly we have regular student feedback. It's through that mechanism that we can gauge how we're doing on the sort of class size issue. We do have large classes in some areas; we do have much smaller classes in others depending on the subject.

Mr. Chase: Thank you.

The Chair: Thank you.

Mr. Herard, please, followed by David Eggen.

Mr. Herard: Thank you, Mr. Chairman. I guess that for the province of Alberta transferability is pretty much a given. We've got the Campus Alberta Quality Council, that typically does a great job of accreditation, doing all that they need to do to validate a particular program. My understanding is that there may be schools, other universities throughout Canada and the United States or indeed the world, that may not necessarily accept students at the master's level, for example, unless they are part of some club – maybe I shouldn't have said that because I don't want to make anybody wrong here – you know, like the AUCC and so on. I guess the question I would have for you, because certainly that would not be a desirable outcome for any Alberta student not to have their prior learning recognized: are there changes in perhaps the attitude or in the way that universities work with each other across the country and perhaps even internationally that takes us out of that old boys' club realm and actually deals with credentials?

Dr. Byrne: I can give you a specific instance where a university in another province required applicants from Canada to be from an AUCC institution, which, by the way, is not an accrediting body; it's an association of members. However, after having met with the president of that institution, I think that not just because of my meeting – they had it as part of their policy – it was unanimously removed by their General Faculties Council/Senate. I think that you will always find a bit of, "Where are you from, and what did you get your degree in and from where?" That's going to happen. It always will. It's been part of our society since we created these things.

I will tell you that our students, the students that will come out with an Alberta-approved degree from either Mount Royal or MacEwan, will have lots of opportunity to pursue graduate studies if they wish. We do not expect to see a large percentage of students wanting to do it initially, but downstream we want to make sure that there are lots of pathways.

I have met with seven university presidents, and I've gone right into the bastion of the bifurcated system between colleges and universities – and you know where that is – and I can tell you that people are interested. They would like to have this done. The door is now open in all of those that I've visited, and I'm sure it'll be in the rest, to apply. Does it guarantee admission? No. It will mean that the student still has to meet the standards of that organization, but it won't be based on where you got your degree.

Another footnote on this. It's extremely important that it's the relationship between the faculty members of their former institutions that has a lot to do with graduate studies. Most applications to graduate school require a recommendation from the faculty member in the institution you've taken your program in, and that is going to be every bit as important. That's why we have faculty from across Canada, the United States, and other parts of Europe: Cambridge, Oxford, Chicago, Harvard, and so on.

Mr. Herard: Just as a follow-up to that. If it did happen, a student, as I understand it, probably has recourse, and your institution would probably get involved and try and rectify that situation?

Dr. Byrne: Yes.

Mr. Herard: Thank you.

The Chair: Mr. Eggen, please.

Mr. Eggen: Thanks, Mr. Chair. My question is referencing the annual report of the Auditor General, volume 2, page 18. The staff of the AG recommended again that Grant MacEwan improve and streamline its process of financial reporting for efficiency and accuracy. I just wanted to perhaps ask for an update as to what has been done to rectify that situation.

Mr. Quinton: Right. In the most recent management letter from the Auditor General's office it shows that we have implemented that recommendation but, again, continuing improvements still need to be made. In this last year there were many things. Again, not being able to hire as many people as we felt we needed, we did bring in other consultants, other public accounting firms to help us in various aspects. For example, looking at our file preparations, we brought in a firm to help us with some of the automated reporting issues. Again, not where we need to be but certainly an improvement over where we were in the past. We have had some success, but again very limited, bringing in more staff and trying to keep up with the growth of the college. Those are the forefronts. We've changed some of our processes. We've brought in outside experts to help us until we get the staff, brought in some staff, and those things, I think, got us to a point this year where that recommendation was shown as having been implemented. We also talked about and the report talked about the need for continuing to do that in the future.

Mr. Eggen: Okay. What sort of specific goals did you have in mind in terms of realizing efficiencies once you've in fact got this under control? Like, what would you envision you would be able to execute better?

Mr. Quinton: One of the major areas we want to pursue over the next while: we have some staffing issues. We're partway there. We had some process issues; we've done some things there.

Again, one of the biggest areas we really need to focus on is systems and technology. We've had discussions within the senior executive and management group that that's an area we're going to focus on for the next while. We need to not only look at processes but make sure that the systems we have can help us to automate a lot of processes. Right now there are still a lot of manual processes, and that always leads to the potential for error. It leads to timeline problems. So automation of process and having systems that can help us do what we need to do is the next major area of focus, going forward.

2:50

Mr. Eggen: Thanks.

Dr. Byrne: Just to supplement that if I might, Mr. Chair. We will be engaging an external firm to look at business processes. Part of my concern is that some of the ways we do things are time consuming and manual. We need to analyze those business processes, get them right, get them efficient, get them effective, and then get the technology that will do that. We've set a course to do that. The Auditor General has identified that. We have put that into an action plan, and as recently as yesterday spent the better part of a full day dealing with that issue. I'm anticipating improvements in efficiencies and timelines although when you look at the newer report rather than the one you're looking at, I think you'll see that some of those things have been done.

Mr. Eggen: Certainly.

Mr. Dunford: I'm interested in a couple of demographic segments. In the time period here that we're analyzing, what rough percentage of your student body would be mature students, especially aboriginal?

Dr. Byrne: Just to give you the total number of Albertans that we interface with and recently landed Albertans, we've a number of about 40,000 people. Now, some of them come to us for a one-day course, and some of them come to us for a full year of study, so there's quite a variance. The 10,800 are a full year of study, and the rest of them are not. When you ask me that question, we have great data, you know, on that 10,800 if you will.

