

Title: Thursday, September 16, 1993 Designated Subcommittee

Date: 1993/09/16

[Chairman: Mr. Magnus]

Time: 6:05 p.m.

MR. CHAIRMAN: Maybe just to start, we'll get everybody at the table to introduce themselves so we all know who's on the committee. I think we've all got the names, but let's just put faces to names now. I'm Richard Magnus; I'm chairman of this committee. Pick a side, guys. I'll start with Bonnie and just whip right around the table.

MRS. LAING: Bonnie Laing, Calgary-Bow.

MR. FRIEDEL: Gary Friedel, Peace River.

MR. SOHAL: Harry Sohal, Calgary-McCall.

MR. RENNER: Rob Renner, Medicine Hat.

MR. DOERKSEN: Vic Doerksen, Red Deer-South.

MR. ZITTLAU: Reid Zittlau, regional services division.

MRS. DUNCAN: Lynne Duncan, deputy.

MR. ADY: Jack Ady, MLA for Cardston-Chief Mountain.

MR. DAWSON: Bob Dawson, executive assistant to the minister.

MR. N. HENRY: Neil Henry, institutional support division.

MR. HEMINGWAY: Fred Hemingway, Students Finance Board.

MR. BENIUK: Andrew Beniuk, Edmonton-Norwood.

MR. ZARIWNY: Al Zariwny, Edmonton-Strathcona.

MR. LANGEVIN: Paul Langevin, Lac La Biche-St. Paul.

DR. MASSEY: Don Massey, Edmonton-Mill Woods.

MRS. KAMUCHIK: Louise Kamuchik, Clerk Assistant.

MR. CHAIRMAN: Thank you, ladies and gentlemen.

This is the first time this committee has really been in place for I believe something like 16 or 17 years. There are no precedents, really, that anybody can remember or recall. We will be following certain rules and processes and procedures here. The basis for our understanding is the agreement that two the House leaders, Mr. Mitchell and Mr. Kowalski, made up. There are not a lot of rules within those Standing Orders, and that's where they are right at this point in time.

The process that we'd like to follow is to have the questions go back and forth. There are nine members on this committee, plus the chairman. I will not be asking any questions; I won't be debating; I'll simply be chairing this committee. We will go back and forth until all nine members have had an opportunity to speak to each program as we go through the programs or however we decide to go through this document.

We have two questions that we need to ask and get resolved before we start, and I'll put the questions to the committee. One is about the time that we wish to be in this organizational phase. I don't think anybody, not anybody in their right mind, wishes to go for four hours arguing about the process before we actually get

into the four hours of time that is allotted for the committee to ask questions of the minister. That time, by the way, starts the moment the minister starts to speak and explain his budget. My understanding and the understanding that I believe we have is that he will have a maximum of 20 minutes to discuss that. I have no idea how much time he wishes to use, but once he starts talking, the clock starts running.

We also have one other problem, and that is how we wish to go through the process. We have, as I see it, about three different choices. We can look at the various programs within the document and jump all over the place within the four programs in the capital budget, we can essentially do it program by program, or we can do it line by line.

What I would like to do, in order not to put the cart before the horse, is to get some kind of a reading. I would like to have a motion to do with how much time this committee feels we need in order to get the process we're going to follow in place.

Mr. Renner.

MR. RENNER: Well, Mr. Chairman, in light of your comments and in light of the fact that this is the first meeting and there may be some discussion, I don't know if it's in order, but I would like to make a motion that we limit our discussion to half an hour.

MR. CHAIRMAN: We have a motion on the floor. Is there any debate on that? Would anybody like it shorter or longer?

DR. MASSEY: Speaking to the motion, I would hope we could settle it in a matter of minutes.

MR. RENNER: That's fine. I'd be happy to amend my motion or change my motion.

DR. MASSEY: We're anxious to get on with the business.

MR. RENNER: If that's in order then, Mr. Chairman . . .

MR. CHAIRMAN: All I'm looking for is a general consensus here. I do have a motion that asks for half an hour. We can use less time if we ended up not getting into a discussion.

MR. ZARIWNY: My preference would be less time than that. Perhaps you should just give each of us an opportunity from each side to say something about a procedure, and then we make a decision on that.

MR. CHAIRMAN: Okay. Mr. Friedel you had a comment, or was it Mr. Sohal?

MR. FRIEDEL: I was going to ask: is it necessary to take half an hour to answer these two questions?

MR. RENNER: Hopefully not.

MR. CHAIRMAN: Well, I have a motion on the floor that asks for half an hour.

MR. RENNER: Well, if it's in order, Mr. Chairman, then I'd be happy to change my motion to 15 minutes.

HON. MEMBERS: Agreed.

MR. SOHAL: The maximum time.

MR. CHAIRMAN: Agreed?

AN HON. MEMBER: Sure. Let's get on with it.

MR. CHAIRMAN: We have 15 minutes, then, to do the organizational process, and I suppose that clock will start now.

Starting with Mr. Langevin.

MR. LANGEVIN: No. I'm voting yes.

MR. CHAIRMAN: Oh; sorry. I saw your hand up.

Then the other thing to decide in this 15-minute period that we've all agreed upon is: how do we wish to go through the process at this point in time? Mr. Friedel.

MR. FRIEDEL: Well, I might as well make a motion, then, and discuss it: that we go in the order of program. I'm not sure that we're going to sit here and go through this thing line by line, and it would certainly be more orderly than bouncing all over the place.

MR. CHAIRMAN: So what you're saying, then, is program by program, not in any particular order but once we get into a program to stay with the program and then move on to another program? You're not saying one, two, three, four, with the fifth program being capital, or any particular order at this point?

MR. FRIEDEL: I had meant in the order that they're sitting there, but I'm not as hung up about that as I am about not bouncing around all over the place.

MR. CHAIRMAN: Mr. Massey?

DR. MASSEY: Well, I guess I would speak against the motion. My fear with the motion is that we would get hung up on the first program and not get any further if everyone took a turn to speak to that. I would hope we could go at it issue by issue. Four hours isn't much time when you compare how much time municipal councils spend going through budgets and the amount of money here. So I'll speak against the motion and propose that we go at it issue by issue and get at it.

MR. CHAIRMAN: I may be able to help just for a moment here. I am prepared to grant quite a bit of leeway on it if we do do it program by program, but when we're finished with the questions from a speaker, I would definitely like to come back to that program if that's the system we're going to use.

Are there any other . . .

MR. ZARIWNY: Excuse me; I'd like to say something about it. Perhaps I can speak from the point of view of having been involved in committees like this, where I'm on the side of the civil servant. What happens is you've got either two ways: program by program – you don't go line by line because it will take too much time and we'll never get to the bottom – or you do like Don Massey is asking and go from issue to issue. I don't see any problem with either of those as long as you maintain your position on cutting us off when we have to be cut off. My position would be that we go issue by issue, because I may not want to comment on every particular program that there is.

MR. CHAIRMAN: It has been a bone of contention between the two House leaders – and I believe I'm within my rights to say

that – on how we do that process. I'm at the committee's command. Mr. Renner.

MR. RENNER: Well, I would like to speak in support of the motion. I think that it's logical that we would go program by program by program. I agree with you that line by line would seem to be a terrible waste of time, but if we go program by program, everybody is in the same train of thought. I think we can have a more meaningful discussion if we're all having a group of questions around relatively similar topics, and one question may spin off another question. We can have a more meaningful discussion by doing it that way. To address your concern that we get hung up on one and don't get the rest of them done, I think we're all adults and we all know what time it is. We know we have five programs to cover, so I think it's just incumbent upon an individual when you're getting to the point where you want to move on to the next one that you don't have to talk every time it's your turn. You can pass and move on to the next one. I think we can get along just fine that way.

MR. CHAIRMAN: I have two more people that wish to speak to this that I'm aware of. I have Mr. Doerksen and Mr. Friedel.

The one thing that I did neglect to mention when we first started this is that every speaker will be allotted one main question with two supplementaries, and I want to get that out immediately. You will also be allowed, contrary to what we do in question period, to have a brief preamble – we hope it's on topic; I'll stop you if it's not – with each of the supplementary questions.

Mr. Doerksen.

MR. DOERKSEN: Well, it's my objective to get through every program, because I've got questions as well. Are we suggesting that we start at program 1 and then 2 and go to 3, Gary?

MR. FRIEDEL: That was my motion.

MR. DOERKSEN: Because there may be ones here that are more interesting. Financial Assistance to Students is more interesting to me than . . .

MR. FRIEDEL: The comment I was going to make, Mr. Chairman, might clear this up. I'll amend my motion to: once the minister has finished his presentation, we allocate the remaining portion of what's left of four hours equally to the five sections. That should alleviate any concerns that we're going to run out of time on any one.

6:15

MR. CHAIRMAN: So what is the motion that is on the floor at this point in time? Because frankly, as I say, this has been a bone of contention between the two House leaders. Our House leader wishes to go program by program in a logical order. Their side would like to be able to move all over the place.

MR. FRIEDEL: My motion is that we go program by program, starting from 1 to 5, allocating approximately equal times for each of the programs in the time remaining after the minister is finished making a presentation.

MR. CHAIRMAN: May I also mention that if we get through all four programs plus the capital program and there is still time left, unless we have unanimous consent of this committee, we can't leave early. If we end up in that position, then we will end up at this time – and maybe I'd better get you to add it to the motion

– that we will then be able to move all over the five programs essentially.

SOME HON. MEMBERS: Agreed.

MRS. LAING: I was going to say that perhaps some programs wouldn't take as long. If just we went through the order, I think we would probably cover it quite easily.

MR. CHAIRMAN: Our intention is to get as many sharp, concise questions out to get the information. If we end up in long preambles and discussion, we're not going to get all the questions that we need to have answered.

Mr. Zariwny.

MR. ZARIWNY: Yeah; I don't see myself going into very long preambles, and I definitely am not going to have a preamble for my supplementaries. I would like to have some questions answered. Our questions will be crisp, to the point, and professional, so you're not going to have us taking up much time. If we devote, for example, the same amount of time to program 1 as we do to program 2, I can't see myself spending any time on program 1 or as much time as I would on program number 2. I would speak against the amendment for that reason.

MR. BENIUK: Could the chair explain how nine people can each say something – one question, two supplements, plus a preamble – on each one of these programs in the time allotted?

MR. CHAIRMAN: I don't believe all nine will.

MR. BENIUK: Which means that not everybody will be able to say something on the program.

MR. CHAIRMAN: Everybody will have an opportunity to say something on the program, all nine people.

MR. BENIUK: On each program?

MR. CHAIRMAN: On each program.

MR. BENIUK: Once again, the time does not allow it. If you have a question with two supplements from nine people, with answers coming back, the time will not allow it.

MR. CHAIRMAN: You're assuming that everybody will have two supplementaries or that even everybody will have a main question.

MR. BENIUK: Well, I'm assuming everybody will, but then the question would be: what if the time runs out? Some people will be denied the opportunity of addressing something of concern to them.

MR. CHAIRMAN: That's exactly why I would like the questions and answers to be sharp and concise so that we all have an opportunity to go through the entire budget of this department.

Are there any other questions? There's a motion on the floor. To make sure that I'm perfectly clear on this, what the motion says is that you wish to go through this program by program in any particular order?

MR. FRIEDEL: I was just suggesting in the order that they appear, from 1 to 5.

MR. CHAIRMAN: Okay; in the order with which they're presented here. That's about it. All those in favour of that motion?

MR. LANGEVIN: I have a question. It's not divided in equal time now, just in order?

MR. CHAIRMAN: No, I don't believe the time was part of that motion that I got. If this committee wishes to waste the entire four hours on the first program, then so be it, but I wouldn't suggest that's a good idea. That's why I'm saying that the questions should be sharp, concise questions.

MR. RENNER: Just a clarification on the motion. As long as we're not saying that it has to be equal time between the programs, then I would be happy to support the motion.

MR. FRIEDEL: I'll withdraw that portion.

MR. CHAIRMAN: Oh, that was part of the motion. Okay.

Has anybody else got any questions? Seeing none, I'll put the question again then. All those people in favour of doing it program by program through the four programs, counting the capital program as the fifth program, with the intent that if we get through all five programs and the four hours hasn't ended, we will then continue basically scattered throughout the five programs to complete the four hours. Is that pretty well how everybody sees this?

SOME HON. MEMBERS: Uh huh.

MR. CHAIRMAN: All those in favour? Any opposed there? Three opposed. Should I name them? Okay.

Is there anything else on process we want to discuss? Mrs. Laing.

MRS. LAING: I was just going to inquire about how the minister was going to respond. Is he going to do a presentation and then respond on each program, or would he respond at the end? I just wondered what his wishes were.

MR. CHAIRMAN: My understanding is that the minister has up to 20 minutes to do an initial presentation, no more than 20 minutes, at which point the floor is open for questions.

Mr. Renner.

MR. RENNER: I just want to clarify. You said that we would go in rotation, so you will invite each person to speak?

MR. CHAIRMAN: I can do that if that's the committee's wishes, or we can just go back and forth. We had talked about this with the House leaders earlier. Now, it was originally suggested that we allow the Liberal side to ask the first question and then the Conservative side. I don't believe we actually reached a consensus on that, but what will happen is that if all nine people wish to speak to an issue, we will then go Liberal, Conservative, Liberal, Conservative through the first four, at which point you will end up with two questions in a row from the Conservative side. It doesn't make any difference to me personally as the chairman of this committee as long as all nine members have an opportunity to speak, if they wish, on each program.

MR. ZARIWNY: That would be fine with me.

MR. CHAIRMAN: Does it make any difference who goes first?

MR. ZARIWNY: Not to me, but if we could just get a clarification: upon question, there's an answer?

MR. CHAIRMAN: Mr. Ady.

MR. ADY: It would be my intention to respond to each question as it's asked. I don't have any intention of having you all lay out 20 questions and then try to respond. I think that would defeat what we're trying to do here.

MR. CHAIRMAN: We have another four minutes on process, if anybody else has any other questions. Mr. Massey.

DR. MASSEY: I think we're in agreement, and we want to get on with it. Just to make sure that we are clear, if we end up in a procedural wrangle somehow in the middle of all this, is that time deducted? Whether we end up getting them all done tonight or not, we have four full hours of discussion. I don't think we will get into any kind of a procedural wrangle.

MR. RENNER: Well, we've got about four minutes left of our 15, so why don't we get out of it now?

MR. SOHAL: Yes, if we have resolved this thing, I think they should use these four minutes.

DR. MASSEY: I just want to make sure that it's four full hours.

MR. CHAIRMAN: My understanding is that once the clock starts running, the clock is running. If there's a procedural question, as chairman I can either make the decision or put the question to the committee. I think I would be more than tempted to put the question to the committee. I think it would be the more appropriate way of looking at this. I'm hoping we don't get into a procedural wrangle after we've got started, but God only knows.

So have we reached accord, and we have no other questions on process? Seeing none, Mr. Ady is up.

MR. ADY: Thank you, Mr. Chairman. All of you on the opposite side have been introduced to my staff and have met them, so I won't take time, and you understand what their function is. Okay.

I do have an overview for the committee that I hope will be helpful to give you some better understanding of what we do in Advanced Education and Career Development. Advanced Education and Career Development is the government department responsible for adult learning. As a recently consolidated department we're in the process of developing a mission statement for ourselves. It will be finalized once our white paper is tabled in 1994. In the meantime we'll be guided by the following draft:

Advanced Education and Career Development is committed to life-long learning for adult Albertans. We will maximize the availability of quality education and training opportunities that are:

- responsive to individual, economic and social needs; and
- affordable for learners, employers and taxpayers,

and we will ensure that providers are accountable for learning outcomes.

Fully 81% of our budget is in the form of financial support to institutions. In a sense the department has the ultimate management challenge, as in the main we seek to achieve our results through others, namely institutions.

Four per cent of our budget is in counseling and information support and skills development and employment services. We deliver many of these programs directly to clients. We use our expertise and the dollars available to counsel students and the unemployed, to share information, facilitate training by groups of employers, and deliver programs to people who have been squeezed out of the labour market and need short-term training or retraining. Most important of all, 14 per cent of our proposed budget is allocated to ensure that financial need does not preclude adult Albertans who are otherwise motivated and qualified from accessing education and training.

6:25

Mr. Chairman, there are a number of clearly emerging trends in education and training. In the postsecondary area over the past decade we have seen very high growth and enrollments in all sectors, with the total enrollment increasing by 57 per cent between 1981-82 to 1991-92. Nonetheless, we are not meeting all the demands that are out there today, but the number of potential students who have not found a place is nowhere near what my colleagues across the floor would have you believe. Demand is projected to continue to increase, with several thousands of Albertans looking to enroll by the turn of the century. I do not see how we can accommodate them unless we make our programs more affordable for taxpayers.

It is significant that enrollments have grown despite a decline in the 18 to 24 age group. This tells us that the students of today are not only the typical high school students proceeding on to college; there are also many people returning often for part-time study after a period of time out of the educational system. This trend is particularly true in the area of academic upgrading, where increasing numbers of people are returning to school to complete their high school credentials. There is also pressure for more spaces in degree programs as people continue to place a high value on university level education. It is significant to policy development that more and more people want to increase their qualifications but are unwilling or unable to leave their location to do so. How to respond to such varied demands is clearly something that requires careful planning, especially in the time of fiscal restraint.

As our economy evolves, the skills needed by employers increase in complexity and diversity. People entering the work force need new or different skills than their predecessors. Those already in jobs need to continually maintain and upgrade their skills. Today about 42 per cent of the people in the Alberta work force have some postsecondary education, one of the highest levels in Canada. However, even this may not be enough to keep us competitive. It is well known that the level of employer-sponsored training in Canada is well below that of some other countries. This is an area where change is required.

Research at our universities plays a unique and important role in training highly qualified personnel and promoting social and economic growth and citizenship. The University of Alberta and the University of Calgary are among the top 10 universities in Canada in terms of the amount of sponsored research they have conducted. The University of Lethbridge is one of the top research institutions for its size. Mr. Chairman, we need to focus on the learner and to increase student access, and we must continue to promote research of excellence.

Even though the economy appears to be recovering, levels of unemployment remain relatively high. One of the major activities in our department is to assist those who are unemployed to move back into the work force, whether this involves retraining or helping people learn new job-seeking skills. By balancing the provincial budget and reducing our public debt through our economic plan, Alberta will create a climate conducive to investment and job creation in the private sector.

Mr. Chairman, I believe strongly that we must move to balance our budget. If we do not take care of the deficit now, we will not be able to maintain what is undeniably a first-class system of adult education and training, and we will leave a crushing burden of debt for today's students. Adult learning is a priority, but balancing our budget is a challenge that all of us must meet. The objective is no longer to spend but to spend wisely. Adult learning is clearly a government priority, as evidenced by the resource allocation decisions made by this government. The share of program expenditures allocated to Advanced Education and Career Development has increased significantly over 1992-93 comparable to the actuals. The department's general revenue fund budget has gone up by \$38.9 million. This is comprised of a \$46.5 million increase in operating spending and a \$7.6 million decrease in capital spending. Albertans remain one of the strongest supporters of postsecondary education in Canada and one of only two provinces directly involved in a significant way in labour market training.

Program 3, Financial Assistance to Students, increased by \$51.2 million in this budget. The remaining three programs are lower than comparable 1992-93 actuals by the following amount: program 1, Departmental Support Services, \$1.4 million; program 2, Assistance to Higher and Further Educational Institutions, \$3 million; program 4, Skills Development and Employment Services, \$7.9 million.

We could go through the department's budget line by line; however, I intend to give you my sense of the priorities. My number one priority is student access to learning. Operating grants to institutions have been maintained. This decision is significant when contrasted with the reduction of nearly \$700 million in programs elsewhere in the government budget. When combined with tuition revenue, these operating grants totaling \$905 million will enable institutions to maintain and increase enrollments. To do so will require institutions to set priorities. Successful student learning is and must be our first objective. Boards are and will be faced with difficult choices, and administrators and faculty will have to carefully review their organizations and how learning is delivered. Change is a must.

Mr. Chairman, it is significant as well that we have maintained our information and career counseling services. Especially in these difficult times it is important that we give students and the unemployed the best information we have on labour market trends and training options.

My second priority is student assistance. Alberta's system of student assistance is respected and admired across Canada. Included in the budget are appropriations to enable us to pay the interest cost of student loans. These costs will rise \$600,000 because annual student loan limits will increase by \$350 to accommodate a \$40 per month increase in living allowances and current tuition levels. The number of students seeking financial assistance is rising, as are their average needs. This budget includes an increase of \$17 million to pay for higher average grants to students and the interest costs on a growing volume of outstanding student loans. This growing volume of outstanding student loans has also been the major contributor to high payments for guarantees on student loans. It was with this concern in mind that a review was initiated to identify options for improving flexibility in the student loan repayment system. Improved flexibility in the repayment process will benefit both students and the government as defaults in costs will be reduced.

There will now be one-stop shopping for students seeking financial assistance. The budget of the Students Finance Board will increase by \$32 million to pay grant assistance to some 5,000 students this year who were formerly supported by the Family and

Social Services supports for independence program. As well, the Alberta vocational training allowances will be administered by that same board. Funding has been maintained at last year's levels. The Students Finance Board's objective is to ensure that students are not precluded from postsecondary education by reason of financial need. Mr. Chairman, that objective continues to be met. Students are our priority. Funding for work experience programs, primarily the summer temporary employment program, commonly known as STEP, has been maintained at \$10 million. Through program changes we have been able to actually increase the number of students served to over 5,000 in this budget year.

Mr. Chairman, the partnership that industry, educators, and government have developed in apprenticeship training is a successful model for the entire education training system. Nonetheless, \$1 million has been saved by finding more cost-effective ways to support the administration of this training system. Training programs in institutions are not effective. Administrative savings have also been made in other areas including regional program delivery, where non staff administrative costs are down by \$400,000.

6.35

My fifth priority is to maintain those programs that help social assistance recipients to obtain or maintain an attachment to the labour force by providing them with appropriate counseling, life skills, upgrading, and retraining opportunities. The pre-employment training budget is \$13.3 million, essentially the same as last year's estimates.

Finally, I believe it is important that Alberta employers increase on-the-job training. I have therefore maintained the capacity in this area. Funding has been reduced by \$2.5 million to \$2.8 million, but we will be relying more on creating awareness and acting as a facilitator rather than a funder. We will steer more than we will row and use sectoral and regional partnerships to address the issue of training in the private sector.

Mr. Chairman, this province has invested \$4 billion in the physical assets of the postsecondary system. This is an enormous investment in high-quality buildings and modern equipment for the first-rate campuses at our postsecondary institutions. There is clearly a major challenge facing us in maintaining those facilities in a time of fiscal restraint. I would be the first to acknowledge that this is a serious issue that will grow with time. Capital renewal grants have been constrained in recent years and have undergone further reduction in 1993-94. We have endeavoured to protect those funds as much as possible under the circumstances. There are no simple answers to the question of how to keep our physical facilities in good operating condition. Those solutions will be various and will have to involve both action on the part of the government and on the part of the institutions. Finding solutions for the renewal of buildings and equipment will continue to be a very high priority with this minister. Within the limits of the province's financial situation I am developing a strategy that I expect will enable institutions to respond to the challenge of capital renewal over time. By emphasizing renovation and restoration, by making more efficient use of existing buildings, by some reallocation of operating resources and careful use of existing capital renewal grants I expect institutions to be able to deal with the most pressing challenges in maintaining their impressive capital infrastructure.

I do not plan to initiate the construction of any new facilities in the next three years. My priority for budgetary funds is to increase student enrollment in credit programs. Institutions will be asked to make increasingly efficient use of buildings by extended use on a daily basis, on weekends, and into the summer. If any capital

requests emerge, they will have to be supported by compelling arguments. Furthermore, I expect to see institutions support their requests for high-priority new facilities by fund-raising campaigns that will help limit the impact on the public purse.

I'm proud of the leadership and hard work demonstrated by officials in my department to seek more effective and efficient ways to accomplish the department's responsibilities. Four million dollars in savings resulted from the take-up of the voluntary options program as well as the elimination of duplication resulting from amalgamation of the two departments. Staffing levels have been reduced by 10 per cent. I've already made reference to other administrative savings within the department of about \$1.4 million.

Mr. Chairman, two programs of the department have been wound down. Funding for the government apprenticeship program whereby employment of apprentices elsewhere in the government was funded by us has been discontinued. This program was introduced in 1989-90 to run for four years as a pilot. Funding for my department was intended to encourage government departments to hire apprentices and to train them to journeyman status. I continue to believe that this is an important responsibility for all employers including government departments. While I am withdrawing central support, I will continue to encourage departments where tradespeople are employed to take on apprentices; however, they will have to find dollars within their own budgets to do it.

The endowment incentive fund has been closed. In 1992-93, \$2 million was provided for matching donations to colleges, technical institutes, and the Banff Centre. Last fall legislation was passed to permit these institutions to establish foundations to attract donations and receive preferential tax treatment.

Mr. Chairman, all public institutions have developed reasonable fund-raising capabilities and with the foundations Act will continue to be successful in attracting private and community donations. The endowment incentive fund moneys can be used more effectively to reduce the deficit.

Adult learning programming in Alberta has been highly successful. Perhaps I could highlight a few of the more notable outcomes: a population that is among the most highly educated in Canada, with student participation in postsecondary programming that is amongst the highest in Canada; postsecondary programs highly rated by graduates; graduates enjoy high rates of participation in the labour force and low rates of unemployment; a population with one of the lowest rates of illiteracy in Canada; enrollment growth of 57 per cent accommodated over the past 10 years; an apprenticeship system that trains more apprentices on a per capita basis than any other jurisdiction, almost one-quarter of all apprentices in Canada; employment preparation services including training on the job, work experience, and placement assistance that are serving over 51,000 disadvantaged clients.

Mr. Chairman, I do not believe the public purse can sustain the adult learning system we have now, far less meet demands we are facing. We are under pressure to increase access to meet the growing numbers of graduates from our high schools. At the present time adult Albertans, including employers and employees, are recognizing the importance of training and education to our future economic prosperity. We must have a plan for the future and focus on the long term, say where we want to be at the turn of the century.

In May I announced a strategic plan of public consultation, *Adult Learning: Access through Innovation*. This initiative will be the broadest and possibly the most important public participation process examining our postsecondary system in our province's history. In a nutshell, *Adult Learning: Access through Innovation* will set a new direction for the future of adult education and

training in the province and will design an innovative plan to get there. The responsibility for serving the needs of adult learners in the future does not lie only with government but with students, institutions, parents, employees, and employers.

The most consistent message I have received over the last few months is the high priority Albertans place on education.

MR. CHAIRMAN: You have 30 seconds, Mr. Ady.

MR. ADY: People strongly believe that to maintain a high standard of living, individuals will require continuing growth in skills and knowledge. Formal postsecondary education is seen as essential to achieving this growth. I will continue to make strong arguments with my cabinet colleagues to treat our adult learning system as a priority and to retain as much financial support as possible. Students deserve our best performance. My case will be based on showing that institutions will plan to substantially improve productivity and to increase access through innovative change. I will argue that the savings from these productivity gains should be reinvested to increase access and improve the relevance of learning opportunities.

Mr. Chairman, I'm finished. Am I on time?

MR. CHAIRMAN: Well, I don't actually have a second hand. I was completely guessing. It's 44. I think you started at 24 on my watch, so that's 20 minutes.

The floor is open for questions. In the new spirit of compromise and co-operation I'll go with the first hand that comes up.

Mr. Friedel. We are on program 1.

AN HON. MEMBER: I thought the Liberals had the first question.

MR. CHAIRMAN: Well, we had talked about that. Because of the fact that we have the extra body, we'll end up with two on the end, so I really don't think it's a major point unless we've got a dispute going on this.

AN HON. MEMBER: No, it's not a major point.

MR. CHAIRMAN: Thank you.

MR. FRIEDEL: Mr. Minister, if we are in a deficit reduction mode, my question is: why are the 1993-94 estimates in the first portion there, 1.0.1, Minister's Office, greater than the 1992-93 estimates?

MR. ADY: I can answer that for you. Realize that two ministers' offices have been combined, and out of that I have one more staff person in my office than the former minister of advanced education had. By the same token, overall we will have reduced by \$225,000. Had the two ministers' offices been amalgamated and their budgets amalgamated, we would have a net reduction of \$225,000-odd. So we've actually only increased the single remaining office by some \$20,000-odd. I hope that is clear to you.

6:45

MR. FRIEDEL: Actually, it did more than that; it answered my second question too.

MR. CHAIRMAN: Supplementary, Mr. Friedel.

MR. FRIEDEL: My supplementary was: what might have been the saving as you started out? I'll switch that then. Why did the 1992-93 actual exceed the 1992-93 estimates?

MR. ADY: On which?

MR. FRIEDEL: The same subsection, 1.0.1.

MR. ADY: There was a payout under the voluntary options program, those who had the option to take the retirement package.

MR. CHAIRMAN: Second supplementary.

MR. FRIEDEL: That's all.

MR. LANGEVIN: My question is to the minister on 1.0.2. Minister's Committees is estimated this year with an operating expenditure of \$249,700. Last year I understand only \$170,000 was spent, and I'm wondering why we will need more money this year if we did it with \$170,000 last year.

MR. ADY: I should tell you that some of these committees vary in the amount of activity in a given year, and it's very hard to predict their level of activity. It would also be detrimental to curtail their function. If we don't budget enough for them to do what we give them to do, we could find ourselves having a committee nonfunctional for the last quarter of the year. Consequently, in order to give them flexibility to do what they need to do, we have that much budget in there.

Perhaps my deputy – do you have anything we can add to that?

MRS. DUNCAN: No, that's fine.

MR. CHAIRMAN: Second question, Mr. Langevin, please.

MR. LANGEVIN: How many committees are involved, and very briefly what are they involved in doing?

MR. ADY: Okay. We have the Council on Admissions and Transfer, which is a committee that's set up to look at transfer of credits between the institutions, which is a very high-profile committee that we really want to do some important work for us. I think you've probably heard of the difficulty that students have had from time to time transferring from institutions or within institutions even, and they've had to repeat courses. As a matter of fact, I intend to put more emphasis on that committee to do more work and better work in the coming year. It's that important.

The Private Vocational Schools Advisory Council is responsible for reviewing appeals made by the private vocational schools. Legislation is being recommended to expand eligible appeals to include all private providers. The legislation may result in even more appeals, but there's a committee there to adjudicate those kinds of things.

The other one is the Private Vocational Schools Curriculum Evaluation. This is responsible for determining the minimum conditions to be met by private colleges that propose to offer programs leading to bachelor degrees. It's centred on the four private colleges that we fund to be sure that they meet the accreditation that they need to. That committee reviews that to give that assurance for students so that they don't take something that's of no value to them. The Private Colleges Accreditation Board does a similar thing for the colleges.

Then the forestry council advises the minister on the needs and the nature of the training required for the forest industry, because that's an emerging industry in the province. They felt they needed to have some liaison between their industry and the educational arm of government to ensure that there were programs in place to train the people they need so they don't get caught out without trained people, and we're anxious to have them trained so they can go to work.

I think that's all of them. There are five committees.

MR. CHAIRMAN: Second supplementary.

MR. LANGEVIN: What is the average membership of committees? Are they all about the same?

MR. ADY: Well, I think the committees would be in the eight to 10 range. There can be some variance on that as well, but nothing more than 12.

MRS. DUNCAN: The Council on Admissions and Transfer would be an exception. There is a member from every institution.

MR. ADY: Yeah, every institution, and that's necessary to give them the ability to be represented there.

MR. CHAIRMAN: Mrs. Laing.

MRS. LAING: Thank you, Mr. Chairman. Mr. Minister, looking at line 1.0.3 under program 1, to what extent is the budgetary reduction in element 1.0.3, General Administration, related to the early voluntary options program?

MR. ADY: As a part of continuing efforts to streamline operations, Alberta government employees were offered options to voluntarily leave their jobs or change their work arrangements. The early voluntary options program and departmental amalgamation resulted in a \$4 million savings to the department. That was the background for it.

MRS. LAING: Thank you.

Supplementary question one: How many employees, then, took the voluntary severance package, and what were their classifications?

MR. ADY: One hundred and five employees took the package, and there was one executive manager, three senior managers, and six just managers, with 22 professionals, 10 technical, 20 instructors, and 43 administrative support positions. Six employees chose other options, including a shorter work week or contract work or a bridge to retirement, to make up the 105.

MRS. LAING: Thank you very much.

My second supplemental: What impact will the reduction have on programs and services offered by the department in rural Alberta? Will this cutback affect rural Alberta?

MR. ADY: By rural Alberta you mean outside of, probably, Calgary and Edmonton? Program delivery areas outside of Calgary and Edmonton have lost a total of 61 staff. The department will have to assess the impact on the delivery of programs and services, and if there's a problem, we'll have to redeploy staff from somewhere to cover that off. Bear in mind that when people opted for the voluntary options program, it was very difficult to deny it to them. If they happened to be in a place where it left a

void, it caused us to have to do some moving and have some flexibility to cover that off, to go on providing the service for the clients.

MRS. LAING: Thank you.

MR. CHAIRMAN: Mr. Massey.

DR. MASSEY: Thank you, Mr. Chairman. A quarter of a million dollars seems like a lot of money for committee work when we're short of dollars. Can I have it clarified? How is the bulk of that money spent? It is for honoraria and expenses? How is that money disbursed?

MR. ADY: Well, it's for transportation and for accommodation. Some of the meetings are held in Edmonton; some of the members have to travel quite some distance. There would be all the out-of-pocket expenses for that, plus the meeting room and those kinds of things. There are not honoraria in all cases. Are there honoraria in some of those, Lynne?

6:55

MRS. DUNCAN: The only possibility would probably be the Private Vocational Schools Advisory Council. I'd want to double-check that. The rest of them have no honorarium, and the major expenses would be for the Council on Admissions and Transfer and the Private Colleges Accreditation Board, each of which has an executive director position and a very small secretariat which they share. So those two committees would have the major expense out of that quarter of a million dollars.

DR. MASSEY: Thank you.

How much, in addition, will the roundtables be requiring? Are they part of this budget?

MR. ADY: No, they're not. They're a separate item in the elements.

DR. MASSEY: What's the cost of them projected?

MR. ADY: The budget for the Access renovation initiative is budgeted at \$500,000.

DR. MASSEY: So \$750,000, three-quarters of a million dollars in a year.

MR. ADY: If you roll them all in, that's correct.

DR. MASSEY: Thank you.

MR. CHAIRMAN: Thanks, Dr. Massey.
Mr. Renner.

MR. RENNER: Okay. I'd like to refer to 1.0.4, Information and Policy Services. If you look at the estimates, it appears that there's a reduction in the budget from 3 and a half million dollars in '92 to 3 and a half million, seventy thousand dollars. But when you look at the comparable figures for last year, we in fact only spent \$3.2 million last year, and then the budget is up to \$3.5 million this year. I was wondering why the budget would be higher than what the actual was the year before.

MR. ADY: That follows on the question asked by Dr. Massey. The \$500,000 is in that element.

MRS. DUNCAN: So it was a reallocation from elsewhere in the department.

MR. ADY: That's right.

MR. RENNER: I guess maybe I should have asked this question first rather than as a supplementary. I'm a little bit foggy on exactly what Information and Policy Services is, and I couldn't find any reference to it in the descriptives here. Could you maybe just give me a real brief rundown on what that does?

MR. ADY: Sure. I think that's a really good thing for my deputy to respond to.

MRS. DUNCAN: Information and policy services is one of the divisions of the department. It's people who do policy work, who gather information, do our labour market statistics. For example, they provide policy advice to the minister, provide the support for us federally, provincially. They're doing work now on facilitating the interprovincial negotiations on labour market mobility. There also is an information services group that produces publications. You've probably seen It's About Time. It tells students where they can get courses and so on. So that's essentially the information and policy services division of the department.

MR. CHAIRMAN: Thank you.
Mr. Beniuk.

MR. BENIUK: Okay. The minister made a comment in response to a previous question, and that was dealing with the Private Vocational Schools Advisory Council. Could the minister forward what the criteria are for approval of the private vocational schools, and also could he forward what the course approval criteria are? Also further down there is a comment of \$1,150,000 being given to private vocational schools, which I gather is done by this council. Could he provide the criteria? So I should ask it later on? Okay; I'll flag it, and I'll ask him later on. Could you be so kind as to forward it, because I would like that information.

Thank you.

MR. CHAIRMAN: Thank you, Mr. Beniuk. Did you wish your supplementaries, sir?

MR. DOERKSEN: Just a couple of clarification points. You said there were 105 full-time equivalents that took the voluntary option program, about \$4 million, but the estimates only went down by a million and six dollars.

MR. ADY: Which element are you on?

MR. DOERKSEN: Or is that 105 right across the whole department? Oh, that's not just program 1. Okay. I'm glad you didn't have 105 in there.

How do they get on to these committees?

MR. ADY: Well, in various ways. For the forestry council we receive nominations from the forest industry. I think we take all the nominations from them, don't we, Lynne, on that one? They submit them, and they just get appointed. We don't go outside of their industry for that, to take nominations, nor does the minister bring them forward. It strictly comes from within the industry.

Lynne, do you want to deal with those others?

MRS. DUNCAN: The Private Colleges Accreditation Board. The minister appoints the chairman and the public members, of which

I think there are two. The others are specified in the terms of reference for the board as being representatives of universities and private colleges, and they put forward names to the minister, which he virtually routinely appoints.

The private vocational schools' curriculum evaluation group currently is not meeting. It doesn't have a membership at this stage.

The Private Vocational Schools Advisory Council is appointed by the minister, and in fact it hasn't met in probably a little over a year. The membership is appointed by the minister.

The Council on Admissions and Transfer, as I indicated earlier, has an executive director who is appointed through competition, and the membership is appointed by individual institutions.

MR. DOERKSEN: Okay. I wanted to compliment you also in terms of that it's nice to see that you actually came in under budget on your actual versus your estimates. That's a pleasure to see. I didn't think government could do that before I got here.

One other simple question, I hope. Your Capital Investment within that element: it was where?

MR. ADY: Where are you looking?

MR. DOERKSEN: The \$94,000, I guess it would be, under '93-94 estimates.

MR. CHAIRMAN: If I may just interrupt for a moment, we had agreed originally to deal with the four programs within the operating budget, with a fifth program now being capital budget.

MR. DOERKSEN: Okay. I misunderstood.

MR. CHAIRMAN: I'm willing to allow the leeway if you'd like to put the question and answer, as long as we're all in agreement on it.