Our aboriginal population ranges between 3 per cent and a high of 5, but I need to tell you that it's very difficult now to determine that. Why is it? Partly because it's self-identification. We do not force students to identify that. We can't. We do have two aboriginal centres, one at our city centre campus and one at our south campus. We have an elder at each of those sites who comes in for specific times, and we have staff in those centres. We have partnerships with the two aboriginal high schools, both separate and public, here in the city to try and attract aboriginal students. We have a special policing program for aboriginals as well.

So we're working hard toward this goal, but I need to tell you that I think we're losing the battle right now, and I'm a little concerned about that. I'm not sure totally why, and I wish had a quick answer for you. I don't. It bothers me because Edmonton's population – and I know some of you are from other places – is projected to have the largest number, not percentage, of aboriginals in Canada in a few years. So I think we've got to get better at doing that.

As far as the age range goes, we used to be 28, 29. It moved down to about 22. We're climbing back up. So we're in about 25, 26, 27, in that area. What's happening is that the high school leaver group is leveling off, and the adult workers are coming back. The majority of our students come back to our place after two years out of high school, not immediately at high school exit. An important stat.

Mr. Dunford: What difficulty are you having with self-regulated professions in terms of mobilizing immigrants into the work force?

Dr. Byrne: The one area that we're actively involved in is nursing refresher. Now, technically, that's a program intended for people who have a nursing credential who wish to enter practice, who have not been in practice. It's not targeted specifically at international or immigrant population or even in-migration. We're trying to look to see how that model could work very effectively for immigration and in-migration. The ultimate answer, to be candid, is that we don't need 10 different regulations, you know, across the country. That would be a big start if we could ever get people to agree to that. That would be number one.

Number two. We're doing some work at our Alberta College campus with individuals who come in with a partial credential or at least some activity. We're trying to upscale or upgrade them as quickly as they can. Sometimes it's just language. We offer levels 5 and 6 in ESL, and that's extremely important to get their language skills up so they can participate. We're not as actively involved as a college in some of those, if you will, societies.

Mr. Dunford: Thank you.

The Chair: Thank you.

In light of the time and we have three more members indicating an interest in asking questions, we will now, if you don't mind, read those questions into the record. If you could reply in writing to us all through the clerk, we would be very grateful. We will proceed with Mr. Miller.

Mr. R. Miller: Thank you, Mr. Chairman. In the management letter from the Auditor General that you received recently, in section 1.4 he talks about the payroll segregation of duties, and the recommendation from the Auditor General is that you "improve the efficiency of [your] payroll reconciliation processes." I'm wondering if you can let us know where you're at in terms of that as far as what steps you would be taking to address the concerns that he had, particularly with the independent review of the process as it is now.

I guess my follow-up question, since I'm not getting an answer right now, Mr. Chairman, would be to the Auditor General. I'd be curious if he could provide us with his comments as to whether or not he's satisfied with management's comments, particularly with respect to the fact that they're concerned about the need to hire an additional staff member, and whether or not the compensating control that they've discussed in the management letter would be sufficient to address his concerns.

Thank you.

The Chair: Thank you.

Mr. Strang, followed by Mr. Chase to conclude.

Mr. Strang: Thank you, Mr. Chairman. I guess, Dr. Byrne, what I was thinking about was the changing demographics we have now in our society and how you said that you looked at different aspects within your portfolio, how you changed some and felt that you should get out of some. I'm just wondering: are you looking to sort of move forward? I guess the example I use is the aspect of how a lot of people who change from the forest tech side are going more or less to the environmental side. As our population grows, are you looking at sort of trying to work a combination of those two? When we look at biodiversity and with the land-use framework coming out, are you looking at trying to develop some kind of course that would verify that, especially with the EIAs that we're coming out with for the different areas? You know, the land base is changing, so I'm just wondering on that aspect.

Thank you.

The Chair: Thank you.

Mr. Chase to conclude.

Mr. Chase: Thank you. My final question has to do with debt. As the shadow Minister of Infrastructure and Transportation I'm constantly on the watch for government-initiated downloaded P3 debt. Page 3 of the 2005-06 consolidated financial statement shows a significant increase in the amount paid for interest on long-term debt between 2005 and 2006. As \$366,812 in 2005 blossomed, bloomed, grew to \$2,543,895 in 2006, it leads me to ask: what specific debt has the college accumulated that would account for this difference, and secondly, what is the long-term plan in place in order to manage these increased debt expenditures for the college?

Thank you, and thank you for having come and provided us with as many answers as you had an opportunity to do today.

The Chair: Thank you very much, Mr. Chase.

Dr. Byrne, Mr. Quinton, on behalf of the entire committee we would like to thank you for your time and, again, your patience with us this afternoon. We would like to wish you the very best, you and all the staff and the students of Grant MacEwan, and we would like to thank you for your work. We appreciate it.

Dr. Byrne: Thank you very much.

Mr. Quinton: Thank you.

The Chair: Mr. Dunn, do you have anything at this time?

Mr. Dunn: No closing comments.

The Chair: Okay. Thank you.

That concludes the portion of our meeting this afternoon with the officials from Grant MacEwan.

Item 5. Is there any other business to attend to this afternoon, hon. members? No?

The clerk assures me that you can leave your material here overnight if you wish because the date of our next meeting is tomorrow at 10 a.m. with the University of Alberta.

If there is no other business, may I please have a motion to adjourn? Mr. Johnston moved that the meeting be adjourned. All those in favour?

Hon. Members: Agreed.

The Chair: None opposed. Thank you.

[The committee adjourned at 3 p.m.]