MR. DOERKSEN: No, that's fine. I wasn't sure that that was what you'd talked about. So I'm okay. We'll leave it.

MR. CHAIRMAN: Thank you. Do you have another supplementary then?

MR. DOERKSEN: No.

MR. CHAIRMAN: Mr. Zariwny.

MR. ZARIWNY: I'd like to look at budget item 1.0.1; that's the Minister's Office. I was wondering whether the minister would be prepared to tell us the number of personnel and who they are that this particular budget covers.

MR. ADY: Yes. I have four staff people in my office. The names are readily available.

MR. ZARIWNY: I'm not interested in names, just the positions that they hold.

MR. ADY: Okay. I have an executive assistant, I have a ministerial secretary, I have an administrative assistant, and I have an office secretary.

MR. ZARIWNY: Okay. Thank you.

My supplemental question, then, is directed at 1.0.4, Information and Policy Services. Perhaps the Deputy Minister has already

answered this question but I missed it, so please, if she has, let me know. Who are the people in that particular department, if there is one? Is that a department?

7:05

MRS. DUNCAN: It's a division of the department.

MR. ZARIWNY: Okay. Would you mind letting me know who we're dealing with? Is it an ADM position?

MRS. DUNCAN: Yes, there's an ADM. Then there's a director of labour market information. There's a director of postsecondary information services, a director of information and market development, a director of program evaluation, their staffs, and federal/provincial relations.

MR. ZARIWNY: If I were to ask what per cent of that amount is devoted to salary, Mr. Chairman, would that be a supplemental, or would it be part of the question I have asked?

MR. CHAIRMAN: Are you tying it to your first supplemental?

MR. ZARIWNY: Would you mind telling me what per centage of that is devoted to salaries of personnel?

MRS. DUNCAN: I don't have that with me, but I'm happy to provide it.

MR. CHAIRMAN: Do you have a second supplemental, Mr. Zariwny? Did I say that right that time?

MR. ZARIWNY: That's correct.

MR. CHAIRMAN: I've got it spelled phonetically.

MR. ZARIWNY: This is to the minister. I understand that when he was discussing the minister's committees, he indicated there was a Council on Admissions and Transfer. It's my understanding that this council tracks the qualified applicants that may have been turned down by postsecondary institutions. Is that correct?

MR. ADY: Well, yes. They do that as a peripheral of their mandate, but their main purpose is to try to reach agreement on programs that could be transferable between institutions and within institutions. For instance, in the University of Alberta, oftentimes if a student is moving along in a program and decides he wants to change, he can't even take his credits from the program he's in and transfer them to another program within the University of Alberta. So they're trying to smooth out those kinds of things. Dr. Massey is probably aware of that from his experience there. It is the main reason for them existing.

MR. ZARIWNY: Would you be prepared to tell us some of the results of this tracking of access?

MR. ADY: Yes, we could supply some of that information to you. It's extensive and not the sort of thing I can put in my computer. In fact, we have some of that, don't we Lynne?

MRS. DUNCAN: Yes. We can give you the transfer guide.

MR. ADY: As a matter of fact, we could supply that. There it is.

MR. ZARIWNY: Right now? Thank you.

MRS. DUNCAN: That's their main product.

MR. ZARIWNY: You just happen to have it available.

MR. CHAIRMAN: Mr. Sohal.

MR. SOHAL: Mr. Minister, my question is regarding Information and Policy Services; that's 1.0.4. What is being done to address federal/provincial overlap and duplication in the Alberta labour market?

MR. ADY: Well, I'm not sure if you recall that earlier this year there was a meeting held, I think, in Vancouver. It was known as their minisummit. There was discussion there on that issue. A federal/provincial working group was formed, which is developing a joint data base to address that. There's an admission on all sides that duplication and overlap does exist. They've finally come to the conclusion that it needs to be dealt with.

By way of background, I don't know if you recall that was one of the big concerns of the Alberta government in the Meech Lake accord. We were asking for that to be addressed by way of having the federal government vacate the space, leave their money behind, and we would administer labour market training in Alberta. That was something that was finally agreed to in the Meech Lake accord. The Meech Lake accord failed, so with it went that agreement, which put us back to almost square one other than the admission that it exists. When I was in Ottawa not too long ago, I met with the federal minister on that issue, and we're back on track trying to address it, to eliminate it or at least reduce it and eliminate it over the long term.

MR. SOHAL: So do we have any future agreements, arrangements to be made with the federal government, any plans regarding that?

MR. ADY: Well, we do in that we've agreed to a set of six principles with the federal government to resolve the problem. Although we haven't gotten down to specifics, we're working on our position as a province as to where we think common ground could be found. We realized that in all probability we cannot get back to Meech Lake status, and we're not prepared to stand on principle while the taxpayer goes on paying twice. We're anxious to resolve this on some terms that will reduce it and reduce this double taxation that we experience in this province. It is also experienced in any other province that has a labour market training force or infrastructure similar to what we have, so we're not the only province that has a problem, but we and Quebec have the biggest problem.

MR. SOHAL: Are you saying that presently we don't have a labour force agreement with the federal government?

MR. ADY: No, we don't have a labour force agreement with them. We're each doing our own thing. It's confusing to the client, and it's not cost effective. It's something that has a very high priority with me. This has to be addressed, and I believe the hon. minister Valcourt has come to realize that it needs to be dealt with. At least in the conversation I had with him about it, it came across to me that he's prepared to deal with it and we can get it taken care of so we don't have this excess cost.

MR. BENIUK: Can I make a motion that we go to a different program? Half an hour has expired on this one.

MR. CHAIRMAN: We can do that, Mr. Beniuk. It is just under a half hour for this program.

Just so we understand the process, if any member wishes to ask a second set of questions, that opens it up so that all nine members then have the opportunity to do a second set of questions. With that in mind, I don't see anybody's hand up that wants to ask one on program 1. We're on program 2.

AN HON. MEMBER: In the same order?

MR. CHAIRMAN: No, I believe we can be a little bit flexible in this committee.

Mr. Zariwny.

MR. ZARIWNY: Well, let's start with program 2.1 under vote 2. If you do an analysis of the change in budget from '93 to '94, you're going to find that 2.1.2, Program Development, has decreased by 13.3 per cent, 2.1.4 has decreased by 13.3 per cent, Adult Development Programs has decreased by 21.4 per cent, and Other Program Support has decreased by 6.3 per cent. If my calculations are correct, your Program Administration, 2.1.1, has decreased by only 7 per cent. It would seem to me that if you're going to decrease those programs I listed by as much you have, then should not 2.1.1 have been equally large?

MR. ADY: You spoke quicker than I listened. Let me see if someone else followed that.

MRS. DUNCAN: I think essentially what he is asking is: we have chosen some programs that we have decreased proportionately more than administration. I think it's unfair to select particular programs and compare them to administration, because in fact the administration budget has been reduced by 11 per cent throughout the department, whereas the department's total budget has gone up by more than 3 per cent. So I don't think you can pick a particular item and focus on it.

7:15

MR. ZARIWNY: My supplemental here. It would seem to me, though, that Program Administration is that part of your operations which supports the programs that have been cut. Is that correct?

MRS. DUNCAN: That's right.

MR. ZARIWNY: Then I'll rephrase my question and ask: what did the 7 per cent decrease in Program Administration cover?

MRS. DUNCAN: Well, it covers decreases in staff, some of which were driven by program considerations; some of it was just driven by a need to live within budgets. However, because one no longer has an endowment and incentive fund, for example, we have other tasks in the department that have to be accomplished. Indeed, we have our access through innovation project that's taking a lot of time to put together and new roles and responsibilities being developed for the department as a result of that policy. I don't think you can draw a direct, proportionate relationship between dollars and the staff that support programs.

MR. ZARIWNY: Well, my last supplemental, then, Mr. Chairman, would deal with the staff. You said that staff reductions would take up some of that 7 per cent decrease. What are we looking at in terms of reductions? Layoffs? Terminations or attrition? If we are, how much are we looking at?

MRS. DUNCAN: Some of it was attrition and some of it was the voluntary options program, predominantly the last.

MR. ZARIWNY: Thank you very much.

MR. CHAIRMAN: Thank you.

I have Mr. Friedel and then Mr. Beniuk.

MR. FRIEDEL: Yes. Could you explain what is causing the increase in section 2.3, Private Colleges – Operating?

MR. ADY: That has to do with the private colleges that we fund in the province. We had entered into an agreement to move their funding to 75 per cent of the public colleges a number of years ago, and they were moving along in that direction with an increment each year, moving closer to that. Because of the fiscal circumstances we find ourselves in, we put a freeze on that and stopped it for the time being at 71 per cent. One of the colleges is already at that level, but three were not, so there was money in that budget to move them, which would be an increase over last year because we're moving them toward the 71. They're below it. With this year's funding, it will move three of them to that level and one will be left below it. So next year the budget will only have an increase in the amount that we will give to Union College, which is the one that is still below in the funding.

I hope that's clear to you. With those we've moved, we stopped it at 71 per cent. With this year's budget we've moved three of them. That's what caused the increase over last year, because they all received more to get them up to the 71. Okay?

MR. FRIEDEL: Does that mean that that 75 per cent ratio funding has been withdrawn then?

MR. ADY: Well, no, we haven't withdrawn it, but what we find ourselves having to do is not move to it in this budget. I don't know when we will be able to do it. The intention is to honour the commitment, but we felt that we were not in a financially sound position to do it at this time, so all of them are being held at 71 per cent until we can accumulate some more funding in the department to let them move to that. A temporary freeze, I guess, is the best phrase to use.

MR. FRIEDEL: My next question. I'm not sure if it's completely fair, but do private colleges represent a better dollar value to the government than the public institutions?

MR. ADY: Well, you have to remember that we don't have the investment of the bricks and mortar, so they become a good investment source on a cost per full-time equivalent student, and they help us to address the access problem. Actually, it's a cost-effective way to go as long as they maintain the credentials, and of course we have that monitored. So we're pleased to have the private colleges part of our infrastructure.

MR. CHAIRMAN: Thank you.

Now it's Mr. Beniuk and then Mr. Renner.

MR. BENIUK: Thank you. To the minister. On 2.4, technical institutes, NAIT is in my riding; therefore, I have a special interest in it. I have been advised that last year over 7,000 applicants who were qualified and who applied couldn't get in. I don't know what the figure is for this year, but it must be equal if not greater. Now, your department has issued an employment and occupational trends document which was released in February of 1993, which

stated that technical skills become obsolete in about seven years and one has to have, as you have also stated during your presentation, an ongoing, lifelong learning process. Unfortunately, you have only allocated .7 per cent in your budget as an increase for NAIT and only .9 per cent for SAIT. Now, considering the importance of technical education, why is the increase so small? Considering inflation is even greater than the figure that you've increased it by, it's a decrease.

MR. ADY: Well, I won't dispute what you're saying about the importance of the training that's provided at NAIT and SAIT, because in my mind it's very vital to the labour force in this province. Bearing in mind that we do have a fiscal problem, we're asking the institutions to maintain enrollment and wherever possible to increase it based on zero-based budgeting. I do have to take some issue with the numbers that you're using, because we're finding that students are going to institutions and applying for more than one program. We know that 17 per cent of them applied for two or more programs last year. This is by a study that's been done. If we took that across the system of 115,000 students and took 17 per cent of them, we would generate almost 20,000 extra applications that are floating around out there giving us signals that are incorrect.

Now, I don't dispute that there is an access problem at NAIT and SAIT, but I believe that it's overstated with 7,000 in actual program applications. Not to take away from your point, the programs offered there are very important. They deserve to be funded, but so do the other programs. The department did not have the money to increase the global grants to any of the institutions in this past year, so they all receive a zero-based budget.

MR. BENIUK: Just for the minister's information, I had phoned some of the people teaching at NAIT, and as the registrar's office would confirm, some of the classrooms are full. There are more people that have applied than could get into those classrooms, so they can't get into NAIT.

There is a fundamental principle here. During the last boom in the late '70s, Alberta lacked skilled workers, so they imported them from other provinces and from other countries. We now have an opportunity during an economic downturn to re-educate, retrain, upgrade the education of middle-aged people but also make sure that the young people coming through get the maximum education. Over the next four years what are your plans for funding of NAIT, SAIT, and other technical schools?

7:25

MR. ADY: I can't give you that plan in detail because it hasn't been developed yet, but that's part of what will come out of the roundtables and the access through innovation initiative that we have put out there.

We anticipate that our system is going to have to be restructured, and NAIT and SAIT undoubtedly will play a part in it. It may very well be that increased emphasis will be put on NAIT and SAIT and the training that's required there and decreased emphasis put on some other institution. Through all of this, there will be reallocation of funds, but at this point for me to say that I'm going to take money away from some other institution and give it to NAIT and SAIT ahead of the outcome of that initiative I think would be approaching dishonesty. I'm prepared to wait for that white paper to be developed and see what the stakeholders and Albertans and the students and employers and everyone who has input has to say about it, and we'll take some direction from it.

We'll see how NAIT and SAIT fare with it, but I expect they'll fare very well.

MR. BENIUK: But the students will not because they won't be able to get in, to become students.

MR. CHAIRMAN: Mr. Beniuk, can I interrupt for one moment? I should mention – and I apologize for this, sir – that I'm just a little bit deaf in reality, and I can't hear you. I've just asked Dr. Massey and some people over here, and we can't hear you. Can you speak up just a bit, because it's kind of excluding us from this conversation.

MR. BENIUK: No problem. I understand. Thank you. I just made a comment that whereas NAIT and SAIT will survive, the students that are not given the opportunity right now to get an education may not.

Considering that 68.7 per cent of the jobs between now and the year 2002 would require postsecondary qualifications, why are you not ensuring that adequate funding is provided to the postsecondary education institutions that are government-owned, publicly-owned rather than – and I'll raise a question later – on private vocational schools?

MR. ADY: Well, let me back up. You're leading everyone to believe that we're doing a terrible job. Let me back up a little bit. This province trains 25 per cent of the apprentices in Canada. We're the only province that has two technical institutes that equate to NAIT and SAIT. Now, I don't think that's anything that we have to put our head in the sand over. I'm pretty proud of what those institutes are doing and what this province has done with NAIT and SAIT. You can hardly go anywhere that you don't run across someone that has been to NAIT or SAIT, or at least one of their family. So it has had pretty broad coverage and accomplished a lot of good in this province, and it continues to do so. They're two very well-run, efficient institutions.

To move to your second question, if I understand you right, it deals with access. We admit that we have an access problem, but we don't have the money to throw at it anymore. We've got to come up with a different system of delivering our programs in order to deliver programs in a cost-efficient way. The system is going to have to be restructured. It's the only way that I know to do it, and it's going to take a little time to do it. Certainly Alberta on a per capita basis is among the highest of funders of postsecondary education. We're either first or second, depending on which month you want to read the stats. So we're not doing that badly, but we need to do better. As long as we have a student who wants into one of our postsecondary institutions and can't get in, we've got a problem. I accept that, but I don't accept the fact that we're not doing anything and that we're about the worst there is by any means.

MR. CHAIRMAN: Thank you.

Mr. Renner, and then Dr. Massey.

MR. RENNER: Thank you, Mr. Chairman. Mr. Minister, I would like to refer to 2.5, Public Colleges-Operating budgets. When you look at these budgets, there have been very minimal increases across the board. I think you have even announced at some point that there was about a 3 per cent increase across the board for public colleges. On the surface that seems reasonable and fair, that everyone got the same increase. I wonder, when you look at the list of colleges that are funded – and coming from Medicine Hat as I do, I of course have leanings towards Medicine Hat College.

I look at this list, and I see that Medicine Hat College in terms of funding ranks second from the bottom in total dollars in operating funds, second only to the Alberta College of Art, yet I know that when I look at some of the other colleges on this list, Medicine Hat College has more students than a number of the other colleges on the list. I'm wondering: is there any correlation of funding dollars to students enrolled in the institution?

MR. ADY: The institutions receive a block grant. Well, to back up a little bit, prior to my time there was a study done by Dr. Stefan Dupré, who came to Alberta and studied the level of funding to each of our institutions in an effort to be sure that they were receiving equitable funding. Lynne, perhaps you could enlarge on this. You were here then and I wasn't.

MRS. DUNCAN: You're doing just fine.

MR. ADY: She's not taking this one.

At any rate, he gave us a recommendation on where the funding level should be for the postsecondary institutions that we had in the province, and that set the level that each one had. Since then, we've worked with a block funding that has let them move. If we gave a 3 per cent increase, they all got a 3 per cent increase. The variance with that was that if there was new programming that was approved, in some cases there may be some funding following that. If there was new space built, there would be some funding increase following that. That's the criterion that has been used and that funds Medicine Hat College where it's at today in the mix of funding among the institutions.

Now, do you have anything to add, Lynne, or am I still doing all right?

MRS. DUNCAN: You're doing fine.

MR. RENNER: Well, I guess, then, for my supplementary question, it sounds to me like it's very similar to a property assessment on a municipal level and property tax. It could equate somewhat the same. If the base changes and you continually make increases on a false assumption, then at some point in time maybe you need to do a reassessment and redistribution on allocation of funds. Medicine Hat College originally had 800 students; now it has 2,200 students. Perhaps this base was established when they were at the 800-student level. They've grown tremendously, and maybe some of the other colleges haven't grown at the same rate. There's maybe a possibility that you need to have a look at the overall budget and redistribute the funds on a different basis, and I wonder if you might consider that.

MR. ADY: Well, I hear what you're saying, but in today's world we don't have an institution that doesn't have people virtually waiting at the door. I guess I don't know what level Medicine Hat College was at when the study was done. If any of my staff know, they could perhaps give me some idea of where it was at. I think every institution has moved as efficiently as they can to deal with the access problem, so within the block funding that they receive annually, they have increased access to the limit. I think they've done a very good job. Medicine Hat perhaps is an excellent example of what they've been able to do with the funding that they had. My understanding is that they're at their limit and can't take any more of the funding than they presently are allocated.

I understand what you're saying, and certainly if we had an institution that dropped dramatically in enrollment of full-time equivalent students, we wouldn't go on blindly funding them at the

same level. We would do reallocation, but we really don't have that in our system as I speak.

7:35

MR. RENNER: I don't have another question.

MR. CHAIRMAN: Thank you.

Dr. Massey, Mr. Sohal.

DR. MASSEY: Thank you, Mr. Chairman. I think you talked about it and you admit that access is really a big problem. I think I've seen it described as a crisis in some places in the province. My concern is that it's not new, that it's been going on for some time now, and by redefining what a qualified student is – that is, raising the entrance requirements – you've cut off some students. By putting in quotas, we've cut off students. It seems to me that surely there's a need for some kind of short-term plan to accommodate students today who next January will be trying to get into our institutions. I can't quite understand why that hasn't been done in the past.

MR. ADY: Well, it still comes back to the very same things that we have to deal with, Don, and that's the fiscal realities. We don't have more money to build more infrastructure; we don't have more money to give for operating grants at this point. That leaves us the option of efficiency, and we're going to have to find some efficiencies in our system to address the access problems.

Through the access through innovation program we are anxious for the stakeholders and Albertans to give us their input so that we have the advantage of that. I mean, people like yourself with your background, the university, academic people, administration people, everyone who knows something about the system we hope will tell us what they think we can do, bearing in mind that we've got a fiscal problem that we can't just solve like that. The other departments of this government have continually taken a hit every year in the last seven years in order to maintain or increase funding to postsecondary education, Education, Health, and social services: those four. This department has never taken a reduction, never taken one, so there has been an emphasis there. It's a priority, but again how much money can we find from other departments without shutting them down? Those four departments now take over 80 per cent of the provincial budget. We're going to have to address it in a different way than money. Money is, of course, the quick fix. We could fix it tomorrow if someone came along and gave us a billion dollars.

DR. MASSEY: There were suggestions that there are problems right now, and we had talked about roundtables. I saw the University of Alberta's requisition, which was at the 4.5 per cent they suggest they need in terms of funds to maintain the current student body in the next budget. I come back to the operating grants that are in this and wonder how they are supposed to survive. In January there's going to be a group of students that will be excluded. What are they supposed to do? What do you say to those students? I'm sure you're getting the same phone calls I am.

MR. ADY: I'm hearing from some students who are disappointed that they don't get into a particular program, and I'm hearing from students who are disappointed that they don't get into the particular institution of their choice, but I'm also hearing from students who applied to three or four and are getting into one of them. I'm on record as saying that I'd like to see the admittance level at 65 per cent. I think we're missing a lot of talent out there. I'll bet there

are a lot of people in this room that would have had a lot of difficulty if they'd had to have 73 per cent to get in back in their day. As I circulate around, I run into them all the time, a lot of professional people.

MR. CHAIRMAN: Some of us would have been happy to get 73 per cent.

MR. ADY: Let me say, Don, that through all of this, if you're asking me to do a quick fix, then you have to be suggesting to me that we go for revenue.

DR. MASSEY: What I'm saying is that the problem isn't new. It didn't just arrive when you became minister. It's been around for some time.

MR. ADY: No, it didn't just arrive when I became minister.

DR. MASSEY: That's my point.

MR. ADY: Bear in mind that we've had a revenue and spending problem since 1986, when we lost 3 and a half billion dollars in revenue in this province. It's been quite an exercise to get Albertans' and politicians' and institutions' minds turned around to address this problem. I think that finally everybody's there to address it. I even hear people from the opposition side saying that it's time.

DR. MASSEY: Some members of the opposition.

MR. CHAIRMAN: Thank you.

Mr. Sohal, Mr. Langevin, and then Mrs. Laing. Mr. Doerksen is last on my list. I'm taking them in the order of hands coming up, by the way.

MR. SOHAL: Mr. Minister, the reference is to 2.1.8, Adult Development Programs. In 1993-94 we have a budget of \$13.1 million, and in '92-93 we had \$16.8 million, so there's a reduction of \$3.7 million. That's a 20 per cent reduction. This budget directly affects programs of short-term vocational training and English as a second language. Would you please explain how this program is coping with the growing need for English as a second language and short-term vocational programs.

MR. ADY: Just so I'm clear on your question, it has to do with the fact that we've reduced the budget and you want me to focus on ESL?

MR. SOHAL: With particular reference to that.

MR. ADY: Well, ESL was part of both of the previous departments. The amalgamation of the two departments has brought us some efficiency in that area and allowed us to reduce the budget to some extent from that. In 1992-93 Adult Development Programs funded some 184 programs or about 5,500 full-time students. The ESL program used to be a priority that's funded under that program, and we believe that we're serving that reasonably well. Lynne, do you have some supplemental on that?

MRS. DUNCAN: Well, I guess I would add that ESL is primarily a federal responsibility, and the reason we reduced that program was that in fact it was a federal/provincial transfer. The federal government put money in our general revenue fund. We requisitioned it and spent it on academic upgrading and ESL programs.

The federal government reduced their transfer to the province, so we reduced what we requisitioned out of the general revenue fund. The federal government is now giving money directly to students, and our sense is that overall the programming level in the province is, at the very least, constant. It's just that the money is now coming from different sources rather than going through the provincial kidneys, if you will. [interjections] You liked that one? The federal government is now putting money directly in the hands of students.

MR. ADY: So where does it come out, Lynne?

MRS. DUNCAN: In *Hansard*.

7:45

MR. SOHAL: My supplementary to the minister. I fully believe and agree with this government's policy of fiscal restraint. We all agree that we need an able and skilled and educated labour force to compete in the global market. So do we have a commitment or a policy towards a program like ESL or does our policy just change on the whims of the federal government?

MR. ADY: Well, let's not forget what the deputy said. English as a second language is primarily a federal responsibility. We have found ourselves quite often in the circumstance of having to jump into the breach when they vacate space, and often the space they vacated is with money. When they reduce funding in a program and we find ourselves in the fiscal circumstances that we are in, it's very difficult for us to just cover that off, especially when we have to borrow the money to do it. I guess it comes down to an issue of fairness. Is it fair for them to abdicate their responsibility, and then is it fair for us to be expected to be able to pick up a hundred per cent of it? We find that difficult to do. The minute we do it, it follows that it takes the heat off them, and I don't think that's fair either.

MR. SOHAL: Therefore, we don't have a policy about it?

MR. ADY: We have a policy to fund it as adequately as we can fund it within our fiscal circumstance.

MR. SOHAL: Okay. That makes sense. Thank you.

MR. CHAIRMAN: Thank you, Mr. Sohal.
Mr. Langevin.

MR. LANGEVIN: Thank you, Mr. Chairman. My question is to the hon. minister. If you look at the departments, I would like to point out, keeping in mind that we have a budget problem and a financial problem – I'm not asking for more money – that some reduction has occurred here while others have gotten some increase. I would like to know the rationale behind that. Alberta Vocational College in Lac La Biche is a college that caters mostly to the unemployed, the unskilled, the people who have a bare level of education, and the economically disadvantaged people. They have taken a 3.2 per cent decrease in this year's operating estimate, while if you look at 2.3, private colleges, has had a slight increase; 2.4, technical institutes, has had an increase; 2.5, public colleges an increase; 2.6, universities, an increase; and 2.7, hospital-based nursing education, has remained the same. What would be the rationale not to give them all the same level or, if they had to have a decrease, all the same decrease? Why would Alberta Vocational College be punished more than the others?

MR. ADY: Bear in mind that Alberta vocational colleges are administered by the department differently than those that are board-administered. That's a factor there because some of our overhead costs are different. I'll ask the deputy to enlarge on that.

MRS. DUNCAN: Well, the reason that the vocational colleges' budgets were reduced was that they were part of our productivity improvement in the department. They have reduced staffing levels while maintaining or increasing enrollments. All postsecondary institutions got a zero grant increase this year, and the reason you see some getting a little bit here and others getting nothing has to do largely with differences in fiscal year-ends. The colleges' and the technical institutes' fiscal year-end is June 30, whereas the government year-end is March 31. So the colleges and technical institutes are still getting 25 per cent of the adjustment last year. It's really a technical reason why most of those institutions have an increase. The one exception that stands out is Grant MacEwan College, which got extra operating money because of their new building.

MR. LANGEVIN: Thank you.

You pointed out in your discussion that the Alberta vocational colleges had become more efficient. Is there a lack of efficiency in the others? They're more efficient compared to the others?

MR. ADY: More than they were.

MR. LANGEVIN: More than they were. So they deserve some credit.

MR. CHAIRMAN: Thank you.

Mrs. Laing, and then Mr. Doerksen.

MRS. LAING: Thank you. Mr. Minister, 2.6, Universities – Operating. While this year's grant adjustment under subprogram 2.6 is zero per cent, universities and all other institutions were able to raise significant revenues through tuition fees. What sort of tuition revenue increase do you expect to see in '93-94?

MR. ADY: Well, to just reiterate a little background on the tuition fee policy, as most of you know, there is a cap on it, and there is a cap on the amount that it can be increased each year. Universities can increase theirs \$213 per full-time equivalent student in this fiscal year. For colleges and institutes the allowable is \$106.50. There's a difference there. Overall the system could generate just over \$17 million in new tuition revenue for 1993-94.

MRS. LAING: Okay; thank you. For my first question, given the 20 per cent of operating expenditure cap, how much room remains for the institutions to further increase tuition fees? How close to that 20 per cent are they now?

MR. ADY: I'm sorry; the last part again?

MRS. LAING: How much room remains for the institutions to increase further tuition fees?

MR. ADY: Oh, okay. In 1992-93 the total revenue from regulated tuition fees for the board-governed institutions was about \$126 million. This represented 13 per cent of the net operating expenditure of the system, so 13 per cent working towards 20 as the cap. On an institution-by-institution basis it ranges from as low as 4.3 per cent at Fairview College, where they have lots of room to move towards the 20, to a high of 18.5 at the University

of Lethbridge. The University of Lethbridge is almost bumping against the cap, and they're the closest to it in the province.

MRS. LAING: Okay. Thank you. As the mother of a university student: could you tell me how you feel about how the institutions now spend these tuition fees? What use are the tuition fees being put to?

MR. ADY: Well, the tuition fees that the institutions collect just go directly into the revenue of the institution, to be used at the discretion of the administration and the board. It's not a designated fund. It just goes to the general revenue of the institution.

MRS. LAING: General operation.

MR. ADY: General operation; that's right. Well, I would qualify that by saying that it would go into their operating fund.

MRS. LAING: Thank you.

MR. CHAIRMAN: Thank you, Mrs. Laing.
Mr. Doerksen.

MR. DOERKSEN: I want to come back to the point Mr. Zee here raised right off the top. Under Program Administration – and this is a roundabout question – if you take off the capital fund principal repayment program on both those elements, your Program Administration under '93-94 comes to 8 per cent, and your Program Administration under '92-93 comes to 7.2 per cent. It's my belief you can tie that to a dollar figure, and I wonder if you've got any number you're shooting for. This is actually probably more for the deputy minister than it is for the minister.

MRS. DUNCAN: Well, perhaps I could add that department staffing levels have been reducing consistently for – help me out here – four or five years. If we looked at the old advanced education department, which this program 2 is about, staffing levels are in fact lower than when the department was formed in 1973. So if we were to go back and compare the program dollars here to staffing levels back when the department originated, we would find that the department has in fact become very efficient. Over the last two years our staffing level has been reduced by something like, I don't know, 15, 16 per cent. I'm not sure it's appropriate to take a one-year snapshot. I don't know that I've got any particular rule of thumb in terms of what proportion of your budget ought to be spent on staff. Certainly, in an overall department, 2, 3 per cent or something like that, I guess.

7:55

MR. DOERKSEN: Okay; just curious. That's a good point about a one-year snapshot. That's right. It's sometimes hard to manage, but I worked in a bank before, and we definitely had productivity targets per employee. If we were not meeting them, we knew what we had to do.

MRS. DUNCAN: Mr. Dinning's designing some for us.

MR. DOERKSEN: Good for him. My next question has to do with that same Program Support element. We kept coming back to Harry's thing on ESL. I know it's a federal thing, or partly a federal thing. Can this not be moved into the colleges, letting them operate the program through their funding?

MRS. DUNCAN: Do you want to?

MR. ADY: No, go ahead.

MRS. DUNCAN: In fact, colleges do offer some ESL programs out of their base money. They allocate money for ESL. In the adult development program we have tried to keep a pot of money that we can move from year to year to where programming needs are greater. If it's in Edmonton, we try to move more money to Edmonton. If it's in Lac La Biche, we try to move more money to Lac La Biche, or to Calgary. That adult development program money is more of an ad hoc nature than the base money that's given to institutions.

MR. DOERKSEN: Okay. I met with a number of ESL students during my campaign actually, and they were getting into it. What we're talking about here really is, as Jack said, that we need to do more. That's right, but we need to do more with less, which is really what we're saying – it's a million dollar allocation – as opposed to just throwing more money at it. So if I could just say that I'd like to see more money allocated to ESL, and you can take it under advisement.

My last question has to do with getting back to . . . It's a privilege to be able to go last; you can piggyback on other guys. Rob here talked about efficiencies. I know, Jack, that you and I have had this discussion before. Red Deer College in particular operates very efficiently in terms of dollars per student. You've replied to this question before, but I'll let you have another crack at it. I'd like to see you again move more to a performance standard much like they do in the other education department, where they're starting to look at how much is spent per student, full-time equivalent. If we move in that direction for all – Mr. Langevin talked about if you have an efficient school, you almost penalize them for being efficient.

MR. ADY: What you're talking about is rewarding productivity, I believe.

MR. DOERKSEN: Right.

MR. ADY: Well, let me say that without a doubt I think that's something we'll have to look at in the future because we're going to have to reward productivity. Those who do more with less should be given the resources to carry out their mandate. I don't think that we've got enough cards on the table yet to know how best to do that in a fair and equitable way, but I would hope that by next spring we might be able to address that in a more definite way. When I say that, I mean get some direction out of our public consultation that will allow us to move ahead with it, basically.

MR. DOERKSEN: Thank you.

MR. CHAIRMAN: Thank you.

That's program 2: 47 minutes. A gentle reminder: if somebody wants to ask another question, we will then open it up to everybody going through unless we wish to move to the next program.

Mr. Sohal.

MR. SOHAL: Mr. Minister, it's a general question about universities.

MR. CHAIRMAN: Mr. Sohal, again with the thought in mind that if we do this, then we do open it up. I want that clearly understood before we go into a second round of questions on the same one.

MR. RENNEN: Maybe we'd better agree whether we want to have another round before we go on.

DR. MASSEY: Yes, we would like another round. It's a big program.

AN HON. MEMBER: Yeah, we'd like another round of this.

MR. CHAIRMAN: Mr. Sohal.

MR. SOHAL: Just a general remark. In the early '70s in Ontario universities, foreign students paid the same fees as Canadian students paid, the philosophy behind it being that foreign students go back to their countries and then they buy Canadian products. Then in the mid-70s they discovered that foreign students don't go back; they stay in Canada. So they doubled and tripled their fees. Do we have an Alberta-made policy for fee structure for foreign students?

MR. ADY: Yes, we do. Presently, foreign students pay double the tuition. It has to do with the philosophy that Canadian taxpayers undoubtedly subsidize postsecondary education to, on average, 85 per cent of the cost. It was felt that oftentimes foreign students that came to Alberta came from a background that could well afford to pay. On the other side of the coin, it was felt that the taxpayers of Alberta shouldn't be expected to subsidize the education of foreign students to that extent. So double the tuition seemed to be where it settled, and that's where it is today. That's the made-in-Alberta policy and the philosophy behind it.

MR. CHAIRMAN: Thank you, Mr. Sohal. No supplementary. Mr. Zariwny, then Mr. Renner.

MR. ZARIWNY: Mr. Minister, I have some questions that I can't really pin down to any one particular program. They probably could be dealt with with all the programs from 2.2 down to the end, so they would be dealing with the postsecondary institutions. It seems to me that the relationship between education and the labour market involves problems of supply and demand, overeducation, underemployment, the way the university students and the institutions view the work and employment trends. My question is really an offshoot of what your deputy minister, I think, mentioned, or perhaps it was yourself. She said you used zero-based budgeting as a planning tool. I'm wondering whether or not in the process of planning for any of the programs dealing with postsecondary institutions – and that's my first question – you take into consideration criteria like unemployed, underemployed, overeducated, uneducated. I think maybe a good example, if you want, of people that fall in this category would be natives and the immigrants. My question is: do you develop these kind of criteria when you're developing your budget? Do you examine factors like that?

MR. ADY: Well, I think the best way to answer that is to talk about the emphasis that we put on some of our institutions that deal with that type of client. Our AVCs – our Alberta Vocational Colleges – deal with them. People in those categories are able to access those institutions at a very low cost to them and sometimes in fact receive grants to allow them to attend. It goes all the way from upgrading to basic training in some field in our AVCs. I think we address that from the perspective of providing some institutions that are specifically set apart to do that, to deal with that. Lynne, can you expand on his question?

8:05

MRS. DUNCAN: I think it's fair to say that the colleges and the technical institutes are the ones that are most conscious of labour market indicators and tend to move their program dollars around in response to labour market demand. That's particularly true of the technical institutes, where quite often their quotas are not designed for fiscal reasons; they're designed because they're trying to match the number of students to the labour market.

Universities, of course, are in contrast to that, because universities have not traditionally seen their role as supplying trained people for the labour market. Indeed, the philosophy that's driven funding in institutions to date has been one of trying to meet individual aspirations for postsecondary education. I guess everybody seems to want to go to university, and we should probably convert all our institutions to universities and let them all get degrees. The labour market information is telling us that a growing number of university graduates are underemployed – a porter, for example – telling us that we in Canada pay too little attention to nondegree programs, telling us that two-thirds of the people in the labour market today are going to be there in the year 2000 and maybe we ought to spend more time and attention worrying about how they get trained and retrained. So I think one of the major policy issues facing us is: when we increase funding, where do we put that funding? I think it's a very knotty problem.

MR. ZARIWNY: My second and last supplemental would be to take off where the deputy minister mentioned the word "policy." I was just wondering whether the department, knowing that policy's going to lead at some stage to a financial allocation, has actually given any thought to developing – or maybe it already has – policies which would deal with these disparities of racial origin, socioeconomic status. Or are there no policies of that nature being considered?

MR. ADY: Well, I think certainly we have some programs that are directed to our native population's needs, especially in northern Alberta. Our AVCs certainly are, and we have the mobile training units that are specifically designed to move about in the north and give a level of training to those people. We have our immigrant settlements program, which to some extent addresses the needs of new immigrants into this country, to give them ESL, for instance.

Back to the native thing in northern Alberta – and I shouldn't just say native; let's say disadvantaged people – we have some programs that are specifically targeted to deal with their needs: the Students Finance Board system, because all of that is now administered by the Students Finance Board for assistance to those people, be it by grant or by loan or a combination of the two. I'm not sure that I've answered your question, but I hope I have to some extent.

MR. ZARIWNY: I believe you have, but I would just like to throw one other category or disadvantaged group, and that's gender.

MR. CHAIRMAN: That was your second supplementary.

MR. ZARIWNY: Well, can I add that as my third one?

MR. CHAIRMAN: A little leeway.

MR. ZARIWNY: What about gender?

MR. ADY: What about gender? Are you worried about the fact that there are fewer males in the system than females and we need to do something to get those male numbers up?

MR. ZARIWNY: I am worried about it from many points of view, including that I have two daughters who are coming up to that stage where they're going to be wanting a job. In addition to that, many of my constituents and many of my supporters are women. I think this is a serious problem.

MR. ADY: Well, just a minute. In today's statistics in our postsecondary system we have 53 per cent – 53 or 56; I've forgotten – more than half that are women. So the system must be responding. That's full-time and part-time. So the system must be responsive, it would appear, and open to women accessing it.

MR. ZARIWNY: I don't want to get into a philosophical disagreement here, but I think most of those 53 per cent are lower level occupational categories. We don't have too many female deputy ministers, do we?

MR. ADY: The number's growing. The other statistic I'd like to give you is that there are more women served by the Students Finance Board than there are men. It's pretty consistent when you look at all the things there that are being accessed and the numbers that are coming out. I'm open to suggestions. If they're being disadvantaged, we certainly don't want that nor want it continue. If something needs to be addressed in some specific way, sure, but I'm not getting any strong signals out of the information that comes to my desk that says there's a problem.

MR. CHAIRMAN: Thank you.

Mr. Renner and Mr. Massey. We have seven speakers left to go, and we're at fully one hour on this program.

MR. RENNER: Thank you, Mr. Chairman. I'd like to go back to 2.1, Program Support. Specifically, in the description in the estimates book the last sentence reads:

Provides final matching grants under the Endowment and Incentive Fund Program which has been terminated.

I'd like to know: what is the endowment and incentive fund program, and why has it been terminated?

MR. ADY: The endowment and incentive program was a program set up by the government. Initially it was a matching grants program to postsecondary institutions, and even universities at one time had access to it. Then it was phased out and left only for the colleges, and now it's being phased out for the colleges. It was done in an effort to encourage the institutions to enter into the fund-raising mode, and the dollar-for-dollar matching grant encouraged them to get organized, to get out there into the marketplace and the business sector and wherever they might gain grant money or money that people would be prepared to give them. They could go to them and say: "The government will match this. If you can give us \$10,000, the government will match it with \$10,000, and then we can build a library, or we can do something." The institutions picked up on it, and there was a great deal of infrastructure and improvements done to our postsecondary system through that.

Now, for two reasons, it's been discontinued: the first one is that we have a difficult time funding our side; the second one is that they have learned how to do it, and they've all set up foundations. We enacted some legislation that allowed them to get a tax deduction, those who contribute to their foundations, and

we're finding that the universities and colleges are moving along reasonably well. I'm sure they would be happy if we could afford to continue to match it. We would be happy if we could continue to match it, but we find ourselves not in that position. We feel that we gave them a kick-start in how to fund-raise for universities and colleges, so it's been discontinued. The money we see in this year's budget has to do with, I think, the final commitment that we have to the institutions that were in the program and raised the money that we had committed to match.

MR. RENNER: Thank you. It's a good explanation. Actually I was aware that these foundations were being formed, and I wasn't aware of the reason why, so I appreciate that.

Do you feel there may be a future role for government along this line with these foundations that are now in place? Is there a role down the road for government to play at all, or will we be out of it entirely?

MR. ADY: Well, I think that as far as money, over the next three to five years I would say that the government will be out of it. I think that the government will be happy to assist in any way that they can to enhance the reasons for people to get involved in the foundations and to contribute to them, give encouragement. I guess we would be in the cheering section, but we don't have the money to be there with additional funding to do it.

MR. RENNER: Thank you. That's all.

MR. CHAIRMAN: Thank you, Mr. Renner.

Mr. Massey, Mr. Doerksen.

8:15

DR. MASSEY: Thank you, Mr. Chairman. I'd like to go back to access again, if I could. What does the department consider a reasonable participation rate for our high school students in postsecondary education? I know that there are comparisons for Canadian provinces, and I am not interested in comparing Alberta with Newfoundland. I have some information on Michigan, for instance, and Kansas state, some that are of comparable size. When you talk about high school students going on to postsecondary institutions, what kind of participation and per centage rates do you shoot for or you think are reasonable for this province?

MR. ADY: Well, over the past 10 years – and that takes us back to the time prior to there being the access problems we presently have – it was at about 60 per cent into our universities. Strangely enough, it's been maintained there. Now, I suppose it's difficult for us to know what level it would move to if we didn't have an access problem, but let's also factor in some other things: first of all, the economy and the fact that there are not as many jobs available to people. That causes them to re-evaluate their circumstances and say, "Well, if I can't get a job with the training that I've got, if there's nothing for me out there in the labour market, then I'm going to go back to school." So that causes more of them to go. It also causes high school kids, many of whom in previous years said: "Well, I can go down the road here and make \$15 an hour. Why do I want to spend this number of years in university? I'll never earn it all back, the money that I can make," back in the days when they could go into the oil industry and work on the rigs and operate the pumping stations and things that paid well. Those oil companies had a benefit package and pensions, and many times those people were making more money than those who had a postsecondary education in those days. I don't think that's so prevalent anymore, and that's causing more interest and

emphasis on students wanting to get into our postsecondary institutions. There's becoming an awareness on their part that they're going to need that if they're going to compete from age 20 to 65.

Don, it's difficult for me to sit here and say that the acceptable number in today's world should be increased from 60, where it historically has been, to something higher. I think we're going to have to learn over the next short time where that really wants to settle out and try to provide the access for them. The bottom line is that I'm as much interested and maybe even more than you are because of the responsibility that I have of providing that access to those students. I don't know how else I can answer your question.

DR. MASSEY: I think in part you have. It isn't really a set kind of goal that we're looking at in terms of the province.

One of the concerns that people within the institutions have relayed to me is the notion that programs that can't be directly linked to the job market are going to be in jeopardy. The notion is that this is really distorting, in the case of universities, the whole notion of students going to universities, where there's an open exploration of ideas, that they're going to be forced to go to universities to take narrower and narrower programs in serving the job market. Are their fears founded in these budget documents?

MR. ADY: Well, I suppose they are, because if people spend four to six years in a postsecondary institution taking training that is not marketable when they come out at the other end, then they've got a problem and society's got a problem with that. Everyone in some way is going to have to make a living. I don't know how you address that. I suppose it's always been around to some extent, but it's probably exaggerated now because of the access problem. Your concern is that those kinds of programs will be forced out of the institutions and that there won't be programs there for them, even though in their minds – I'm talking about the students now – they want to take that program and they're confident that there will be something there. Is that where you're coming from?

DR. MASSEY: Their reasons for going aren't vocational . . .

MR. ADY: And yet the program just wouldn't be there for them.

I would hope that our universities, especially our universities, are not going to be put in the circumstance where they would have to become that narrow. With the calibre of universities that we have in this province and have been able to maintain over the years, it would seem to me that we should be encouraging a broad based set of programs for those universities, and hopefully we're going to be able to find a way to maintain that. There should be some priority to it.

DR. MASSEY: All I can say is that it has raised alarms about academic freedom and the notion of what a university is and how a university differs from a technical institute. Even at technical institutes the need for education to help young people develop themselves as human beings first is a very important function along with some kind of vocational training. I guess as I look in terms of the programs in here determining the kinds of activities that go on in institutions I shudder, I have to tell you, when I hear about productivity counts. I think of people in music programs and fine arts and wonder what they're saying.

What portions of the budget are made up of federal funds? Is there just a rough ballpark figure of how much of this money comes from the federal government?

MR. ADY: The best way to explain that to you is that the federal government gives money to each province. There's a CAP program for education and health care. They are unconditional grants with the exception of the adult development program and one or two other small ones. But we're talking about the big dollars. Those funds go to the province, and we have the flexibility to use them within the general revenue. So they are not directly put to postsecondary education unless my deputy is about to tell me something that I . . .

DR. MASSEY: So there's no ballpark figure? If federal funds are dramatically decreased, what's going to happen to your department?

MR. ADY: It would affect us because our overall budget of the province would be affected. We'd have less money to do things with. We would be affected by that and only protected by the priority that might be put on it by the governors.

MR. CHAIRMAN: Thank you, Dr. Massey.
Mr. Doerksen and Mr. Langevin.

MR. DOERKSEN: I'll skip.

MR. CHAIRMAN: Thank you. Mr. Langevin.

MR. LANGEVIN: I just have a couple of questions. I'd like to come back to AVC for a second. In our discussion of my previous question I understood that they report to their minister on a different base than the other institutions. Would you just elaborate on that?

MR. ADY: Sure. The AVCs are a child of the government, and I suppose the other institutions are as well. But the other institutions are board-governed and those are not. They are administered solely by department and report to the department. Their employees are government employees, all of them. The president is a government employee, all of the instructors are, all of the staff is. So it is administered differently. We have direct responsibility for them and their operation, whereas the others – you understand how they function. Does that answer your question?

8:25

MR. LANGEVIN: It does, yes. Thank you, Mr. Minister.

My second question is still on AVC. Your colleague the Hon. Mike Cardinal is trying, in his words, to send employables back to the work force, take them off social assistance and AISH and other programs. A lot of these people are prime candidates for AVC schooling; they are not university-types. Is there a process in the transition period for some of these people to get some special recognition or access into AVC, or are they going to be on the waiting line: they'll be off assistance, but they won't be accepted?

MR. ADY: Well, as I said earlier, we have some programs that are in place specifically to serve those kinds of clients. As I mentioned earlier, the mobile training program is designed to move to a community in northern Alberta and stay for two years, do some training of the people there locally because they can't afford to move and come to Edmonton or come somewhere else. Then they can pick up their mobile training unit and move to some other community that has need. Certainly we have a considerable component of native students enrolled in Alberta. If you'd get a map and look at where our offices and institutions are located in northern Alberta, I think you'll gain an appreciation of the effort

that is being put into making some level of training available to those people.

Who from my staff can supplement that?

MR. LANGEVIN: The minister asked if somebody would supplement.

MR. ADY: I told you the answer, so . . .

MR. LANGEVIN: Okay; I understood from that that maybe there was something else that was not answered.

MR. ADY: No. We can send you some information that's more specific on where we're doing what, and we'll be happy to do that.

MR. LANGEVIN: I'd be interested in this mobile training units information if you have it available, how they work.

MR. ADY: Sure.

MR. CHAIRMAN: Thank you.

I have Mr. Friedel. I'm trying. Somebody just told me I was pronouncing that name wrong as well, so I'm trying to remember the correct pronunciation here.

MR. FRIEDEL: You and half the people here, so don't feel bad.

MR. CHAIRMAN: I'm absolutely neutral. I got one wrong on both sides.

MR. FRIEDEL: I'm not one hundred per cent sure if this is what Dr. Massey alluded to a few moments ago. It's not really a financial question, but considering today's unemployment situation and the comment that was made just a little bit earlier that the colleges are more flexible towards the current job market, is there a reason or would it be worth considering a bit of a nudge to universities to adopt that type of flexibility to recognize the job markets as they appear? I don't really mean that you'd jump each year, but . . .

MR. ADY: I think perhaps you misunderstood Dr. Massey. Dr. Massey was concerned that the universities and many postsecondary – well, I believe his concern was primarily the universities – were going to become preoccupied with cranking out product for the job market and lose sight of the historical and traditional role that universities have played, where there was a broad range of programs, not necessarily job market oriented; that for people who just wanted to go and take some training in an area that's peripheral to the job market there wouldn't be any program there because the universities are so focused on cranking out job-market-ready clients. I think you may have misunderstood him, but maybe to pick up on what I think you're driving at, NAIT and SAIT and the private vocational schools are very focused on the job market, I think about as focused as you can get. I don't know how we could encourage them to be any more so. I think they do an excellent job of serving that clientele.

MR. FRIEDEL: I realize that I was sort of looking at the other end of the spectrum from the one that Dr. Massey was alluding to, and that's why I mentioned it, but in our current state of high unemployment might we not be well advised to urge the universities to take a slightly more flexible approach to that?

MR. ADY: Who would take a more flexible approach?

MR. FRIEDEL: Well, we as the government who fund the universities. Could we not push the universities to be a little bit more responsive?

MR. ADY: Well, I think we have to be careful when we as a government start tinkering with the directions that universities take. It's pretty hard for a politician to stride over to the U of A and say: "I think you're out of whack with where you're headed. I want you to move over here and become more focused in a particular direction." Universities within their own constituency should have the ability from the president on down and with some assistance from their board for direction to be responsive to the needs of the citizens they are mandated to serve. I think we would find a negative distortion if all of a sudden it became my right as the minister to start giving that kind of direction to those institutions. They today develop their own programs and put them in place. As a matter of fact, they have so much autonomy there that Calgary and Edmonton developed separate programs on the same program, if you understand what I'm saying. They have that much autonomy now necessarily to buy a program from each other or borrow it. I really hesitate to make any kind of commitment to become that involved in the direction that universities take. I suppose if they became totally irresponsible and were way off dreaming of serving something that didn't exist, there would have to be some mechanism, but I surely don't see our universities anywhere near that circumstance. I think they do an excellent job.

MR. CHAIRMAN: Thank you.

Mr. Sohal. I'm sorry; I thought I saw your hand wave at one point. I have no other speakers on the list.

MR. SOHAL: Oh, then I would have a question.

MRS. LAING: You start the third round again.

MR. CHAIRMAN: Do we wish to go on the third program?

AN HON. MEMBER: Yes.

MR. CHAIRMAN: Thank you. Just before we do, I've got two things that I need to say, and then I'll go back to you, Mr. Renner.

It's been pointed out to me that Mr. Massey's name is also Dr. Massey. I'm aware that we have a number of doctors, and we also have an hon. minister. In the interests of keeping this reasonably informal, I've been using just simply last names all the way along through here. I hope that's appropriate and I haven't embarrassed anybody by saying "Mr. Massey" or "Mr. Sohal." Both are doctors.

The other thing is that we've now been at this for about two hours since we actually got into our timing. What if we stop the clock? What kind of break would anybody like? Because frankly my butt is sore.

MR. RENNER: That's exactly what I was going to do.

MR. CHAIRMAN: Ten minutes?

MR. ADY: All of you go ahead and take a break. I'll stay here and keep going so I can keep the clock going.

MR. CHAIRMAN: This will not count in the four-hour time.

[The subcommittee adjourned from 8:34 p.m. to 8:50 p.m.]

MR. CHAIRMAN: A very big announcement. Unfortunately, he's unable to escape for an hour and 45 more minutes or thereabouts, but the minister of advanced education has a new granddaughter. [applause]

We're off like a herd of turtles on program 3. I'll ask for Mr. Zariwny.

MR. ZARIWNY: If you look at item 3.0.7, Rehabilitation Training, my question there is simply: who accesses that particular program?

MR. ADY: It's support for adult Albertans who, as a result of barriers caused by disability, require assistance to enter into or maintain themselves in the work force, so primarily disabled people.

MR. ZARIWNY: That's physical disabilities?

MR. ADY: Primarily.

MR. ZARIWNY: The other question I have relates to 3.0.5, Implementation of Guarantees. I was wondering, Mr. Minister, whether you could just give us an explanation of what that program is all about and what students, in fact, it's serving.

MR. ADY: Yes, I can give you some background on that. It provides for the payment of outstanding student loan balances in the event that the borrowers default on their student loans. That's what it's for. So it covers defaults.

MR. ZARIWNY: My third supplemental: would you be able to tell us how many students were in fact served out of that program and how many were turned away? Would you have those figures available here?

MR. ADY: We don't have opportunity to turn any away on defaults, because as you know, students go to banks and borrow the money and the government guarantees. If they don't pay the bank, then we pay the bank. That's where this fund comes in, to pay the bank. We end up with a contract back that we then have to either try to collect or sell to a collection agency or deal with it in some way to get what we can out of that account. We're budgeting \$19.3 million a year to pay for defaults. It's students who through whatever reason don't or can't pay back their student loans.

MR. ZARIWNY: I guess what my question was trying to get at is: do you have the number?

MR. ADY: The number of them? I can give you a per centage of the students who access student loans who don't pay them back: about 23 and a half per cent. That will vary by the type of programs they're involved in. It's probably obvious to you that it's lower for university students than it is for those who are trying to take upgrading. They get a student loan to take upgrading, and they upgrade and get grade 12. They still don't have a lot of skills to enter the work force, yet they owe a student loan. They find themselves going to the job market with low-paying jobs and do well to get food and shelter out of it and don't have any money left to pay and end up defaulting.

MR. ZARIWNY: Thank you.

MR. CHAIRMAN: Thank you.

I have Mr. Renner, Mr. Beniuk.

MR. RENNER: Okay. Thank you. I would like to address Remissions of Loans. I think I understand what remissions of loans are, and what I would like to know is: what is the basis of your decision on how much of the loan will be forgiven? Would it be reasonable to have a look at that policy to see if you could reduce the amount of remission on a loan or perhaps even eliminate remissions altogether?

MR. ADY: Well, the reason for remissions now, in today's world, has been reduced to one category, and it has to do with debt load. It's determined by the department through various studies that we have conducted that students under a couple of circumstances – for instance, a graduate student coming out of university can realistically pay off a certain level of student loan and survive, and when it gets beyond that, it gets counterproductive to leave him or her loaded with excessive debt. It will cause them to default or cause them undue hardship. So at a certain level above that there is remission to reduce that debt and put them in a position where they can handle the debt that's left for them. That's what that category is for, to offset that.

MR. RENNER: I guess a supplemental question, then. Instead of a portion of that loan being totally forgiven, could there maybe be some capability to remind that student, once he or she has established themselves maybe five or six years down the road: "Remember a few years back when we forgave a portion of your loan? Now that you're in financially sound shape, would you mind repaying part of that loan?"

MR. ADY: Well, let's stop and think about the circumstance that the student finds himself in. The level for a university student: \$15,130. Below that the student gets no remission; above that he would get remission. He's got his hands full at \$15,000, really, if you start paying that off, and of course he's now got interest accumulating that he has to deal with. On the Alberta portion it's delayed for six months; on the Canada portion it's now immediate on graduation. So for a young person coming out of university, depending on what wage scale he enters into, it's going to take him a fair amount of time to pay off \$15,000.

Supposing that he had \$20,000 of debt. I take it you're suggesting that we take the \$5,000 and set it aside and stop the clock on interest for 10 years or eight years while he pays off the \$15,000 and then come back in and load him with the \$5,000 and say, "We've got a new surprise for you; here's something to keep you busy for another few years." I don't know how productive it is in society to do that. Maybe we have to consider it as an investment in our youth in Alberta, in their education, and the benefit that society will get by them being able to, first of all, have the dignity and self-respect of handling the debt that we left them with and being able to see their way clear to get on with their lives and get their debt paid and deal with it. Maybe it's money well spent by the taxpayers.

MR. RENNER: Thank you.

MR. CHAIRMAN: Thank you, Mr. Renner.

I've got Mr. Beniuk, then Mr. Friedel.

MR. BENIUK: Thank you. To set the stage for my question, I think we would all agree that we can divide the advanced education institutions into three categories. Publicly owned would be

universities, colleges, NAIT, SAIT, et cetera. A second category would be privately owned but quality institutions: Concordia, Alberta College, in Camrose I think the Lutheran college there, and others throughout the province. The third category is the one that concerns me, and this deals with student loans. They're private. Some are licensed and, as I have found out, some are unlicensed. They offer courses to individuals.

Now, in the course of campaigning and since, certain cases have come to my attention. For example, a woman told me that she enrolled in a course, got a student loan for \$5,000 just like that, no problems, easier to get a loan than for somebody that's going to university or to NAIT. The \$5,000 was on its way to the private vocational school before the ink was even dry. She was going to be taking something called medical filing clerk. She was under the impression that after five months, paradise. At this time medical filing clerks were being laid off by certain institutions in Edmonton.

So my first question is basically this. The amount for student loans has increased from about \$111 million to \$162 million. That takes into account the \$32 million being transferred from Family and Social Services, which is actually a grant, so actually it's a \$21 million increase. Okay? Now, what per centage and what amount of all student loans will go to students that are enrolled in the following categories: these private schools which I just described, whether they're licensed or not licensed; universities, whether they're for graduate or undergraduate students; for colleges; and for NAIT and SAIT? The bottom line is: how much money is being siphoned off into these private vocational schools that I question the benefit of students going to? Five thousand dollars in tuition fees puts a person in debt for a long time.

9:00

MR. ADY: Well, let me preface my remarks a little bit. First of all, any vocational school that charges a tuition fee in this province has to be licensed under regulations. An unlicensed vocational school cannot access tuition or student loan fees. Am I correct?

MRS. DUNCAN: Access the Students Finance Board.

MR. ADY: They can't access the Students Finance Board. I guess they can charge a tuition fee independent of us.

MRS. DUNCAN: We don't control tuition.

MR. ADY: We wouldn't be involved in tuition, but they would have to be licensed in order to access the Students Finance Board. When it comes to the \$5,000 figure, I'm very doubtful if the Students Finance Board said, "You must take \$5000," when she didn't need it. She must have asked for it.

MR. BENIUK: No, no. Sorry; I didn't mean to interrupt, but that's what the tuition fee alone is.

MR. ADY: Oh, that's what the tuition was.

MR. BENIUK: Yes. I didn't mean to interrupt, but I just wanted to clarify it.

MR. ADY: Okay; it's important to know that. So what you're really concerned about is that you've got a constituent or a young lady who got into a course that cost her \$5,000, and there was no job at the end of the five months?

MR. BENIUK: No, the principle. It's very difficult to get loans for students going to university or NAIT. Suddenly I'm finding out that people going to some of these private vocational schools can very easily get a \$5,000 loan, which is used for tuition, and I'm floored by the ease at which some of this is done.

MR. ADY: Well, just a minute. There's something wrong here, because the student loan program in this province is needs based, and when someone fills out an application, if they can show that their assets are deficient, the Students Finance Board will make up the difference. It's needs based in order to let them access the program that they want to access, be it that college you're talking about or the University of Alberta – same criteria, same criteria. The ease of getting the loan is what I'm dealing with right now. There should not be a difference in the ease of getting a loan. It's not difficult to get a student loan in this province. It's based on needs. It's difficult if you've got assets and want to spend the taxpayers' money as opposed to using your own money. Yes, it becomes difficult. But if that application says that you have need and you don't have the money, then you'll get the student loan.

As far as what happened with that circumstance, maybe I could get Fred to supplement. Do you have anything that you'd like to add?

MR. CHAIRMAN: If I may interrupt for just a moment here, I appreciate the answer that Mr. Ady has given, but this session, whatever we're calling this subcommittee meeting, is getting pretty philosophical.

MR. BENIUK: No, just to clarify what I was concerned about. I won't take up time here, but I was surprised at how easy it is to get funding for students going to take courses that last five months, four months, whatever, and have a very short term benefit. If that's becoming philosophical, then . . .

MR. CHAIRMAN: Well, this session is about this budget. Unless we can tie it in somehow, I'd appreciate it if we could maybe move back towards the budget.

MR. BENIUK: Well, the amount of money that there is for student loans is limited. So if funds can be utilized for these types of courses, then students going to NAIT, to university, to a college are running into financial problems because there isn't enough money. That's the underlying base of this question. There's a limit to how much money is going to be provided in loans.

MR. ADY: That's incorrect. We do not have a cap on the student loan. This vote, this program that you see here is to deal with the expense of the student loan program. The money that student loans access comes from the banks. The money that's shown in this program is to service the debt, to pay the remissions, to pay the interest. They can access it through the banks, so there is no shortage of money as we speak. It isn't as though we're anxious to throw money to the wind, but on a needs base students can access student loans. I hope that clarifies.

MR. BENIUK: You've clarified it. Thank you.

MR. CHAIRMAN: The chair appreciates the clarification as well. I've got Mr. Friedel.

MR. FRIEDEL: We'll have your thought programmed yet before the night is out.

MR. CHAIRMAN: I have Zariwny down, and I have Friedel down now.

MR. FRIEDEL: Back on this section on the implementation of guarantees. The fact that the budget is increasing: does that mean that the rate of default is increasing?

MR. ADY: Well, yes, it does, because we have more students accessing it. It's a growing number. We also have an increased cap on what a student can have. When you have more students, you have a higher level going to students. When you have a level of students that default, you've got more money going out. Those two things contribute to this number.

MR. FRIEDEL: The per centage is staying the same though.

MR. ADY: No, it's going up, if that's your question. Our number is increasing. The per centage of students accessing the Students Finance Board in defaults is increasing.

MR. FRIEDEL: Is the default rate similar for universities and colleges?

MR. ADY: No. There would be some reduction of universities from colleges. I think universities are around – Fred, can you help me? I have it somewhere, but I can't recall it.

MR. HEMINGWAY: Yes, Mr. Chairman. The university default rate today is about 12 per cent. At the technical school it's about 18 per cent and colleges just over 20 per cent. The overall average is about 23 per cent at the present time.

MR. CHAIRMAN: Supplementary.

MR. FRIEDEL: That actually was one.

MR. CHAIRMAN: Thank you.
Dr. Massey.

DR. MASSEY: Could I get some breakdown in terms of administrative support? How are those dollars spent?

MR. ADY: I think the best person to give you a breakdown on it – do you have a specific question, or do you just want him to give you an overview?

DR. MASSEY: No; just generally how it breaks out. What does it cover?

MR. ADY: I could give you some, but I think Fred can do a better job of it.

MR. HEMINGWAY: I'm not sure how much detail you'd like in terms of the student finance vote. This year we have about \$5.3 million in manpower costs, Mr. Chairman. There's about a million dollars in the supplies and services area with a small amount in capital. So that's about where it shakes out at that level. If you'd like more details . . .

DR. MASSEY: Yes. Could I come to one level lower? Those peoplepower costs: who do they involve; what categories?

MR. HEMINGWAY: We have, of course, classifications of staff that go right across the spectrum. In terms of general services we

have units that deal with client services, a unit that deals with operations, one that administers the heritage scholarship program, and a small policy development unit as well as the finance and admin control staff that we have.

9:10

DR. MASSEY: In terms of the banks being involved, are there any direct costs in this budget for bank involvement?

MR. HEMINGWAY: We have about 10 staff that deal with activities associated with paying interest to the banks and paying default claims, but it's a very small unit within the board.

DR. MASSEY: Thanks.

MR. CHAIRMAN: Thank you, Mr. Massey.
I have Mrs. Laing and then Mr. Langevin.

MRS. LAING: Thank you, Mr. Chairman. Mr. Minister, looking at 3.0.1 down through 3.0.8, it's sort of a general question. Does the Financial Assistance to Students budget of \$162 million in elements 3.0.1 through 3.0.8 represent the total assistance provided to Alberta students?

MR. ADY: No. As I mentioned earlier, the funding that you see under program 3 covers the administration and the remission and the interest and the costs of administering the program and the defaults. In addition to that, we lend out some \$233 million in guaranteed loans on an annual basis. That would include the Canada student loan portion and the Alberta student loan portion.

MRS. LAING: How much of that \$233 million would be federal funding?

MR. ADY: About \$132 million, the balance being Alberta.

MRS. LAING: The provincial part.

MR. ADY: Yes.

MRS. LAING: Are provincial student loans totally repayable now?

MR. ADY: I don't understand your question. Are they totally . . .

MRS. LAING: Repayable. Is the provincial side of it totally repayable, or are grants given out?

MR. ADY: You mean, is it subject to the remission program?

MRS. LAING: Uh huh.

MR. ADY: Well, yes, it would be part of the total number that would trigger the remission payment. In other words, a student accumulates a certain level of funding. You're trying to find out, I believe, if the Canada student loan and the Alberta student loan are both subject to remission.

MRS. LAING: Uh huh.

MR. ADY: One of them is, and one of them isn't. I believe ours is subject to it. A Canada student loan: the federal government does not give remission on their share of the loan, to answer your question.

MRS. LAING: Thank you.

MR. CHAIRMAN: Mr. Langevin.

MR. LANGEVIN: Thank you, Mr. Chairman. Hon. minister, in processing student loans, do you have the controls for people who apply that are coming out of high school immediately and for adults who have been in the work force and are coming back later in life?

MR. ADY: In other words, do we have it for two categories? Yes.

MR. LANGEVIN: But the same rules apply? You have to meet the same . . .

MR. ADY: Yes. Needs based.

MR. LANGEVIN: It is needs based.

My second question is: is there a family responsibility? Do you expect a family responsibility, by the parents, before you pay off a loan if the student can't pay you?

MR. ADY: Yes. It's part of the application. There's a financial statement that has to be made by the parents if it's a so-called dependent child as opposed to an independent child. To qualify as an independent child, you have to have been away from home in excess of two years. Other than that, for the purposes of the assessment you're considered a dependent child, and the family income has to be part of the needs base. In other words, if parents earn a certain level of money, a salary or what have you, there's a statement given of their fixed costs and what's left over and what the student can earn in a year, and when you get to the bottom, it's decided what the student can have as a loan. Then if he can't pay it, there's a call on the parents to come in and pick up a portion of the loan. Fred, am I accurate on that?

MR. HEMINGWAY: Yes.

MR. DOERKSEN: I find the amount of student loans that we are covering from losses absolutely appalling. I do have a question. This is scary business. No wonder we have an access problem, because they can go to school without the expectation of having to repay it: an editorial comment. I'm seething here.

MR. CHAIRMAN: I'm sorry. I haven't been paying attention. I am a little embarrassed. Could we tie this to the budget perhaps a little more strenuously?

MR. DOERKSEN: That was just a 30-second blurb.

You're basically doubling your provision for the implementation of guarantees. Is that because we've paid a lot more in actual payouts last year than was budgeted for? There is no breakdown; that's why I'm asking the question.

MR. ADY: It's primarily due to an increase in the volume of loans that were authorized over the last three years, loans that are in the system.

MR. DOERKSEN: There has to be an outstanding dollar amount of loans that has built up over the last 10 to 15 years that's out there. One year's extra amount of loans isn't going to suddenly double the delinquency rate.

MR. ADY: Well, there's a multiplier in there when you have loans coming in every year and the risk of default that follows on that increased number.

MR. DOERKSEN: That implies that next year it will be \$40 million.

MR. ADY: Well, there is a concern at the rate that it's increasing, I'll grant you that, but let me say something about what we're trying to do with that. We have an audit program which is designed to follow some of these defaults through, to audit at random student loans to find out exactly what's going on with them, and I have to say that it has dramatically reduced some of the remission payments and some of the defaults over what it was.

Also, some of the problems that students are having with defaults perhaps has to do with the rigid, at least perceived to be too rigid, system of provisions for repayment. In other words, it works like this. A student gets out of university, and in six months he has to start paying. If he hasn't found a job and he doesn't make a deal with the bank, the bank triggers and puts a call in to the government. We've got a default. The bank has nothing to lose the way this thing is presently structured, so they don't care. They're not going to work with that student. They just dump it back to us, and we have to pick it up, and we've got a default.

That's what caused me to initiate the review of the repayment system. With that review system I'd like to see the banks in and share some of the risk. They belong there. They love the system as it presently is because they don't have anything to lose, and it's so wrong. So we're better off to pay them some fee and make them buy into the risk. Then when that student comes to them and says, "Hey, I need five years to pay this off instead of two and a half," the bank can't say: "I'm sorry; I don't want to give you those terms. I'm going to default you, and the government will pay me. There's the door."

MR. DOERKSEN: That's a great idea. You just solved your access problem again because the banks aren't going to give them the money.

MR. ADY: Well, I'm not so sure of that because I think that we're on the way to negotiating something with the banks that's workable. Perhaps Fred can give us more information. It's preliminary, I suppose, to give a lot of information because we don't have it finalized, but we're trying to do something to address this very problem.

MR. DOERKSEN: Well, that's good. You don't need to go into the details. I'm glad to hear you're addressing that. I think that's important. The principle has to be: a debt owed is a debt paid. That's what we all grew up believing, and that has to carry on.

Back to a question on this remission. What am I on: third or fourth supplementary? Second?

MR. CHAIRMAN: This is your last question, and if we could maybe get a little less philosophical here. I realize the hour is late, and we're all getting a little tired.

MR. DOERKSEN: I thought remission was based on grades; you only got back if your grades were at a certain level.

MR. ADY: That has nothing to do with it. Remission strictly is based on debt level.

MR. DOERKSEN: So there's no grade requirement?

9:20

MR. ADY: No. Well, just a minute. I mean you have to achieve in your programs or your student loans are going to stop; I mean if you flunk out.

MR. DOERKSEN: Okay. So there is that standard at least?

MR. ADY: Yeah. You can't just go on accessing student loans and playing basketball at school.

MR. CHAIRMAN: Thank you.

Mr. Sohal has passed. He was the ninth speaker. Would anybody like to continue within this program, or shall we move to the next program? We're on program 4.

Mr. Sohal.

MR. SOHAL: Mr. Minister, I see that Calgary Region's budget is \$2.4 million and Edmonton Region's is \$4.087 million. Then they have North Region and Central and South Region. Why the huge disparity there between Edmonton Region and Calgary Region, 4.1.2 and 4.1.3?

MR. ADY: That has to do with the allocation of the offices and where they're designated in the regions, but I'll let Reid expand on that. It's his program.

MR. SOHAL: So administrative costs are included in this?

MR. ZITTLAU: Yes. You're looking at four in the whole section of 4.1. We have a regional structure. We're spread across 22 different locations throughout the province, and we group that into four geographic regions. The Edmonton Region is actually larger than Edmonton itself. It serves the Edmonton municipality, the city of Edmonton. It also includes Wetaskiwin and Camrose, and the Athabasca regional office is included in there as well.

MR. SOHAL: So what does it include?

MR. ZITTLAU: So it's a little bit larger than its counterpart in Calgary. Now, that's not included in there. You're looking at 4.1.2 and 4.1.3?

MR. ADY: That's right.

MR. ZITTLAU: This includes all of the staff and infrastructure that provide the career development centre services in those locations. Did you get lost on that?

MR. SOHAL: No, I know where it is, but I was thinking that maybe – you know, the Minister's Office, at 1.0.1, has administration in there, and then in all the different departments. The one we just covered has administrative support, so I thought that every different department has its own administrative costs.

MRS. DUNCAN: Well, that's accurate. The program budget is designed to split up the administration that is associated with that particular program. So Regional Program Delivery, item 4.1, is in fact the administrative cost of delivering that whole program.

MR. SOHAL: My last question in this regard is: of the total budget, what per centage will be administrative costs? I mean, if

you don't have that breakdown, we can talk about that later, some other time.

MR. ZITTLAU: What per centage is what?

MR. SOHAL: What per centage is the administrative cost of the total budget?

MRS. DUNCAN: I'd have to double-check that. I should know it, but I don't.

MR. ADY: We're talking about what per centage of the \$13.3 million is administrative costs. Is that your question?

MR. SOHAL: Yes. That's exactly what I'm saying.

MR. CHAIRMAN: Thank you.

Mr. Zariwny.

MR. ZARIWNY: Mr. Minister, in I think a policy document that you issued – if not, it's a document from 1991, New Directions for Alberta Career Development and Employment – the document had stated that there was a

need to shift our focus from youth training to retraining of mid-career workers, and the training needs of natives and immigrants.

What you said was obvious. I'm wondering where in program 4 there is evidence of this shift, or have you changed your focus on this shift?

MR. ADY: Well, let me say that in 1991 that document would have been issued by the then minister of the day for career development, which was Norm Weiss, his department being focused on just that side as opposed to the two in the Advanced Education and Career Development Department.

MR. ZARIWNY: Perhaps I can rephrase that question. Are you supportive of that position?

MR. ADY: That we need to refocus from youth?

MR. ZARIWNY: To career workers and the training of natives and immigrants.

MR. ADY: I don't know if I would say refocus. I don't think we can take away from one to deliver to the other. In my mind, we have to deal with the full spectrum. The young people coming out of high school, we certainly can't ignore their needs, nor can we ignore those who are changing careers and need upgrading and training, and the natives as well. I don't think we can take away from one to give to the other. We've just got a broad spectrum of people out there in today's competitive world that have got to have training. We have to address that.

MR. CHAIRMAN: We're also into asking for more opinion than . . .

MR. ZARIWNY: Well, I did tie it to the vote for him, loosely. I think the minister has answered my question unless he's got something more to say.

MR. ADY: No. That's my position on it.

MR. ZARIWNY: Okay. I'd like to direct my second question to subvotes 4.5.1 and 4.5.2. In 4.5.1., last year this program showed

an increase of 66 per cent over 1991. So there was about a million dollars over 1991. This year, however, it's been decreased by 72 per cent. As well, the Skills Alberta program two years ago – again, it probably was Mr. Weiss who issued this press release that said that the program would be receiving \$5 million. It received \$5.5 million; that was in 1992. In 1991 the program was \$6.4 million. It's been decreased this year by 62.6 per cent. My question. It would seem to me that the fluctuations are wild, because one year you're down here and another year you're up here in both these programs, and then you're down here again. I'm wondering whether there's any reason for that.

MR. ADY: Let me deal with 4.5.2. first, that being Skills Alberta. Skills Alberta at one time was designed to give assistance in training to specific employers. For instance, someone who had a car dealership and needed a parts man trained could apply under this program, and they would receive a subsidy for training their parts man. It goes on from there; okay? That's been discontinued, and we now have moved to sectoral training. For instance, if we wanted to train in the forestry industry, then we would assist them in developing a program to train their people to meet their needs. We wouldn't necessarily have money in on the training. We would only be there to assist them in developing a program and help them get direction.

So you're right; there is a change in focus. It's a less intrusive one, from our perspective, especially with money. In other words, we're leaving it to the private sector to pay for training their own people more so. As you recall in the opening remarks that I made, we have a concern that industry and business has relied on government perhaps excessively, to where they've decided this is the best place to get it because they don't have to pay. We think we have to pass it back to them.

MR. ZARIWNY: The third question. Just a little preamble before I go to the question. I'm assuming that it's going to level off next year. You're not going to go and climb up the mountains again and then come down.

The third question. In making these decisions, you must have consulted with the stakeholders on this particular aspect. They were aware of what you were planning to do?

9:30

MR. ADY: Well, I'm sure that if we had asked the employers out there, "Is it okay with you if we stop giving you money to train your parts men?" many of them would have said, "No, we think this is a wonderful program; we want you to go on doing it." But we didn't feel that we were in a position to do that, and philosophically it's not the direction that we should be going. It's not the direction that other free economies in the western world are going.

In today's world for every dollar that business puts into training new people in Canada, the United States puts in two, Germany puts in eight. In the whole free world the business sector is doing more of their own training than they are in Canada. We're really lagging there. Maybe it's because they've been taught to do it, and the only way they'll ever change is if they're faced with the reality of doing it.

MR. ZARIWNY: Thank you.

MR. CHAIRMAN: Thank you.
Mr. Friedel.

MR. FRIEDEL: I just asked this question to see how you pronounce my name this time.

MR. CHAIRMAN: So we can avoid the question now?

MR. FRIEDEL: Just a real quick one. There's \$10 million shown for STEP, the summer temporary employment program. How many students does that actually employ in the summer season?

MR. ADY: It's an interesting thing. Last year we changed the focus of STEP just a little. In previous years we had allocated quite a few STEP positions to government departments. Last year we reduced that component and pushed it out of government and out into the nonprofit organizations and municipalities of the province. We were actually able to increase the number of jobs to about 5,000 last year, which we felt was a pretty good number. We felt good about it. It put some money in the pockets of a lot of kids that needed to get back to school.

MR. FRIEDEL: No supplementary.

MR. CHAIRMAN: Thank you.
Mr. Massey.

DR. MASSEY: Yes. Ten per cent-plus unemployment was to trigger a year-round job creation program by career development. Can you tell me in which of the programs I will find those moneys?

MR. ADY: You're going back to get this information from . . .

DR. MASSEY: It was from New Directions that . . .

MR. ADY: Yes, the 1991 report.

DR. MASSEY: Yes. Once unemployment hit over 10 per cent, then career development reduced it to a . . .

MR. ADY: Then let me be clear. That was a 1991 report. That may very well have been the case at that point, but we don't have money in this budget that's going to trigger job creation, with the exception of STEP and the hire-a-student program. There are not job creation projects as such, with the exception of some of those that are being done by Family and Social Services, and they won't be in this budget.

DR. MASSEY: So the 10 per cent unemployment isn't addressed in career development as a separate item other than STEP?

MR. ADY: That's right.

MRS. DUNCAN: It was a policy of the former government.

MR. ADY: That's right. As my deputy says, that's a policy of the former government. You know the favourite saying of our Premier: that was then; this is now.

DR. MASSEY: Have the hire-a-student moneys that are there been consistent over the last number of years?

MR. ADY: I think reasonably so, that it has, yes. It seems to be a successful program across the province. The information that comes back to us indicates that it's money well spent. It matches up people looking for work with employers looking for people and puts a lot of young people, especially at the high school age, to work.

DR. MASSEY: Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you.
Mrs. Laing.

MRS. LAING: Thank you, Mr. Chairman. On 4.2, Apprenticeship and Occupational Training, in regards to this program, I understand that many individuals who have experience in a trade are no longer able to challenge the journeyman exam because the June 30 deadline is past. Has there been any consideration given to extending the deadline?

MR. ADY: Individuals with experience in a trade prior to January 31, 1992, were given quite a lengthy transition period – in other words, from January 1, 1992, to June 30, 1993 – during which they could apply to or challenge the journeyman exam. That's under the old Manpower Development Act that was in then. Additionally, the fact that the transition period was drawing to a close was advertised several times in the weeks prior to the deadline, both in the printed press and in radio spots, in an effort to let people know they had a deadline to do this. The department's field staff kept advising employers, and we put up bulletins in various places in order to make people aware. Despite all those efforts, it appears there may still be some people out there who missed it and now find they don't have the certification they want out of all this. I think it's difficult to leave people like that out there without certification that will let them go to work, and we're very interested in putting them to work, so I'm looking at extending the deadline. But I really feel we did an adequate job. When you say "adequate," I guess if everybody didn't see it, it wasn't adequate. There was a lot of effort, and frankly quite a bit of expense went into trying to make those people aware that they needed to access that exam prior to the deadline. There are a few who didn't, so we're taking a look at extending that.

MRS. LAING: Thank you. I appreciate that humanitarian outlook. How much longer would you see an extension being granted then?

MR. ADY: Well, if we're going to extend that at all, I'd like to extend it long enough that surely this time we get them all. So I'd be looking at a year. I don't want to fiddle around with two weeks or a month and go through it all over again.

MRS. LAING: Right. Good. Thank you very much.

MR. CHAIRMAN: Thank you.
Mr. Langevin.

MR. LANGEVIN: I'll pass. This was my question.

MR. CHAIRMAN: Thank you.
Mr. Doerksen.

MR. DOERKSEN: A simple question this time. Registration and Certification, 4.2.3, has a budget of \$1,067,194. I know this isn't your department, but the Department of Labour has a professions and occupations program of one million, which seems to be a duplication of some sort because I think they both have to do with registration of professions and trades.

MR. ADY: Well, we're registering different people than they are. Theirs are professions and occupations. Ours are apprenticeship,

diploma courses, and so on. That's what we're registering. So it's two distinct levels of registration.

MR. LANGEVIN: Could we save administration dollars by pulling those two together?

MR. ADY: Well, there would be some difficulty doing that, primarily because the mix is not good. For those of you who weren't around here when the apprenticeship Act was put through this Legislature, this apprenticeship program was in the making for about eight years. Then it was a stormy battle putting it into legislation. I think to disturb that would be counterproductive in today's world because there's a specific Act for the apprentices in this province. We have an excellent apprenticeship program. We're certifying them, and it's working well. They're happy, and they're relating well with the apprenticeship committee with recommendations for trades that should be certified. I think to marry the two would bring in a whole new dimension that would be counterproductive from the apprenticeship side. I don't know how the pros and cons would feel about it, but I know how the apprenticeship side would feel. So I wouldn't be in favour of doing it. And I don't think the savings would be very substantial; I don't see enough.

9:40

MR. CHAIRMAN: Thank you.
Mr. Beniuk.

MR. BENIUK: Okay. The question will concern Private Vocational Schools, 4.3.2. Your brochure the 1993-94 programs and services reference guide states that the government does not provide direct funding to private vocational schools. Here you have \$1,150,000. Can you explain why and which schools are getting these funds?

MR. ADY: It's grant funding to assist individual unemployed Albertans in obtaining vocational training in private vocational schools. So yes, there is money that flows through to private vocational schools.

MR. BENIUK: So it's not directly to them; it's to the students taking courses there.

MR. ADY: Yes.

MR. CHAIRMAN: Thank you.

I believe we have exhausted the list. Do we wish to do another round in the fourth program? I have one. That's all I need.

Mr. Zariwny.

MR. ZARIWNY: I'd just like to go back to a point you raised earlier, Mr. Minister, in your presentation on 4.3.4., Mobile Training Centre. I believe everybody thinks it's a very good program because it reaches out to inaccessible northern communities. It seems that the program, if I add correctly, has been cut by about 4.1 per cent of what it was last year. I wonder whether you might be able to tell us what that 4.1 per cent includes.

MR. ADY: Administrative cost savings.

MR. ZARIWNY: Which? That was in my supplemental. Could you elaborate on that?

MR. ADY: No, don't use your supplementary. Let me enlarge on it.

In other words, what we are saying is that we have not decreased the service to the client. Frontline service has remained constant, but we have reduced administrative costs through whatever means we could within the department for that program.

MR. ZARIWNY: All right. That does in fact lead to my second supplemental. My question was: where has the service been affected? You're saying it hasn't.

MR. ADY: We still have two mobile units in those communities, and they're still providing the same level of service to the same number of students.

MR. ZARIWNY: The other supplemental. Regional Program Delivery, 4.1, seems to have been reduced by about 8.6 per cent. I understand that would be a decrease of delivery to rural areas. As I mentioned earlier, there was a cut of about 21 per cent in the adult development programs. I'm wondering whether or not there's any kind of relationship between these two programs. It really is adult development programs the community consortia are partially dependent on. Is there a relationship between these two cuts?

MR. ADY: No.

MR. ZARIWNY: There is not.

MR. ADY: There is no relationship in the programs.

MR. ZARIWNY: Thank you very much.

MR. CHAIRMAN: Thank you.

Do I have any other questions? Seeing none, we are on program 5, which is capital programs and the last program, I might add. We have approximately 45 minutes left for the fifth program.

Mr. Renner.

MR. RENNER: Thank you. I take it that under capital we're dealing only with the expenditures listed under capital investment out of this? We're not dealing with the capital as seen through any other . . .

MR. CHAIRMAN: This is the budget.

MR. RENNER: Okay; fine. Thank you.

In 2.1.10, there's operating expenditure identified as Capital Fund Principal Repayment, and then if you go further down in . . .

MR. ADY: Mr. Chairman, if I could just interrupt, there's a little bit of confusion on the issue of capital and the way it's handled in these estimates. Perhaps we should have some enlightenment on that before we go any further so we can deal with it objectively. I'll ask my deputy to do it.

MR. CHAIRMAN: The committee concurs.
Madam Deputy.

MRS. DUNCAN: There is a separate document titled capital fund, and that's where construction of postsecondary education facilities is financed. The government borrows money through that fund to finance the construction of postsecondary facilities.

MR. CHAIRMAN: I'm assuming we're talking about this document which is available to all members?

MRS. DUNCAN: That's right.

The two major projects we've got in there right now are the Grant MacEwan campus and the professional building at the University of Calgary. Repayment of the borrowings made under that program: the principal is repaid through our department and relates to the question Mr. Renner just asked. Capital fund principal repayments: over 35 years the department repays the capital fund for the principal that was borrowed. The Treasury Department pays the interest costs. As well, in the general revenue fund budget, which we have been looking at, there is money for equipment that is used by the department. Typically, computers would be the obvious thing to talk about there, as well as equipment items that might go with new programs that are put into the system. As we haven't funded any new programs lately, there isn't any equipment money in our budget, but that's the division between the two items.

MR. ADY: One other thing I might mention. If you were to check *Hansard* from last spring, I presented and debated and had passed my capital fund projects. We're really replotting the ground, because essentially we dealt with it, but I'm not opposed if the table wants to go through it again. It's all right with me. I just wanted you to know they were passed. I should tell you I expect – and I don't know exactly how this process is going to work – they're going to be tabled and we're going to pass them again, for what reason I'm not able to explain to you. That's just so you know everything that's gone on.

So to encapsulate, we're dealing with very few capital projects: Grant MacEwan college, the animal facility at the University of Alberta, and the facility at the University of Calgary, three of them by way of what you would call legitimate capital projects. The rest of it is small capital items that get classified as that, which might be furniture in a department or computers or the like.

MRS. DUNCAN: I guess I neglected the capital renewal fund, which is . . .

MR. ADY: Yes; the capital renewal fund, which is twenty-seven point something million dollars, which is to maintain the facilities that are there. In other words, keep the shingles on and the windows in. So if that's helpful by way of explanation of how this all works, I'm in your hands: how far you want to go with this.

MR. CHAIRMAN: Mr. Renner has a supplementary left, sir.

MR. RENNER: Well, I never really actually got my first question answered, I'm sorry to say. I was cut off.

MR. ADY: I'm sorry. I did cut you off.

9:50

MR. RENNER: Just to clarify that. I think you were reading my mind, and you've probably answered my question. I just wanted some clarification on what the difference is between capital renewal funding and repayment of capital reserve. If I understand correctly, then, the capital renewal funding would be what would normally be referred to as repairs and maintenance.

MR. ADY: That's right.

MR. RENNER: The other is repayment of long-term debt.

MR. ADY: That's right.

MR. RENNER: Okay. That's fine. That's really all I wanted.

MR. CHAIRMAN: Thank you.

Mr. Zariwny.

MR. ZARIWNY: Yeah, I was wondering, Mr. Chairman. I shouldn't assume it, but I think Mr. Minister wouldn't mind answering questions about the big capital items.

MR. ADY: No.

MR. ZARIWNY: On page 9 of this capital fund estimates there's an allocation to Grants to Public Colleges of \$46 million. I'm just wondering: how much of that, if not all the amount, is to the Grant MacEwan College?

MR. ADY: Primarily it's Grant MacEwan.

MR. ZARIWNY: It is.

MR. ADY: Yes. It's the funding needed, for all intents and purposes, to finish off the Grant MacEwan College.

MR. ZARIWNY: The other question I have with this particular area here is: I understand that some funding for the college came from, for the sake of a better word, private endowments, private fund-raising.

MRS. DUNCAN: Grant MacEwan?

MR. ZARIWNY: Yeah. Is that correct? Was there not a foundation set up, the Grant MacEwan foundation?

MRS. DUNCAN: They have a foundation, but none of that money went into their new campus that I'm aware of. It might be going in to buy some specialized equipment or something that they want to put in a particular classroom, but for the physical structure there was no private-sector contribution.

MR. ADY: The province built the facility.

MR. ZARIWNY: The last question I have about that particular allocation is – again, this will take a little preamble – that I understand that colleges needing improvements or capital items were staggered over a number of years and that the Grant MacEwan College will be the last college to become a major construction project. Am I correct in interpreting that?

MR. ADY: Oh, I think you're very safe in that assumption because I can't see us wheeling out the bricks and mortar in the foreseeable future.

MR. ZARIWNY: Thank you.

MR. CHAIRMAN: Thank you.

I have no other speakers, questions? Seeing none, according to the agreement that has been made, to this stage we have about 35 minutes left. We can now bounce around on this thing; we can adjourn the meeting. That's about it, and we do need unanimous consent to adjourn.

AN HON. MEMBER: Well, I have one question in a general . . .

MR. CHAIRMAN: Could you give me one second here, please?

If we adjourn, it needs to be unanimous consent before the four hours is up. [interjection] All righty; let's rephrase that. We need unanimous consent that this is called four hours, and we can then adjourn.

Why doesn't Madam Clerk explain the subtlety of this.

MRS. KAMUCHIK: The designated supply subcommittees of the members may meet with the department up to four hours. If it is less than four hours, then you need unanimous consent to not meet with the department any longer, because you are entitled to four hours. But the committee can still go on meeting after the departmental people have gone, if you want to.

MR. CHAIRMAN: I'm just about totally confused at this stage.

MR. ADY: What she's telling you is that I'm going home at the end of four hours.

MRS. KAMUCHIK: Or less, but you need unanimous consent so that it is less than four hours.

MR. CHAIRMAN: Do we have that unanimous consent, and that we will not be meeting again to continue the four hours in order to complete four hours?

MR. DOERKSEN: Richard, you don't have unanimous; there are a couple of shaking heads. Just carry on.

AN HON. MEMBER: Yeah, just a couple more questions.

MR. CHAIRMAN: That's fine by me. At this point we can go into any one of the five programs, as I mentioned when I started this rigmarole. So far I have one question from Mr. Langevin, one from Mr. Renner, and one from Mr. Zariwny.

Go ahead.

MR. LANGEVIN: Thank you, Mr. Chairman. Mr. Minister, in the process of balancing the budget in the next four years, as the government is planning, we've heard from you today that there won't be any more bricks and mortar placed, and there won't be any new construction probably. Are there any intentions of downsizing or closing some institutions or phasing some in with others, amalgamation?

MR. ADY: I don't have any concrete plans to do those sorts of things that would pre-empt what I might get out of the consultation process that's coming up. I'm waiting for that to come so that all of that can be put in the context of the plans for the future for the system.

MR. LANGEVIN: The second question I had. There was some kind of a meeting in July or something where some heads of institutions were asking – it wasn't called a roundtable; I don't know what it was called. At that time I understand that there was talk about \$5 million of cuts for the following year, '94-95. Is that just in the talking stage or is that firm figures that they would like to cut?

MR. ADY: No. What we had July 22, 23: we invited the presidents of each of the institutions, we invited the board chairmen of the institutions, and we invited them to each bring one

person with them, their choice, which meant four people. We felt that was about as large a contingent as we could handle. It was a budget workshop. We still have a budget to prepare for the forthcoming year, and it's going to be ahead of the public consultation process. The consultation process isn't going to be finished in time for us to have it be a part of our budget deliberations.

I was anxious to get input from the institutions before we proceeded with the 1994-95 budget, and of course they wanted some parameters as to what we expected. The only parameter I had to deal with at that time was the deficit, so I took the deficit of the province, our share of that. We're about 9 or 10 per cent of the total expenditures of the province, so if you extrapolate it further, we should take on about 9 or 10 per cent of the deficit. Then you factor around with the economic growth over the three years, and you come up with a number that's our share. All I could do was lay that before them and say that this year we were exempt from having a reduced budget, but we can't necessarily expect that to go on, so what can you do? What I got out of them was the report that I tabled and is there for all of you to read.

In addition to that, we're going to take the information that we got there, and we're going to fold it into the so-called budget roundtables that we'll be running this fall and again access some information from the public. We're trying to bring everybody who has an interest, be it a stakeholder or the institutions or whatever, into this budgeting process. That's the background of how it worked, what we hope to achieve, and that's where those numbers came from, which were just awareness numbers, primarily, so they knew what we were up against and what it would be like if we were called on by the Treasury Board to shoulder our proportion of the deficit. Okay?

MR. LANGEVIN: Thank you.

10:00

MR. CHAIRMAN: Thank you.

Mr. Renner.

MR. RENNER: Thank you. I would like to get back to STEP. I think this is an excellent program. It's very well received in the community. One of the problems with the program is that rightly or wrongly a number of community organizations are becoming very dependent upon this program, and they're looking to hire STEP students year after year to do projects that have become ongoing. With the government fiscal year-end March 31 and STEP not coming into effect until the summer, it goes almost up to the last minute before anyone knows whether the program in fact is going to take place for another year, and there's always a huge big panic in the community on whether or not the STEP program is going to be around for another year. I'm wondering if you had ever given consideration to going on a two-year budget rather than a one-year budget, so people would at least have some advance notice on some of these programs.

This is just an example. I'm sure if we went through this budget, there are all kinds of examples where it would be much easier for planning for everyone involved to know what's coming two years down the road, rather than having this big panic situation as year-end approaches and the next budget hasn't been proposed or passed yet.

MR. ADY: I think the best way for me to answer that question is that the funding for the STEP program in the last few years has been announced and allocated prior to the budget coming down, so that the nonprofit organizations and those who access STEP know

at least that a STEP program is going to happen the following summer. I don't think we would ever be able to put in place a system that would let each organization individually be assured that they're going to get a STEP student, because it's sort of a competitive thing, you know. Those that are the most worthy are the ones that we try to allocate positions to, and that will vary. Even if we had a two- or three-year program, they still wouldn't know until we go through that process of allocation. It's a difficult process to sort of play the great know-all and say yes you and not you. I'm not sure how we could do more than do what we're doing by announcing the funding. Those people out there that access it can look and say, "Well, they allocated \$10 million last year; they've allocated \$10 million again this year; we can probably count on getting a STEP student." I don't know how we can go much further because there's always that change in who's out there. Some of the ones who accessed them this year will look up and be gone or won't want them next year, or new ones will emerge and want them that will be more worthy. We're just going to get that movement there.

MR. RENNER: I agree with that part of it. I guess what I was getting at was that in addition to "are we going to get a STEP student," there's always this huge discussion: is there going to be a STEP program. Then the announcement seems to be a last minute kind of thing: oh; the budget hasn't been passed yet, but yeah there will be a STEP program. Every year there's always this big discussion in the community that that's going to get cut out of the budget this year; there'll be no STEP program.

MR. ADY: Well we've been announcing it – well, certainly this year since I have been the minister – close to around when we announce the major grants. That lets people know there will be one. It would be my intent to try to get it announced, if there is one, early again.

MR. CHAIRMAN: Thank you.

Mr. Zariwny.

MR. ZARIWNY: Many people agree that postsecondary education institutions serve to prepare students for work. What they don't agree with, though, is the meaning of preparation for work. I think this is a student-oriented type of approach to postsecondary education. I was wondering, Mr. Minister, whether you'd be prepared to tell us whether or not this budget has such a career education approach.

MR. CHAIRMAN: That's asking for an opinion.

MR. ZARIWNY: Well, I'm asking for an opinion, but I also want to know whether this budget is focusing on that aspect. I'll rephrase it. Does it focus on that aspect or does it not?

MR. ADY: No. That's as far as I can go. Your question's too . . .

MR. CHAIRMAN: I think it would have to be a little bit more specific, Mr. Zariwny.

MR. ZARIWNY: I'll go to another question.

MR. ADY: Okay.

MR. ZARIWNY: There are a lot of students that live in my constituency that are gone sometimes for the summer months.

They have told me that one of the important things that they find lacking is career counseling. I believe that career counseling hasn't met its potential effectiveness. I think we could go a step higher, and I was wondering whether your budget would at all – and perhaps I've missed it – address this particular aspect, career counseling?

MR. ADY: Well, it depends a little bit where you're at with targeting this. We have career counseling in our career development centres around the province, but if you're talking about career counseling on the campuses of universities . . .

MR. ZARIWNY: The colleges, the technical schools, and the universities, yes.

MR. ADY: That comes out of the institutions' global funding, if it's going to exist, so we don't necessarily target funds for career counseling through to them. That's a need that they'd have to recognize and take money out of their funding.

MRS. DUNCAN: But a student could go to any one of our 22 career development centres and get information and advice.

MR. ADY: Yes. We have them here in the city.

MR. ZARIWNY: Okay; thank you.

MR. CHAIRMAN: Thank you.
Mr. Doerksen, then Dr. Massey.

MR. DOERKSEN: Back to my favourite program, 3. There's a new figure in our adult education opportunity grants. Is that the money that was switched over from SFI? Is it targeted to the same group of people?

MR. ADY: Yes.

MR. DOERKSEN: For education?

MR. ADY: Yes.

MR. DOERKSEN: Okay. Back to remission again. Have you ever given any thought to changing – I'd better explain this one. Right now you can only get remission if you have a loan; is that right?

MR. ADY: Yup.

MR. DOERKSEN: So if you're not eligible for a loan and you work your way through and you earn all the money and you complete your program, you don't benefit.

MR. ADY: You don't get anything from the Students Finance Board.

MR. DOERKSEN: Right; okay.

MR. CHAIRMAN: Again you're a long way from . . .

MR. DOERKSEN: I'm getting there.

MRS. DUNCAN: You don't have a debt. That's your gift.

MR. DOERKSEN: I'm saying, have you given consideration to changing that to a scholarship program for people, only paying people who actually complete it? Then everybody benefits.

MR. CHAIRMAN: I'm sorry, Mr. Doerksen, but now we're getting into what may or may not happen, speculation on a program.

MR. DOERKSEN: Okay.

MR. CHAIRMAN: It's getting late, and I understand that, and I apologize for cutting you off, but I'd appreciate it if we could stay with this.

MR. ADY: And we do have the Rutherford scholarship.

MR. DOERKSEN: Well, yes; that's right.

MR. CHAIRMAN: Unless you have a question on those early questions . . .

MR. DOERKSEN: No, but I will defer to your judgment.

MR. CHAIRMAN: Thank you.

I don't believe Dr. Massey's had . . . You have had an opportunity. Now it's Mr. Beniuk. I'm sorry.

MR. BENIUK: It's okay. Mr. Minister, you've stated there'll be no new construction. You've also stated that the universities, colleges, and technical schools should maximize the use of their physical plants. Now, has your department done any research of what it would cost operatingwise to maximize the physical plants right now? In other words, if the University of Alberta, using that as an example, went on a trimester 12 months of the year, three semesters, and also started at 8 in the morning with classes and ended, say, at 9 or 10 at night, has any analysis been done of what it would cost, and is your department considering funding such an operation?

MR. ADY: That's something that may come out of our consultation process, but let's just get the things on the table that that would involve. First of all, the professors at the universities are on contract. It calls for them to teach from September till April so many hours a week. If you're going to change that and put them to work at night and if you're going to put them to work in the summer, then that contract would have to be renegotiated to some extent. It would bring in a whole new dimension. I'm not saying that's not the way to go; I just want you to be aware of some of the things that would be on the table. Certainly it's hard to justify if we in fact have an institution that's virtually empty for four or five months of the year and we have an access problem in the province.

10:10

MRS. DUNCAN: Could I supplement that?

MR. ADY: Yes.

MRS. DUNCAN: In fact, some individual institutions have done studies. The University of Calgary has looked at it, and they've got a price tag that they would attach to it. In fact, Red Deer College has this year gone to a trimester system by reallocating funds. So the department hasn't done any studies, but individual

institutions are looking at it. It all requires extra operating money in order to go to a trimester system.

MR. BENIUK: You've indicated that they've done a study. You've indicated that they have an idea of what it would cost. Could you elaborate on the operating costs?

MR. ADY: The University of Calgary has done a study, but we don't have the numbers.

MRS. DUNCAN: We haven't done a study.

MR. BENIUK: You don't have the numbers. Could you get them? It would be interesting to see what the numbers would be.

The next question would be: would you be able to come up with some money to help convert the universities to a trimester schedule?

MR. ADY: Only by reallocation. If I have to answer your question today, that's the only answer I can give you. As it stands, I don't have any assurance that I can get any more money out of our provincial budget, and that's what I would have to do to do that.

MR. BENIUK: It's free votes. I'm firmly committed to education. If you got the estimates of what it would cost to convert to a trimester the universities, the colleges, and even technical schools like NAIT, and if you brought it before the Legislature and said, "Okay; let's have a straw vote; if you approve . . ."

MR. CHAIRMAN: Mr. Beniuk, we're back into speculation and a lot of what ifs here.

MR. BENIUK: Yes, but it would be very interesting to know what it would cost. It would be interesting to know what the evolution would be.

MR. CHAIRMAN: Perhaps at the conclusion of this, the minister may choose to have a chat with you outside.

MR. BENIUK: I hope he does.

MR. CHAIRMAN: Do I have any more questions? Actually, this would start the second round. Dr. Massey.

DR. MASSEY: Yes. I'd like to go back to the roundtables; \$500,000 is being spent. I think that was the figure that was given. What exactly is going to come out of the roundtables? What are Albertans going to get for that money, because if you read the documents that have been sent over to us, it seems that it's been decided that there's going to be a management system put in place. Someone's been reading Gaebler and Osborne and they're *Reinventing Government*, and there are going to be performance measures and all the rest of it put in place. It seems from the documents that that has already been decided. That closed meeting you had with the presidents and the heads of these colleges indicated the neighbourhood of the cuts that they could look at, what they were going to be. I want to know: what are Albertans buying for the \$500,000 that will be spent on those roundtables?

MR. ADY: Well, I think you're approaching this process – with respect to you – from a negative side, when in fact what we're trying to do is to have a very open process that will allow anyone

in this province to have input. We're going to have some facilitators and some consultants. We're going to put it at arm's length from us as a government and as a department so that this thing can move through untarnished by political influence. We're going to draw on that expertise. You're focusing in on this management thing that would indicate that we have some hidden agenda, that we're going to drive this thing in a particular direction. That's not our intention. Our intention is to find out where it needs to be taken, and we're going to do our very best to pull information from wherever we can get it that's of value, to do that.

DR. MASSEY: I am suspicious because of the experience with the other roundtables. If that roundtable decides that there should be more money put into the advanced education system, not less, then what?

MR. CHAIRMAN: Again I'll let the minister answer this if he wishes to, but we're asking for something that may or may not happen in the future, and it's speculation at this point in time.

MR. ADY: Well, I'll just answer it this way. It is a hypothetical question, but let me say this. From my perspective, I'm going to be going to the Treasury Board to get all the money I can get for postsecondary education, under whatever circumstance, because I know that I'm never going to get too much in today's fiscal climate. My position is going to be to fund that as highly as I can fund it or influence that funding. That's the best I can tell you at this time, and that's the best I can tell the people that are in the system or the students. I see that as my responsibility and mandate as a minister.

DR. MASSEY: If I may, my last question then: what decisions will be made with that \$500,000?

MR. ADY: What I'm really trying to find from this is a direction. We need some direction. We would appreciate some direction, because we don't necessarily believe that we have all the answers. There are some valuable answers out there that we could access in order to set a direction, to restructure our system so that it can be more efficient, so that we can increase access, and so that we can do it within the fiscal realities of our province. Lynne, would you like to extend on this?

MR. CHAIRMAN: Are there any other questions relating to the budget?

Mr. Beniuk.

MR. BENIUK: Okay; let's go back to 4.5.1, which is what you cut very substantially, Tailor-made Training and Skills Alberta. There is a statement. Robert Reich, who is now the Secretary of Labour in the United States government and was at one time a professor of economics at Harvard University, wrote a number of books. One of the things he pointed out was that it is not logical to expect private companies to do what society should do, which is educate the people, including the workers, because the more education, the more training they provide to a particular individual, the more valuable that individual is, and therefore every company will grab him. You train, you lose, and you incur the costs. So when you're cutting programs like this, are you monitoring to see if actually there is any training that is going to be taking place by the private sector, or is it going to become a void? I just want to remind you that he's now Secretary of Labour, and I believe he

will be trying to implement programs like this, from what I understand.

MR. ADY: Well, we're into a philosophical debate here.

MR. BENIUK: No, not really, because . . .

MR. CHAIRMAN: Mr. Beniuk, I'm sorry, but I am going to cut it off at that point as far as the question. If we have another question related to the budget specifically, something in the budget specifically, I'll allow it to be asked. At this point in time we're into philosophical questions that are, quite frankly, just taking time, which the minister may or may not choose to answer. I'm granting him a lot of leeway in answering and you a lot in asking, but I think we've run the gamut of patience at this point.

If we have another question on the budget, I would like to hear that, if I may. Mr. Zariwny.

MR. ZARIWNY: Yes, Mr. Chairman. I have a number of questions. I would like to know if you could give me explanations for four votes that have been decreased. My question here is why they were decreased and what the decrease involved. I know this was raised by somebody from over there, and I can't remember who it was. Vote 4.1.3, Calgary Region, was decreased by 16.3 per cent; 4.1.4, North Region, was decreased by 10.5 per cent; 4.2.3, Registration and Certification, decreased by 25.7 per cent; and 4.2.4, Access Initiatives, by 71 per cent. Those are all decreases, the last one being a very big one. My question, Mr. Minister, is very simple: why were they decreased, and what did the decrease catch?

10:20

MR. ADY: Okay. Let me do them one at a time; 4.1.3 was your first one?

MR. ZARIWNY: Yes.

MR. ADY: Okay. We had a decrease of 16.3 per cent . . .

MR. ZARIWNY: That's correct.

MR. ADY: . . . \$475,000. It consisted of salary savings because of the early voluntary options program, \$156,000. That's one component of it.

Administrative cost savings. Administration has really taken a hit in our budget. You'll see it. It's a thread that follows all the way through, and I have to give marks to our deputy and our executive people for having done that. I'm digressing for a moment here, but I've been around this government long enough to know that some departments – I've seen them come to meetings like this, and administration was preserved and field services were cut. That didn't happen with this budget.

To get back to what I'm talking about. Administrative costs: savings of \$360,000 in that; transfers from Departmental Support Services of \$41,200, for a total of \$475,500.

What's your next one?

MR. ZARIWNY: It was 4.1.4, North Region, by 10.5 per cent.

MR. ADY: Okay. It's similar. Early voluntary options program, \$523,000. The total element was a reduction of 10 and a half per cent for \$192,000, then a transfer from departmental support of \$299,200 and administrative cost to transfers, which is an interdepartmental transfer, of \$31,800, which accounts for \$192,100.

The next one?

MR. ZARIWNY: Registration and Certification, 4.2.3: 25.7 per cent.

MR. ADY: Okay. The early voluntary options played a part of \$108,000. Administrative transfer to the regional program delivery was \$29,400. The Apprenticeship and Industry Training Secretariat had a reduction of \$221,000 in this and administrative cost savings of \$9,900.

MR. ZARIWNY: The last one is 4.2.4, Access Initiatives, by 71 per cent. I was wondering, for my elucidation, whether before you actually tell me the explanation, you could tell me what that program is.

MR. ADY: Okay. It develops and implements occupational training programs and standards and recognizes training programs for trades and other occupations. It's also responsible for access training, which is designed to promote increased participation of underrepresented groups in the apprenticeship training in Alberta. There was a reduction there, a transfer to other apprenticeship and occupational training branches of \$180,000 and again administrative cost savings of \$404,000.

So through all of those, administration and the voluntary options were the two big hit items that accounted for those reductions. The others are kind of peripheral.

MR. ZARIWNY: Thank you very much.

MR. CHAIRMAN: Thank you. I believe that in hockey lingo this is called playing a full game.

Mrs. Laing. We do have 10 minutes.

MRS. LAING: Mr. Chairman, I'm looking at elements 4.1.1 through 4.6.2. Much has been written and said about employers not doing enough to train their staff to remain competitive in the global marketplace. Where in program 4 do I find what the Department of Advanced Education and Career Development is doing to encourage employers to increase the skill level of their own employees? What incentives are there for the employers to do this?

MR. ADY: That goes back to the Skills Alberta program to some extent but also the tailor-made program again, because we have some money in our budget that helps employers to organize and develop programs to train their people, and we have some expertise within our department, trained people that understand that. For young fledgling companies who find themselves deficient in those areas, we can move in and give them some advice and help them pull a program together and set a direction. We're there with that, but we're not there with actual money that we're going to give the company. We'll train their people anyway.

MRS. LAING: Thank you. You've already answered one of my questions I was thinking about.

What about the Tailor-made Training program, 4.5.1? It shows a \$700,000 budget figure for this year. What expenses would be involved with that particular program?

MR. ADY: That's a program that has been in place for awhile. For instance, Pratt & Whitney came into Lethbridge, and the department agreed to assist them with the training of people because it was highly skilled and specialized, rather than unskilled. Well, it is unskilled, but it was specialized training that was required for the things that Pratt & Whitney were going to do in

their plant in Lethbridge. We are involved with budgetary money to assist them with training those people at the Lethbridge Community College, and that's what that money is specifically.

MRS. LAING: Thank you, Mr. Minister.

MR. CHAIRMAN: Second supplementary.

MRS. LAING: No, I've finished my second.

MR. CHAIRMAN: Mr. Beniuk.

MR. BENIUK: I just want to compliment her. She was asking exactly what I . . . Thank you very much.

MR. CHAIRMAN: Okay. I'm going back over here. Well, it's the same thing I've done all the way along here.

MR. ADY: I've got a little trouble with your clock, Mr. Chairman.

MR. CHAIRMAN: We're six minutes away.
Dr. Massey, did you have another question?

DR. MASSEY: Yes. The money for capital projects went by rather quickly. Are postsecondary institutions required to file a capital projects multiyear plan?

MR. ADY: Yes.

DR. MASSEY: I know that institutions can put some of their money into capital out of their operating. There's some leeway there.

MR. ADY: There's some.

DR. MASSEY: In this budget have you any idea how much money is being spent on capital in postsecondary institutions?

MRS. DUNCAN: Out of the operating grant?

DR. MASSEY: In total.

MR. ADY: Well, we know that they're going to spend these amounts that are listed here. We also leave them the leeway to spend – is it 2 per cent?

MRS. DUNCAN: Yeah, but they can also put tuition money towards capital; they can raise money from the private sector towards capital. I don't know that I have the number. Well, I know I don't have the number.

DR. MASSEY: As the second supplemental, specifically what will happen to student housing at the University of Alberta?

MR. ADY: I can't answer what will happen to student housing at the University of Alberta because that will be decided by the administration and the board.

DR. MASSEY: There are no dollars allocated specifically in this capital budget for them?

MR. ADY: No, specifically there are not.

MR. CHAIRMAN: Mr. Friedel.

MR. FRIEDEL: What I was thinking about was just kind of answered.

MR. CHAIRMAN: Mr. Beniuk.

MR. BENIUK: To the minister. Private Colleges – Operating budget, 2.3 and on. What is the difference in the funding that you give to the University of Alberta or to the private colleges, the per centage of their operating budgets, et cetera? Is it the same, or is there a different formula used? Could you elaborate, please?

10:30

MR. ADY: There's a different formula. First of all, we don't participate in anything capital at a private college. Secondly, we only fund them to the 71 per cent level of what we would fund a public college or university.

MR. BENIUK: That normally goes to the capital, you said.

MR. ADY: None for capital; it's all operating.

MR. CHAIRMAN: Folks, we're down to three minutes.

MR. BENIUK: I'll ask the last question.

MR. CHAIRMAN: I have one on this side. Mr. Sohal.

MR. SOHAL: I'll take the minute, then you can take the other couple of minutes.

Mr. Minister, my question is not directly related but relevant. I see here 1.0.4, Information and Policy Services. My question is: do you have any service whereby immigrants and native people – I can call disadvantaged people – are informed of all the services we have here?

MR. ADY: Yes; they can get information from our career development centres, for one place, and we have 22 of them. Lynne, what are some others? From the colleges themselves. They know they are around, and they go there to see what's available. We don't find that we're having to carry that to them.

MR. SOHAL: So there's no money directly allocated to sell these programs?

MR. ADY: No, not like that. There is through the career development centres with printed material and the like. If somebody sends an inquiry, we have information we can send out, but I guess we don't have anyone steaming around the province in a vehicle to sell this to whomever. I don't believe we have a deficiency there, with people not knowing what might be available.

MR. CHAIRMAN: Ladies and gentlemen, as I said before, my watch doesn't have a second hand on it.

AN HON. MEMBER: Sir, you've been using the sundial.

MR. CHAIRMAN: Actually, the Clerk and I have both been keeping track, and we're fairly accurate. Under Standing Order 56(7)(a) we are at four hours, and I would like to have unanimous consent to conclude consideration of the department of advanced education's estimates budget for 1993-94.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: We have unanimous consent. That's a thing of beauty. At this point in time the department may be excused.

A couple of things just to wrap this up for the committee members, and I'll read it right out of the Standing Orders.

No substantive vote shall be made in a Designated Supply Subcommittee except to:

- (a) make recommendations to the Committee of Supply; and,
- (b) to conclude discussion and rise and report.

I would like either a recommendation or a motion to conclude discussion and adjourn this meeting.

MR. RENNER: I'd like to make a motion for a recommendation. I'd like to move

that this committee recommend to the Committee of Supply that a full and adequate analysis of this department was conducted by our committee and that no further analysis should be required.

MR. CHAIRMAN: The motion is on the floor. All those in favour?

HON. MEMBERS: Aye.

MR. CHAIRMAN: Any opposed? None opposed.
A motion to adjourn?

DR. MASSEY: Before they leave, Mr. Chairman . . .

MR. CHAIRMAN: Before they leave, if I may: all the department people that are screaming out down the hall down there, thank you very, very much. It was most informative; it was concise; it was clear. We all got an awful lot of questions, and I believe they were all answered. Mr. Ady, as the hon. minister of advanced education, you were frankly stunning in your answers. It was very forthright.

I'm very pleased at what the committee accomplished tonight. We've set a precedent. This is the first time this has been done in, I believe, something like 17 years. I'm proud to have been a part of the process and hope that the next four subcommittees run as smoothly as this one.

Are there any committee members that would like to make a statement? Dr. Massey.

DR. MASSEY: Just from our side, yes. We want to thank the minister for being so open and his staff for being so forthcoming with the information and the members opposite for making us feel so comfortable.

MR. ADY: I can be part of the love-in by saying I really appreciated the environment that was here tonight. I thought it was good. We wanted to be available to deal with it in an expeditious manner and without confrontation. If that's what it takes, then let's do it.

MR. CHAIRMAN: Would any other member like to make a statement?

MR. ZARIWNY: I was just going to say that I believe the committee achieved its objective today. It was a very good meeting and very informative.

MR. ADY: And I won't have to have any questions in question period for the balance of the session.

MR. BENIUK: I would like to add that I think the chair did a marvelous job, very effective.

MR. CHAIRMAN: This, I think, expresses the spirit of co-operation that our two sides of this House, of this Assembly, have been talking about for some time, and I'm pleased to have been part of it.

A motion to adjourn?

MR. RENNER: A motion to adjourn.

MR. CHAIRMAN: It's been put by Mr. Renner. All those in favour?

HON. MEMBERS: Aye.

MR. CHAIRMAN: Any opposed? None. It's unanimous. Thank you very much.

[The subcommittee adjourned at 10:36 p.m.]